**DRAFT RED HERRING PROSPECTUS**
Dated August 7, 2021
*(This Draft Red Herring Prospectus will be updated upon filing with the RoC)*
*Please read Section 32 of the Companies Act, 2013*
**100% Book Built Offer**

Better Products. Better Life.

# GEMINI EDIBLES & FATS INDIA LIMITED

Our Company was incorporated on April 17, 2008 at Hyderabad, Andhra Pradesh, India as "Gemini Edibles & Fats India Private Limited", a private limited company under the Companies Act, 1956 pursuant to a certificate of incorporation granted by the Assistant Registrar of Companies, Andhra Pradesh at Hyderabad. Our Company was then converted into a public limited company under the Companies Act, 2013, as approved by our Shareholders pursuant to a resolution dated June 23, 2021, and consequently, the name of our Company was changed to "Gemini Edibles & Fats India Limited" and a fresh certificate of incorporation dated July 8, 2021 was issued by the Registrar of Companies, Telangana at Hyderabad ("**RoC**"). For further details in relation to changes in the name and the Registered and Corporate Office of our Company, see "*History and Certain Corporate Matters*" beginning on page 168.

**Registered and Corporate Office:** "Freedom House", 8-2-334/70 & 71, Opposite SBI Executive Enclave, Road No.5, Banjara Hills, Hyderabad 500 034, Telangana, India
**Contact Person**: Rajesh Kumar Aggarwal, Company Secretary and Compliance Officer
**Tel:** +91 40 6735 7868; **E-mail:** investors@gefindia.net; **Website:** www.gefindia.com
**Corporate Identity Number**: U15205TG2008PLC058708

**OUR PROMOTERS: PRADEEP KUMAR CHOWDHRY, ALKA CHOWDHRY, GOLDEN AGRI INTERNATIONAL ENTERPRISES PTE. LTD. AND GOLDEN AGRI INTERNATIONAL PTE. LTD.**

**INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹1 EACH ("EQUITY SHARES") OF GEMINI EDIBLES & FATS INDIA LIMITED (OUR "COMPANY" OR THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹[●] PER EQUITY SHARE) AGGREGATING UP TO ₹25,000.00 MILLION THROUGH AN OFFER FOR SALE (THE "OFFER" OR "OFFER FOR SALE") BY THE SELLING SHAREHOLDERS, COMPRISING OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹250.00 MILLION BY PRADEEP KUMAR CHOWDHRY, UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹2,250.00 MILLION BY ALKA CHOWDHRY, UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹7,500.00 MILLION BY GOLDEN AGRI INTERNATIONAL ENTERPRISES PTE. LTD., UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹12,500.00 MILLION BY BLACK RIVER FOOD 2 PTE. LTD. AND UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹2,500.00 MILLION BY INVESTMENT AND COMMERCIAL ENTERPRISE PTE. LTD. (COLLECTIVELY REFERRED TO AS THE "SELLING SHAREHOLDERS" AND EACH, INDIVIDUALLY, AS A "SELLING SHAREHOLDER"). THE OFFER SHALL CONSTITUTE [●]% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.**

**THE FACE VALUE OF THE EQUITY SHARE IS ₹1 EACH AND THE OFFER PRICE IS [●] TIMES THE FACE VALUE OF EQUITY SHARES. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BRLMS, AND WILL BE INCLUDED IN THE RED HERRING PROSPECTUS OR BE ADVERTISED IN [●] EDITIONS OF THE ENGLISH NATIONAL DAILY NEWSPAPER, [●], [●] EDITIONS OF THE HINDI NATIONAL DAILY NEWSPAPER, [●] AND [●] EDITIONS OF THE TELUGU DAILY NEWSPAPER [●] (TELUGU BEING THE REGIONAL LANGUAGE OF TELANGANA, WHERE OUR REGISTERED AND CORPORATE OFFICE IS LOCATED), EACH WITH WIDE CIRCULATION, AT LEAST TWO WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE AND SUCH ADVERTISEMENT SHALL BE MADE AVAILABLE TO BSE LIMITED ("BSE") AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE", AND TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES.**

In case of any revision in the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days after such revision of the Price Band, subject to the Bid/Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company, in consultation with the BRLMs, may for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of three Working Days, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the respective websites of the BRLMs and at the terminals of the Syndicate Members and by intimation to the other Designated Intermediaries and the Sponsor Bank, as applicable.

The Offer is being made through the Book Building Process, in terms of Rule 19(2)(b) of the SCRR read with Regulation 31 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "**SEBI ICDR Regulations**") and in compliance with Regulation 6(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Offer shall be available for allocation on a proportionate basis to Qualified Institutional Buyers ("**QIBs**", and such portion, the "**QIB Portion**"), provided that our Company, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis, in accordance with the SEBI ICDR Regulations (the "**Anchor Investor Portion**"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from the Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation will be added to the remaining QIB Portion for proportionate allocation to QIBs. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. All Bidders, other than Anchor Investors, are required to mandatorily utilize the Application Supported by Blocked Amount ("**ASBA**") process by providing details of their respective ASBA accounts and UPI ID (in case of Retail Individual Bidders), if applicable, in which the corresponding Bid Amounts will be blocked by the self-certified syndicate banks ("**SCSBs**") or under the UPI Mechanism, as applicable, to participate in the Offer. Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process. See "*Offer Procedure*", beginning on page 331.

**RISK IN RELATION TO THE FIRST OFFER**

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹1 each. The Floor Price, Cap Price and Offer Price should not be taken 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 RISK**

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the 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 in the Offer have not been recommended or approved by the Securities and Exchange Board of India (the "**SEBI**"), nor does the SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "*Risk Factors*" beginning on page 25.

**ISSUER'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY**

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this 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 this 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, each Selling Shareholder, severally and not jointly, accepts responsibility for and confirms the statements made or undertaken expressly by it in this Draft Red Herring Prospectus to the extent of information specifically pertaining to it and its respective portion of the Offered Shares and assumes responsibility that such statements are true and correct in all material respects and not misleading in any material respect.

**LISTING**

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received an 'in-principle' approval from each of the BSE and the NSE for the listing of the Equity Shares pursuant to their letters dated [●] and [●], respectively. For the purposes of the Offer, the Designated Stock Exchange shall be [●]. A signed copy of the Red Herring Prospectus and the Prospectus shall be delivered to the RoC in accordance with the Companies Act. For details of the material contracts and documents that will be available for inspection from the date of the Red Herring Prospectus up to the Bid/Offer Closing Date, see "*Material Contracts and Documents for Inspection*" beginning on page 362.

| BOOK RUNNING LEAD MANAGERS | | | | REGISTRAR TO THE OFFER |
|---|---|---|---|---|
| AXIS CAPITAL | CREDIT SUISSE | kotak Investment Banking | NOMURA | KFINTECH |
| **Axis Capital Limited**<br>1st Floor, Axis House<br>C 2 Wadia International Centre<br>Pandurang Budhkar Marg, Worli<br>Mumbai 400 025<br>Maharashtra, India<br>**Tel**: +91 22 4325 2183<br>**E-mail**: gemini.ipo@axiscap.in<br>**Investor Grievance E-mail**: complaints@axiscap.in<br>**Website**: www.axiscapital.co.in<br>**Contact Person**: Mayuri Arya<br>**SEBI Registration No.**: INM000012029 | **Credit Suisse Securities (India) Private Limited**<br>Ceejay House, 9th Floor<br>Plot F, Shivsagar Estate<br>Dr. Annie Besant Road, Worli<br>Mumbai 400 018<br>Maharashtra India<br>**Tel**: +91 22 6777 3885<br>**E-mail**: list.geminiipo@credit-suisse.com<br>**Investor Grievance E-mail**: list.igcellmer-bnkg@credit-suisse.com<br>**Website**: www.credit-suisse.com/in/en/investment-banking-apac/investment-banking-in-india/ipo.html<br>**Contact Person**: Abhishek Joshi<br>**SEBI Registration No.**: INM000011161 | **Kotak Mahindra Capital Company Limited**<br>1st Floor, 27 BKC<br>Plot No. 27, 'G' Block<br>Bandra Kurla Complex, Bandra (East)<br>Mumbai 400 051<br>Maharashtra, India<br>**Tel**: +91 22 4336 0000<br>**E-mail**: gefil.ipo@kotak.com<br>**Investor Grievance E-mail**: kmccredressal@kotak.com<br>**Website**: www.investmentbank.kotak.com<br>**Contact Person**: Ganesh Rane<br>**SEBI Registration No.**: INM000008704 | **Nomura Financial Advisory and Securities (India) Private Limited**<br>Ceejay House, Level 11 Plot F<br>Shivsagar Estate, Dr. Annie Besant Road, Worli<br>Mumbai 400 018<br>Maharashtra, India<br>**Tel**: +91 22 4037 4037<br>**E-mail**: geminiindiaipo@nomura.com<br>**Investor Grievance E-mail**: investorgrievances-in@nomra.com<br>**Website**:www.nomuraholdings.com/company/group/asia/india/index.html<br>**Contact Person**: Vishal Kanjani/Ananya Joshi<br>**SEBI Registration No.**: INM000011419 | **KFin Technologies Private Limited**<br>Selenium Tower-B, Plot 31 & 32<br>Gachibowli, Financial District<br>Nanakramguda, Serilingampally<br>Hyderabad 500 032<br>Telangana, India<br>**Tel**: +91 40 6716 2222<br>**E-mail**: gefil.ipo@kfintech.com<br>**Investor Grievance E-mail**: einward.ris@kfintech.com<br>**Website**: www.kfintech.com<br>**Contact Person**: M Murali Krishna<br>**SEBI Registration No.**: INR000000221 |

**BID/OFFER PROGRAMME**

| | |
|---|---|
| **BID/OFFER OPENS ON: [●]**(1) | **BID/OFFER CLOSES ON: [●]**(2) |

(1) *Our Company, in consultation with the BRLMs, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period will be one Working Day prior to the Bid/Offer Opening Date.*
(2) *Our Company, in consultation with the BRLMs, may 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.*

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## SECTION I: GENERAL

## DEFINITIONS AND ABBREVIATIONS

*This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless otherwise specified or the context otherwise indicates, requires or implies, shall have the meanings as provided below. References to any legislation, act, regulation, rule, guideline, policy, circular, notification or clarification shall be deemed to include all amendments, supplements, re-enactments and modifications thereto, from time to time, and any reference to a statutory provision shall include any subordinate legislation made from time to time thereunder. The words and expressions used but not defined in this Draft Red Herring Prospectus will have the same meaning as assigned to such terms under the Companies Act, the SEBI Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act and the rules and regulations made thereunder, as applicable.*

*Notwithstanding the foregoing, the terms used in "Industry Overview", "Key Regulations and Policies", "Statement of Possible Special Tax Benefits", "Financial Information", "Basis for Offer Price", "History and Certain Corporate Matters", "Financial Indebtedness", "Other Regulatory and Statutory Disclosures", "Outstanding Litigation and Material Developments" and "Description of Equity Shares and Terms of the Articles of Association" beginning on pages 92, 161, 84, 207, 81, 168, 262, 305, 287 and 352, respectively, shall have the respective meanings ascribed to them in the relevant section.*

### General Terms

| Term | Description |
|---|---|
| "Our Company" or "the Company" or "the Issuer" or "Gemini" or "we" or "us" or "our" | Gemini Edibles & Fats India Limited, a company incorporated under the Companies Act, 1956, whose registered and corporate office is situated at "Freedom House", 8-2-334/70 & 71, Opposite SBI Executive Enclave, Road No.5, Banjara Hills, Hyderabad 500 034, Telangana, India |

### Company and Selling Shareholder Related Terms

| Term | Description |
|---|---|
| "AoA" or "Articles" or "Articles of Association" | The articles of association of our Company, as amended |
| "Auditors" or "Statutory Auditors" | The statutory auditors of our Company, namely, Walker Chandiok & Co LLP, Chartered Accountants |
| Audit Committee | The audit committee of our Board of Directors as described in "*Our Management*" beginning on page 174 |
| Black River | Black River Food 2 Pte. Ltd. |
| "Board" or "Board of Directors" | The board of directors of our Company |
| "Company Secretary and Compliance Officer" or "Company Secretary" or "Compliance Officer" | Rajesh Kumar Aggarwal, the company secretary and compliance officer of our Company |
| Corporate Promoters | GAI and GAIE, taken together, and each a "Corporate Promoter" |
| Corporate Social Responsibility Committee | The corporate social responsibility committee of our Board as described in "*Our Management*" beginning on page 174 |
| Director(s) | The director(s) on our Board |
| Equity Shares | Equity shares of face value of ₹1 each of our Company |
| Executive Director | The executive Director on our Board |
| GAI | Golden Agri International Pte. Ltd. |
| GAIE | Golden Agri International Enterprises Pte. Ltd. |
| GAR | Golden Agri-Resources Ltd. |
| Group Companies | Our group companies, namely, Black River Food 2 Pte. Ltd., Golden Agri Resources (India) Private Limited, Integrated Advance IT Services Sdn. Bhd., Leo Global Commodities Private Limited, SOL, UKS Forex Private Limited and UKS Oils Private Limited, as disclosed in "*Our Group Companies*" beginning on page 200 |
| ICE | Investment and Commercial Enterprise Pte. Ltd. |
| Independent Director(s) | The independent Director(s) on our Board |

| Term | Description |
|---|---|
| Individual Promoters | The individual promoters of our Company, namely, Pradeep Chowdhry and Alka Chowdhry |
| "Industry Report" or "Technopak Report" | A report dated August 4, 2021, titled "*Indian Edible Oils & Fats Industry*" prepared by Technopak, paid for and commissioned by our Company |
| Investor Selling Shareholders | Black River and ICE |
| IPO Committee | The IPO committee of our Board |
| "Key Managerial Personnel" or "KMP" | Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations, Section 2(51) of the Companies Act and as disclosed in "*Our Management*" beginning on page 174 |
| Managing Director | The managing Director on our Board, Pradeep Chowdhry |
| "MoA" or "Memorandum" or "Memorandum of Association" | The memorandum of association of our Company, as amended |
| Nielsen | Nielsen (India) Private Limited |
| Nielsen Information | The data and information issued and prepared by Nielsen in accordance with the terms of the agreement dated January 20, 2021 and the general terms and conditions contained therein entered into between our Company and Nielsen |
| Nomination and Remuneration Committee | The nomination and remuneration committee of our Board as described in "*Our Management*" beginning on page 174 |
| Non-Executive Nominee Director(s) | The non-executive nominee Director(s) on our Board |
| Pradeep Chowdhry | Pradeep Kumar Chowdhry |
| Promoter Group | The entities constituting the promoter group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations, as disclosed in "*Our Promoters and Promoter Group*" beginning on page 194 |
| Promoters | The promoters of our Company, namely, Pradeep Chowdhry, Alka Chowdhry, GAIE and GAI |
| Promoter Selling Shareholders | Pradeep Chowdhry, Alka Chowdhry and GAIE |
| Past Statutory Auditors | Singhi & Co., Chartered Accountants, who were the statutory auditors of the Company from September 29, 2017 until September 25, 2020 |
| Registered and Corporate Office | The registered and corporate office of our Company, which is located at "Freedom House", 8-2-334/70 & 71, opposite SBI Executive Enclave, Road No.5, Banjara Hills, Hyderabad 500 034, Telangana, India |
| "Registrar of Companies" or "RoC" | The Registrar of Companies, Telangana at Hyderabad |
| Restated Financial Information | The restated financial information of our Company as of and for the financial years ended March 31, 2021, March 31, 2020 and March 31, 2019, comprising: (i) restated statement of assets and liabilities of the Company as of March 31, 2021, March 31, 2020 and March 31, 2019; (ii) the restated statement of profit and loss (including other comprehensive income) and restated cash flows statement and changes in equity for the financial years ended March 31, 2021, March 31, 2020 and March 31, 2019; and (iii) notes thereto, each prepared in accordance with Ind AS, the requirements of Section 26 of Part I of Chapter III of the Companies Act, the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, each as amended from time to time |
| Risk Management Committee | The risk management committee of our Board as described in "*Our Management*" beginning on page 174 |
| RSIL | Ruchi Soya Industries Limited |
| Selling Shareholders | Pradeep Chowdhry, Alka Chowdhry, GAIE, Black River and ICE, taken together, and each a "Selling Shareholder" |
| SOL | Secunderabad Oils Limited |
| Shareholders | The holders of the Equity Shares, from time to time |
| Stakeholders' Relationship Committee | The stakeholders' relationship committee of our Board as described in "*Our Management*" beginning on page 174 |
| Technopak | Technopak Advisors Private Limited |
| Whole Time Director | A whole time Director on our Board |
| 2021 SHA | The shareholder's agreement dated September 25, 2018 entered among our Company, Black River, GAIE, Pradeep Chowdhry, Alka Chowdhry and ICE, as amended by the amendment and termination agreement dated June 23, 2021 |

## Offer Related Terms

| Term | Description |
|---|---|
| Acknowledgement Slip | The slip or document issued by the Designated Intermediary to a Bidder as proof of registration of the Bid cum Application Form |
| "Allotment" or "Allot" or "Allotted" | Allotment of the Equity Shares pursuant to the transfer of the Offered Shares pursuant to the Offer for Sale to the successful Bidders |
| Allotment Advice | Note or advice or intimation of Allotment sent to each successful Bidder who has been or is to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange |
| Allottee | A successful Bidder to whom the Equity Shares are Allotted |
| Anchor Investor | A Qualified Institutional Buyer, applying under the Anchor Investor Portion, in accordance with the SEBI ICDR Regulations and the Red Herring Prospectus, who has Bid for an amount of at least ₹100 million |
| Anchor Investor Allocation Price | The price at which allocation is done to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus. The Anchor Investor Allocation Price shall be determined by our Company, in consultation with the BRLMs |
| Anchor Investor Application Form | The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion in accordance with the requirements specified under the SEBI ICDR Regulations and the Red Herring Prospectus |
| Anchor Investor Bid/Offer Period | One Working Day prior to the Bid/Offer Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to Anchor Investors shall be completed |
| Anchor Investor Offer Price | The final price at which Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price, but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company, in consultation with the BRLMs |
| Anchor Investor Portion | Up to 60% of the QIB Portion, which may be allocated by our Company, in consultation with the BRLMs, to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations |
| "Application Supported by Blocked Amount" or "ASBA" | An application, whether physical or electronic, used by ASBA Bidders to make a Bid and to authorize an SCSB to block the Bid Amount in the relevant ASBA Account and will include applications made by Retail Individual Bidders using the UPI Mechanism where the Bid Amount will be blocked upon acceptance of the UPI Mandate Request by Retail Individual Bidders using the UPI Mechanism |
| ASBA Account | A bank account maintained with an SCSB and specified in the ASBA Form submitted by ASBA Bidders, for blocking the Bid Amount mentioned in the relevant ASBA Form and includes the account of a Retail Individual Bidder, which is blocked upon acceptance of a UPI Mandate Request made by the Retail Individual Bidder using the UPI Mechanism |
| ASBA Bid | A Bid made by an ASBA Bidder |
| ASBA Bidder(s) | Bidder(s), except Anchor Investors |
| ASBA Form | An application form, whether physical or electronic, used by ASBA Bidders which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus |
| Axis | Axis Capital Limited |
| Banker(s) to the Offer | The Escrow Collection Bank(s), the Refund Bank(s), the Public Offer Account Bank(s) and the Sponsor Bank(s), as the case may be |
| Basis of Allotment | The basis on which Equity Shares shall be Allotted to successful Bidders under the Offer and which is described in "*Offer Procedure*" beginning on page 331 |
| Bid | An indication to make an offer during the Bid/Offer Period by ASBA Bidders pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/Offer Period by the Anchor Investors pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto, in accordance with the SEBI ICDR Regulations and the Red Herring Prospectus and the Bid cum application form. The term "Bidding" shall be construed accordingly |
| Bid Amount | In relation to each Bid, the highest value of the optional Bids indicated in the Bid cum Application Form and in the case of Retail Individual Bidders Bidding at the Cut-off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual |

| Term | Description |
| --- | --- |
| | Bidder and mentioned in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidder, as the case may be, upon submission of such Bid. |
| Bid cum Application Form | The Anchor Investor Application Form or the ASBA Form, as the case may be |
| Bid Lot | [●] Equity Shares and in multiples of [●] Equity Shares thereafter |
| Bid/Offer Closing Date | Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries shall not accept any Bids, which shall be notified in [●] editions of the English national daily newspaper [●], [●] editions of the Hindi national daily newspaper [●] and [●] editions of the Telugu daily newspaper [●] (Telugu being the regional language of Telangana, where our Registered and Corporate Office is located), each with wide circulation. Our Company may, in consultation with the BRLMs, 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. In case of any revision, the extended Bid/Offer Closing Date shall also be notified on the websites of the BRLMs and at the terminals of the Syndicate Members and communicated to the Designated Intermediaries and the Sponsor Bank, which shall also be notified in an advertisement in the same newspapers in which the Bid/Offer Opening Date was published, as required under the SEBI ICDR Regulations |
| Bid/Offer Opening Date | Except in relation to any Bids received from Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, which shall be notified in [●] editions of the English national daily newspaper [●], [●] editions of the Hindi national daily newspaper [●] and [●] editions of the Telugu daily newspaper [●] (Telugu being the regional language of Telangana, where our Registered and Corporate Office is located), each with wide circulation |
| Bid/Offer Period | Except in relation to Anchor Investors, the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof, in accordance with the SEBI ICDR Regulations and the terms of the Red Herring Prospectus. Provided however, that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders, other than Anchor Investors |
| Bidder | Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an Anchor Investor |
| Bidding Centres | The centres at which the Designated Intermediaries shall accept the ASBA Forms, i.e., Designated Branches for SCSBs, Specified Locations for the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs |
| Book Building Process | The book building process, as provided in Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made |
| "Book Running Lead Managers" or "BRLMs" | The book running lead managers to the Offer, namely, Axis, Credit Suisse, Kotak and Nomura |
| Broker Centres | The broker centres notified by the Stock Exchanges where ASBA Bidders can submit the ASBA Forms to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com) |
| CAN | A notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, after the Anchor Investor Bid/Offer Period |
| Cap Price | The higher end of the Price Band, subject to any revision thereto, above which the Offer Price and the Anchor Investor Offer Price will not be finalized and above which no Bids will be accepted |
| Cash Escrow and Sponsor Bank Agreement | Agreement to be entered among our Company, the Selling Shareholders, the BRLMs, Syndicate Members, the Bankers to the Offer and Registrar to the Offer for, *inter alia*, collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Offer Account and where applicable, refunds of the amounts collected from Bidders, on the terms and conditions thereof |
| Client ID | Client identification number maintained with one of the Depositories in relation to dematerialized account |
| "Collecting Depository Participant" or "CDP" | A depository participant as defined under the Depositories Act, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of the circular (No. CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 issued by the SEBI |

| Term | Description |
|---|---|
| Credit Suisse | Credit Suisse Securities (India) Private Limited |
| Cut-off Price | The Offer Price finalized by our Company, in consultation with the BRLMs, which may be any price within the Price Band. Only Retail Individual Bidders bidding in the Retail Portion are entitled to Bid at the Cut-off Price. No other category of Bidders is entitled to Bid at the Cut-off Price |
| Demographic Details | The demographic details of the Bidders including the Bidder's address, name of the Bidder's father/husband, investor status, occupation, bank account details and UPI ID, wherever applicable |
| Designated Branches | Such branches of the SCSBs which will collect the ASBA Forms used by the ASBA Bidders and a list of which is available on the website of the SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time, or any such other website as may be prescribed by the SEBI |
| Designated CDP Locations | Such locations of the CDPs where ASBA Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the CDPs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), as updated from time to time |
| Designated Date | The date on which funds are transferred by the Escrow Collection Bank(s) from the Escrow Account(s) to the Public Offer Account or the Refund Account, as the case may be, and/or the instructions are issued to the SCSBs (in case of Retail Individual Bidders using the UPI Mechanism, instruction issued through the Sponsor Bank) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Offer Account or the Refund Account, as the case may be, in terms of the Red Herring Prospectus and the Prospectus following which Equity Shares will be Allotted in the Offer |
| Designated Intermediaries | In relation to ASBA Forms submitted by Retail Individual Bidders by authorising an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs<br><br>In relation to ASBA Forms submitted by Retail Individual Bidders where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such Retail Individual Bidder, as the case may be, using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, sub-Syndicate/agents, Registered Brokers, CDPs, SCSBs and RTAs<br><br>In relation to ASBA Forms submitted by QIBs and Non-Institutional Bidders, Designated Intermediaries shall mean Syndicate, sub-Syndicate/agents, SCSBs, Registered Brokers, the CDPs and RTAs |
| Designated RTA Locations | Such locations of the RTAs where Bidders can submit the ASBA Forms to the RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com) |
| Designated Stock Exchange | [●] |
| "Draft Red Herring Prospectus" or "DRHP" | This draft red herring prospectus dated August 7, 2021 filed with the SEBI and issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer, including any addenda or corrigenda thereto |
| Eligible NRI(s) | NRI(s) from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares offered thereby |
| Escrow Account(s) | Account to be opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors will transfer money through direct credit or NACH or NEFT or RTGS in respect of the Bid Amount when submitting a Bid |
| Escrow Collection Bank(s) | The bank(s) which are clearing members and registered with the SEBI as a banker to an issue and with whom the Escrow Account(s) shall be opened, in this case being [●] |
| First Bidder | Bidder whose name appears first in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name also appears as the first holder of the beneficiary account held in joint names |
| Floor Price | The lower end of the Price Band, subject to any revision thereto, at or above which the Offer Price and the Anchor Investor Offer Price will be finalized and below which no Bids will be accepted |

| Term | Description |
|---|---|
| "General Information Document" or "GID" | The General Information Document for investing in public issues prepared and issued in accordance with the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars, as amended from time to time. The General Information Document shall be available on the websites of the Stock Exchanges and the BRLMs |
| Kotak | Kotak Mahindra Capital Company Limited |
| Mutual Fund(s) | Mutual fund(s) registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 |
| Mutual Fund Portion | 5% of the Net QIB Portion, or [●] Equity Shares, which shall be available for allocation only to Mutual Funds on a proportionate basis, subject to valid Bids being received at or above the Offer Price |
| Net QIB Portion | The QIB Portion less the number of Equity Shares allocated to the Anchor Investors |
| Nomura | Nomura Financial Advisory and Securities (India) Private Limited |
| Non-Institutional Bidders | All Bidders that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount of more than ₹200,000 (but not including NRIs other than Eligible NRIs) |
| Non-Institutional Portion | The portion of the Offer being not less than 15% of the Offer, or [●] Equity Shares, which shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Offer Price |
| Non-Resident | Person resident outside India, as defined under FEMA and includes a non-resident Indian, FVCIs and FPIs |
| Offer Agreement | The agreement dated August 7, 2021 entered among our Company, the Selling Shareholders and the BRLMs, pursuant to which certain arrangements are agreed to in relation to the Offer |
| "Offer" or "Offer for Sale" | The initial public offering of up to [●] Equity Shares for cash at a price of ₹[●] per Equity Share aggregating up to ₹25,000.00 million through an offer for sale of, up to [●] Equity Shares aggregating up to ₹250.00 million by Pradeep Chowdhry, up to [●] Equity Shares aggregating up to ₹2,250.00 million by Alka Chowdhry, up to [●] Equity Shares aggregating up to ₹7,500.00 million by GAIE, up to [●] Equity Shares aggregating up to ₹12,500.00 million by Black River and up to [●] Equity Shares aggregating up to ₹2,500.00 million by ICE |
| Offer Price | The final price at which Equity Shares will be Allotted to successful Bidders (except for the Anchor Investors) in terms of the Red Herring Prospectus and the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price in terms of the Red Herring Prospectus and the Prospectus |
| Offer Proceeds | The proceeds of the Offer for Sale which shall be available to the Selling Shareholders. For further information about use of the Offer Proceeds, see "*Objects of the Offer*" beginning on page 78 |
| Offered Shares | Up to [●] Equity Shares aggregating to ₹25,000.00 million being offered for sale by the Selling Shareholders in the Offer for Sale |
| Price Band | Price band of a minimum price of ₹[●] per Equity Share (i.e., the Floor Price) and the maximum price of ₹[●] per Equity Share (i.e., the Cap Price), including any revisions thereof. The Price Band and the minimum Bid Lot for the Offer will be decided by our Company, in consultation with the BRLMs and shall be advertised in [●] editions of the English national daily newspaper [●], [●] editions of the Hindi national daily newspaper [●] and [●] editions of the Telugu daily newspaper [●] (Telugu being the regional language of Telangana, where our Registered and Corporate Office is located), each with wide circulation, at least two Working Days prior to the Bid/Offer Opening Date |
| Pricing Date | The date on which our Company, in consultation with the BRLMs, will finalize the Offer Price |
| Prospectus | The prospectus for the Offer to be filed with the RoC on or after the Pricing Date in accordance with Section 26 of the Companies Act and the SEBI ICDR Regulations, containing, *inter alia*, the Offer Price that is determined at the end of the Book Building Process, the size of the Offer and certain other information, including any addenda or corrigenda thereto |
| Public Offer Account | 'No-lien' and 'non-interest-bearing' bank account opened in accordance with Section 40(3) of the Companies Act, with the Public Offer Account Bank to receive money from the Escrow Account(s) and the ASBA Accounts maintained with the SCSBs on the Designated Date |
| Public Offer Account Bank | The bank(s) which are clearing members and registered with the SEBI as bankers to an issue and with which the Public Offer Account shall be opened, being [●] |

| Term | Description |
|---|---|
| QIB Portion | The portion of the Offer being not more than 50% of the Offer, or not more than [●] Equity Shares, which shall be available for allocation on a proportionate basis to QIBs, including the Anchor Investor Portion (in which allocation shall be on a discretionary basis, as determined by our Company, in consultation with the BRLMs), subject to valid Bids being received at or above the Offer Price or the Anchor Investor Offer Price, as applicable |
| "Qualified Institutional Buyers", "QIBs" or "QIB Bidders" | Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations |
| "Red Herring Prospectus" or "RHP" | The red herring prospectus for the Offer to be issued by our Company in accordance with Section 32 of the Companies Act and the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer, including any addenda or corrigenda thereto. The Red Herring Prospectus will be filed with the RoC at least three days before the Bid/Offer Opening Date and will become the Prospectus upon filing with the RoC on or after the Pricing Date |
| Refund Account(s) | Account opened with the Refund Bank(s) from which refunds, if any, of the whole or part of the Bid Amount to the Bidders shall be made |
| Refund Bank(s) | Banker(s) to the Offer and with which Refund Account(s) shall be opened, being [●] |
| Registered Brokers | The stock brokers registered under the Securities and Exchange Board of India (Stock Brokers) Regulations, 1992, as amended with SEBI and the stock exchanges having nationwide terminals, other than the Members of the Syndicate and eligible to procure Bids in terms of the circular (No. CIR/CFD/14/2012) dated October 4, 2012 issued by the SEBI |
| Registrar Agreement | The agreement dated August 5, 2021 entered among our Company, the Selling Shareholders and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer |
| RTAs | Registrar and share transfer agents registered with the SEBI and eligible to procure Bids at the Designated RTA Locations as per the lists available on the website of the BSE and NSE, and the UPI Circulars |
| "Registrar to the Offer" or "Registrar" | KFin Technologies Private Limited |
| "Retail Individual Bidders" or "RIBs" | Individual Bidders who have Bid for Equity Shares for an amount of not more than ₹200,000 in any of the bidding options in the Offer (including HUFs applying through the *karta* and Eligible NRIs) |
| Retail Portion | The portion of the Offer being not less than 35% of the Offer, or [●] Equity Shares, which shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price |
| Revision Form | The form used by the Bidders to modify the quantity of Equity Shares or the Bid Amount in their Bid cum Application Forms or any previous Revision Forms. QIBs and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of the quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bids during the Bid/Offer Period and withdraw their Bids until the Bid/Offer Closing Date |
| SCSBs | The banks registered with SEBI, which offer the facility of ASBA services, (i) in relation to ASBA, where the Bid Amount will be blocked by authorising an SCSB, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time, (ii) in relation to Bidders using the UPI Mechanism, a list of which is available on the website of SEBI at sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as may be prescribed by SEBI and updated from time to time. Applications through UPI in the Offer can be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website. A list of SCSBs and mobile applications, which, are live for applying in public issues using UPI mechanism is provided as Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019. The list is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time |
| Share Escrow Agent | The share escrow agent to be appointed pursuant to the Share Escrow Agreement, namely, [●] |

| Term | Description |
|---|---|
| Share Escrow Agreement | Share escrow agreement dated [●] between our Company, Selling Shareholders and the Share Escrow Agent, in connection with the transfer of the Offered Shares by the Selling Shareholders and credit of such Equity Shares to the demat account of the Allottees in accordance with the Basis of Allotment |
| Specified Locations | Bidding Centres where the Syndicate will accept ASBA Forms from the Bidders |
| Sponsor Bank | [●], being a Banker to the Offer, appointed by our Company to act as a conduit between the Stock Exchanges and NPCI in order to push the mandate collect requests and / or payment instructions of the Retail Individual Bidders using the UPI and carry out other responsibilities, in terms of the UPI Circulars |
| "Syndicate" or "Members of the Syndicate" | The BRLMs and the Syndicate Members, collectively |
| Syndicate Agreement | The agreement to be entered into among the BRLMs, the Syndicate Members, the Selling Shareholders and our Company in relation to the collection of Bid cum Application Forms by the Syndicate |
| Syndicate Members | Intermediaries registered with the SEBI who are permitted to carry out activities as an underwriter, being [●] |
| Systemically Important NBFCs | In the context of a Bidder, a non-banking financial company registered with the RBI and as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations |
| Underwriters | [●] |
| Underwriting Agreement | The agreement among the Underwriters, the Selling Shareholders and our Company to be entered into on or after the Pricing Date but prior to the filing of the Prospectus with the RoC |
| "Unified Payments Interface" or "UPI" | An instant payment mechanism developed by the NPCI |
| UPI Circulars | The SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and any subsequent circulars or notifications issued by SEBI in this regard |
| UPI ID | An ID created on the UPI for single-window mobile payment system developed by the NPCI |
| UPI Mandate Request | A request (intimating the RIB by way of a notification on the UPI linked mobile application as disclosed by SCSBs on the website of SEBI and by way of an SMS on directing the RIB to such UPI linked mobile application) to the RIB initiated by the Sponsor Bank to authorize blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment |
| UPI Mechanism | The bidding mechanism that may be used by an RIB in accordance with the UPI Circulars to make an ASBA Bid in the Offer |
| UPI PIN | Password to authenticate UPI transaction |
| Working Day(s) | All days on which commercial banks in Mumbai are open for business. In respect of announcement of Price Band and Bid/Offer Period, Working Day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. In respect of the time period between the Bid/ Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, Working Day shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per circulars issued by SEBI |

### Industry/Business Related Terms

| Term | Description |
|---|---|
| CPKO | Crude palm kernel oil |
| CPO | Crude palm oil |
| FSSAI Covid Guidelines | Guidance note on 'Food Hygiene and Safety Guidelines for Food Businesses during Coronavirus Disease (COVID-19) Pandemic' issued by FSSAI |
| FMCG | Fast-moving consumer goods |

| Term | Description |
|---|---|
| HDPE | High-density polyethylene |
| HoReCa | Hotels, restaurants and caterers |
| LDPE | Low-density polyethylene |
| NBD | Neutralized, bleached and deodorized |
| NFL | National Food Laboratory |
| PET | Polyethylene terephthalate |
| RBD | Refined, bleached and deodorized |
| RoCE | Return on capital employed |
| RoE | Return on average equity |
| RSPO | Roundtable on Sustainable Palm Oil |

### Conventional Terms/Abbreviations

| Term | Description |
|---|---|
| AI | Artificial intelligence |
| Air Act | Air (Prevention and Control of Pollution) Act, 1981 |
| AGM | Annual general meeting |
| "Alternative Investment Funds" or "AIFs" | Alternative investment funds as defined in, and registered under, the SEBI AIF Regulations |
| API | Application programming interface |
| APPCB | Andhra Pradesh Pollution Control Board |
| "AS" or "Accounting Standards" | Accounting Standards issued by the Institute of Chartered Accountants of India |
| BSE | BSE Limited |
| Boilers Act | Indian Boilers Act, 1923 |
| CAGR | Compounded annual growth rate |
| Category I FPIs | FPIs registered as "Category I foreign portfolio investors" under the SEBI FPI Regulations |
| Category II FPIs | FPIs registered as "Category II foreign portfolio investors" under the SEBI FPI Regulations |
| CDSL | Central Depository Services (India) Limited |
| CIN | Corporate identity number |
| "Companies Act" or "Companies Act, 2013" | The Companies Act, 2013, read with the rules, regulations, clarifications and modifications thereunder |
| Companies Act, 1956 | The Companies Act, 1956, read with the rules, regulations, clarifications and modifications thereunder |
| Competition Act | The Competition Act, 2002 |
| COPRA 2019 | Consumer Protection Act, 2019 |
| COVID-19 | Pandemic caused due to the worldwide spread of the novel coronavirus disease |
| COVID-19 Guidance Note | Guidance note on 'Food Hygiene and Safety Guidelines for Food Businesses during Coronavirus Disease (COVID-19) Pandemic' issued by the Food Safety and Standards Authority of India |
| CSR | Corporate social responsibility |
| Customs Act | Customs Act, 1962 |
| Depositories | NSDL and CDSL |
| Depositories Act | The Depositories Act, 1996 |
| DIN | Director identification number |
| "DP" or "Depository Participant" | A depository participant as defined under the Depositories Act |
| DP ID | Depository Participant's identification number |
| DPIIT | Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (*earlier known as the Department of Industrial Policy and Promotion*) |
| ECA | Essential Commodities Act, 1955 |
| EP Act | Environment Protection Act, 1986 |
| EPS | Earnings per share |
| Explosives Act | Explosives Act, 1884 |
| FDI | Foreign direct investment |
| FDI Policy | Consolidated Foreign Direct Investment Policy notified by the DPIIT through notification dated October 15, 2020 effective from October 15, 2020 |

| Term | Description |
|---|---|
| FEMA | The Foreign Exchange Management Act, 1999, read with the rules and regulations thereunder |
| “FEMA Non-debt Instruments Rules” or the “FEMA NDI Rules” | The Foreign Exchange Management (Non-debt Instruments) Rules, 2019 |
| Finance Act | Finance Act, 2021 |
| Finance Bill | Finance Bill, 2021 |
| “Financial Year” or “Fiscal” or “Fiscal Year” or “FY” | Unless stated otherwise, the period of 12 months ending March 31 of that particular year |
| FIR | First information report |
| Fitch | Moody’s and Fitch Ratings, Inc. |
| Food Safety Schedule | Schedule 4 of Food Safety and Standards (Licensing and Registration of Food Businesses) Regulation, 2011 |
| Food Standards Regulations | Food Safety and Standards (Food Products Standards and Food Additives) Regulations, 2011 |
| FPIs | Foreign portfolio investors as defined in, and registered with, the SEBI under the SEBI FPI Regulations |
| FSS Act | Food Safety and Standards Act, 2006 |
| FSSAI | Food Safety and Standards Authority of India |
| FSSC 22000 | Foundation Food Safety System Certification 22000 |
| FSSR | Food Safety and Standards Rules, 2011 |
| FTDR Act | Foreign Trade (Development and Regulation) Act, 1992 |
| FVCI | Foreign venture capital investors as defined in, and registered with, the SEBI under the SEBI FVCI Regulations |
| GAAR | General anti-avoidance rules |
| GDP | Gross domestic product |
| GoI | Government of India |
| GST | Goods and services tax |
| Hazardous Waste Rules | Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 |
| HR | Human resources |
| HUF | Hindu undivided family |
| IBC | Insolvency and Bankruptcy Code, 2016 |
| IPC | Indian Penal Code, 1860 |
| ICAI | The Institute of Chartered Accountants of India |
| IFRS | International Financial Reporting Standards of the International Accounting Standards Board |
| Income-tax Act | The Income-tax Act, 1961 |
| Ind AS | The Indian Accounting Standards referred to and notified in the Ind AS Rules |
| Ind AS Rules | The Companies (Indian Accounting Standards) Rules, 2015 |
| Indian GAAP | The Generally Accepted Accounting Principles in India |
| Industrial Relations Code | Industrial Relations Code, 2020 |
| Insurance Act | Insurance Act, 1938 |
| IPC | Indian Penal Code, 1860 |
| IPO | Initial public offering |
| IRDA | Industries (Development and Regulation) Act, 1951 |
| IRDAI | Insurance Regulatory and Development Authority of India |
| IRDAI Investment Regulations | Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 |
| IST | Indian standard time |
| IT | Information technology |
| Legal Metrology Act | Legal Metrology Act, 2009 |
| MCA | Ministry of Corporate Affairs, Government of India |
| MCLR | Marginal cost of funds based lending rate |
| NGT Chennai | National Green Tribunal (South Zone), Chennai |
| National Investment Fund | National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India |
| N.A. | Not applicable |
| NACH | National automated clearing house |
| NAV | Net asset value |
| NEFT | National electronic fund transfer |

| Term | Description |
|---|---|
| NPCI | National Payments Corporation of India |
| "NR" or "Non-resident" | A person resident outside India, as defined under the FEMA, including Eligible NRIs, FPIs and FVCIs registered with the SEBI |
| NRI | An individual resident outside India, who is a citizen of India |
| NSDL | National Securities Depository Limited |
| NSE | National Stock Exchange of India Limited |
| OCB | An entity de-recognised through Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. OCBs are not allowed to invest in the Offer |
| p.a. | Per annum |
| P&L | Profit and loss |
| P/E Ratio | Price/earnings ratio |
| Packaged Commodity Amendment Rules | Legal Metrology (Packaged Commodities) (Amendment) Rules, 2017 |
| Packaged Commodities Rules | Legal Metrology (Packaged Commodities) Rules, 2011 |
| PAN | Permanent account number allotted under the Income-tax Act |
| PAT | Profit after tax |
| PCB | Pollution control boards |
| Petroleum Act | Petroleum Act, 1934 |
| R&D | Research and development |
| Regulation S | Regulation S under the U.S. Securities Act |
| RoNW | Return on net worth |
| RTGS | Real time gross settlement |
| Rule 144A | Rule 144A under the U.S. Securities Act |
| Safety, Health and Working Conditions Code | Occupational Safety, Health and Working Conditions Code, 2020 |
| Sale of Goods Act | Sale of Goods Act, 1930 |
| S&P | Standard and Poor's |
| SCORES | A centralized web based complaints redressal system launched by SEBI *vide* circular no. CIR/OIAE/1/2014 dated December 18, 2014 |
| SCRA | Securities Contracts (Regulation) Act, 1956 |
| SCRR | Securities Contracts (Regulation) Rules, 1957 |
| SEBI | The Securities and Exchange Board of India constituted under the SEBI Act |
| SEBI Act | Securities and Exchange Board of India Act, 1992 |
| SEBI AIF Regulations | Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 |
| SEBI FPI Regulations | Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 |
| SEBI FVCI Regulations | Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 |
| SEBI ICDR Regulations | Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 |
| SEBI Listing Regulations | Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 |
| SEBI SBEB Regulations | Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 |
| SEBI VCF Regulations | Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 |
| SGX | Singapore Exchange Securities Trading Limited |
| SICA | The erstwhile Sick Industrial Companies (Special Provisions) Act, 1985 |
| Social Security Code | Code on Social Security, 2020 |
| State Government | The government of a State of India |
| Stock Exchanges | The BSE and the NSE |
| STT | Securities transaction tax |
| TAN | Tax deduction and collection account number allotted under the Income-tax Act |
| Takeover Regulations | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 |
| TDS | Tax deducted at source |
| Trade Marks Act | Trade Marks Act, 1999 |
| "U.S." or "USA" or "United States" | United States of America, its territories and possessions, any State of the United States, and the District of Columbia |

| Term | Description |
|---|---|
| "USD" or "US$" | United States Dollars |
| U.S. GAAP | Generally Accepted Accounting Principles in the United States of America |
| U.S. Securities Act | The United States Securities Act of 1933 |
| U.S. QIBs | "Qualified institutional buyers" as defined in Rule 144A. For the avoidance of doubt, the term "U.S. QIBs" does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as "QIBs" |
| VAT | Value added tax |
| VCFs | Venture capital funds as defined in and registered with the SEBI under the SEBI VCF Regulations |
| Wage Code | Code on Wages, 2019 |
| Warehouse Licensing Regulations | Private Warehouse Licensing Regulations, 2016 |
| Wilful Defaulter(s) | Wilful defaulter as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations |
| Water Act | Water (Prevention and Control of Pollution) Act, 1974 |
| "Year" or "calendar year" | Unless the context otherwise requires, shall mean the twelve month period ending December 31 |

# OFFER DOCUMENT SUMMARY

*The following is a general summary of certain disclosures and terms of the Offer included in this Draft Red Herring Prospectus and is neither exhaustive, nor purports to contain a summary of all the disclosures in this Draft Red Herring Prospectus or the Red Herring Prospectus or the Prospectus when filed, or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Red Herring Prospectus, including "Risk Factors", "The Offer", "Capital Structure", "Objects of the Offer", "Industry Overview", "Our Business", "Financial Information", "Outstanding Litigation and Material Developments", "Offer Procedure" and "Description of Equity Shares and Terms of the Articles of Association" beginning on pages 25, 53, 69, 78, 92, 139, 207, 287, 331 and 352, respectively.*

<table>
<tr><td>Primary business of our Company</td><td>We are one of the leading and the fastest growing edible oils and fats companies in India. (Source: Technopak Report) Our Company is engaged in the business of manufacturing, distribution and branding of edible oils and specialty fats in India. We are the market leaders in the sunflower oil category with our 'Freedom' brand, in the states of Telangana, Andhra Pradesh, and Odisha, and hold the third largest market share in the state of Karnataka. (Source: Technopak Report) Despite being a regional player, we were ranked #2 by market share in the sunflower segment of the Refined Oil in Consumer Packs category in India, as of March 31, 2021. (Source: Nielsen Retail Index – MAT March 2021).</td></tr>
<tr><td>Industry in which our Company operates</td><td>We operate in the edible oils and fats industry. We are one of the leading and the fastest growing edible oils and fats companies in India. (Source: Technopak Report) As of March 31, 2021, in the sunflower segment of the ROCP category, our market share was 17.6%, ranking us as #2 in India (Source: Nielsen Retail Index – MAT March 2021). We were ranked #5 by market share in the branded edible oil market in India for Fiscal 2020. (Source: Technopak Report)<br><br>We are one of the largest players in specialty fats in south India with a 16.0% market share in the region. (Source: Technopak Report)</td></tr>
<tr><td>Name of our Promoters</td><td>Pradeep Chowdhry, Alka Chowdhry, GAIE and GAI.</td></tr>
<tr><td>Offer size</td><td>Initial public offering of up to [●] Equity Shares of our Company for cash at a price of ₹[●] per Equity Share (including a premium of ₹[●] per Equity Share), aggregating up to ₹25,000.00 million, through an Offer for Sale by the Selling Shareholders, comprising up to [●] Equity Shares aggregating up to ₹250.00 million by Pradeep Chowdhry, up to [●] Equity Shares aggregating up to ₹2,250.00 million by Alka Chowdhry, up to [●] Equity Shares aggregating up to ₹7,500.00 million by GAIE, up to [●] Equity Shares aggregating up to ₹12,500.00 million by Black River and up to [●] Equity Shares aggregating up to ₹2,500.00 million by ICE.</td></tr>
<tr><td>Objects of the Offer</td><td>The objects of the Offer are to (i) to carry out the Offer for Sale of up to [●] Equity Shares aggregating up to ₹25,000.00 million by the Selling Shareholders; and (ii) achieve the benefits of listing the Equity Shares on the Stock Exchanges. . For further details, see "Objects of the Offer" beginning on page 78.</td></tr>
<tr><td>Aggregate pre-Offer shareholding of Promoters, Promoter Group and Selling Shareholders</td><td>(a) The aggregate pre-Offer shareholding of our Promoters and Promoter Group as a percentage of the pre-Offer paid-up share capital of our Company is set out below.<br><br>
<table>
<tr><th>Name of the Shareholder</th><th>Number of Equity Shares</th><th>Percentage of the pre-Offer Equity Share capital (%)</th></tr>
<tr><td>Promoters</td><td></td><td></td></tr>
<tr><td>GAIE</td><td>57,886,130</td><td>56.27</td></tr>
<tr><td>Alka Chowdhry</td><td>11,886,790</td><td>11.56</td></tr>
<tr><td>Pradeep Chowdhry</td><td>590,920</td><td>0.57</td></tr>
<tr><td>Promoter Group</td><td></td><td></td></tr>
<tr><td>Akshay Chowdhry</td><td>10</td><td>Negligible</td></tr>
<tr><td>Total</td><td>70,363,850</td><td>68.40</td></tr>
</table>
</td></tr>
</table>

| | |
|---|---|
| | (b) The aggregate pre-Offer shareholding of the Selling Shareholders as a percentage of the pre-Offer paid-up share capital of our Company is set out below. |

| Name of the Shareholder | Number of Equity Shares | Percentage of the pre-Offer Equity Share capital (%) |
|---|---|---|
| **Selling Shareholders** | | |
| Pradeep Chowdhry | 590,920 | 0.57 |
| Alka Chowdhry | 11,886,790 | 11.56 |
| GAIE | 57,886,130 | 56.27 |
| Black River | 25,718,770 | 25.00 |
| ICE | 6,792,450 | 6.60 |
| **Total** | **102,875,060** | **100.00** |

For further details, see "*Capital Structure*" beginning on page 69.

**Summary of Restated Financial Information**

The details of certain financial information as set out under the SEBI ICDR Regulations as of and for the financial years ended March 31, 2021, 2020 and 2019 derived from the Restated Financial Information are as follows*:

*(₹ million, except per share data)*

| Particulars | As of for the Financial Year ended March 31 | | |
|---|---|---|---|
| | 2021 | 2020 | 2019 |
| (A) Share capital | 102.88 | 102.88 | 102.88 |
| (B) Net worth (total equity)(1) | 16,245.64 | 10,550.96 | 8,700.66 |
| (C) Revenue from operations | 77,659.62 | 65,002.49 | 54,227.53 |
| (D) PAT | 5,707.69 | 1,858.50 | 1,093.46 |
| (E) Earnings per share (basic, in ₹) | 55.48 | 18.07 | 11.78 |
| (F) Earnings per share (diluted, in ₹) | 55.48 | 18.07 | 11.78 |
| (G) NAV per Equity Share (face value of ₹1 each)(2) (₹) | 157.92 | 102.56 | 84.57 |
| (H) Total borrowings (as per the balance sheet)(3) | 7,981.88 | 7,723.88 | 6,965.17 |

* *The above have been calculated after taking into account the effect of the sub-division of the Equity Shares. Pursuant to the Board resolution dated June 2, 2021 and Shareholders' resolution dated June 4, 2021, each equity share of our Company of face value of ₹10 each and fully paid-up was sub-divided into 10 equity shares of our Company of face value of ₹1 each.*

(1) *Net worth means aggregate of equity share capital and other equity.*

(2) *NAV per equity share represents total equity as at the end of the fiscal year, as restated, divided by the number of Equity Shares outstanding at the end of the period/year.*

(3) *Includes borrowings amounting to ₹6,320.18 million, ₹4,511.64 million and ₹4,353.24 million backed with term deposits placed with banks as pledge amounting to ₹6,278.28 million, ₹4,080.91 million and ₹4,365.92 million as at March 31 for Fiscals 2021, 2020 and 2019, respectively.*

For further details, see "*Restated Financial Information*" beginning on page 207.

**Auditor qualifications which have not been given effect to in the Restated Financial Information**

There are no qualifications by the Statutory Auditors which have not been given effect to in the Restated Financial Information.

**Summary of outstanding litigation**

A summary of outstanding litigation proceedings involving our Company, Directors and Promoters as of the date of this Draft Red Herring Prospectus, as also disclosed in "*Outstanding Litigation and Material Developments*" beginning on page 287, in terms of the SEBI ICDR Regulations and the materiality policy adopted by our Board pursuant to a resolution dated August 2, 2021, is provided below.

| Nature of cases | No. of cases | Total amount involved (₹ million)^ |
|---|---|---|
| **Litigation involving our Company** | | |
| ***Against our Company*** | | |

| | | |
|---|---|---|
| *Material litigation** | 6 | 105.37 |
| *Action taken by statutory and regulatory authorities* | 39 | 3.86 |
| *Taxation cases^^* | 15 | 112.06 |
| ***By our Company*** | | |
| *Criminal cases* | 3 | 2.17 |
| **Legal proceedings involving our Group Companies** | | |
| *Material legal proceedings* | 1 | Nil |

*^To the extent quantifiable.*

** One of the material litigation disclosed includes seven proceedings in relation to notices for opposition and application for rectification filed by Sri Sapthagiri Industries against our Company for various trademarks associated with our registered brand "Freedom". For further details, see "Outstanding Litigation and Material Developments—Material Civil Litigation against our Company" on page 294.*

*^^ As of the date of this Draft Red Herring Prospectus, our Company had received 11 show cause notices (the "**Notices**") under the Customs Act, in relation to payment for import of goods utilizing MEIS duty credit scrips ("**MEIS Scrips**"). Our Company has responded to the Notices stating, inter alia, that: (i) the MEIS Scrips, which were originally issued to other exporters (the "**Exporters**"), are freely transferable and obtained by our Company from the Exporters; and (ii) the Exporters, being the original holders of the MEIS Scrips were liable for the actions proposed to be implemented and not the Company. The matters in relation to the Notices are currently pending.*

For further details, see *"Outstanding Litigation and Material Developments"* beginning on page 287.

**Risk factors**

For details of the risks applicable to us, see "*Risk Factors*" beginning on page 25.

**Summary of contingent liabilities**

The following is a summary table of our contingent liabilities as of March 31, 2021 as per Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets:

*(₹ million)*

| Particulars | As of March 31, 2021 |
|---|---|
| **Claims against our Company not acknowledged as debts:** | |
| - Demand under the goods and services tax acts | 83.27 |
| - Demand under the Central Excise Act, 1944 | 12.14 |
| - Demand under the value added tax / entry tax | 0.12 |
| - Others | 7.99 |
| **Total** | **103.52** |

For further details of our contingent liabilities, see "*Restated Financial Information—Note 36—Contingent Liabilities and Commitments*" on page 240.

**Summary of related party transactions**

The details of significant related party transactions entered into by our Company for the financial years ended March 31, 2021, 2020 and 2019, as per Ind AS 24 – Related Party Disclosures, read with SEBI ICDR Regulations, are as set out in the table below.

*(₹ million)*

| Transaction during the year | Name of the related parties | For the year ended March 31, 2021 | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|---|---|
| **Remuneration*** | Pradeep Chowdhry | 21.60 | 53.11 | 44.76 |
| | Sumant Kumar Razdan | - | 8.04 | 12.76 |
| | Rajesh Kumar Aggarwal | 6.24 | 5.88 | 7.60 |
| | Akshay Chowdhry | 9.22 | 15.60 | 59.87 |
| | Prathap Gangaraju | 10.26 | 0.52 | - |
| | Shobhit Agarwal | 7.49 | 6.84 | - |
| **Purchase of goods** | Golden Agri International Pte. Ltd. | 9,865.17 | 10,147.51 | 15,995.54 |
| | Golden Agri Resources (India) Private Limited | - | 238.94 | - |
| | UKS Oils Private Limited | - | 5.50 | 5.04 |
| **Net payment on settlement of hedge transactions of commodity price risk** | Golden Agri International Pte. Ltd. | 374.56 | 113.20 | 12.00 |

| | | | | |
|---|---|---|---|---|
| **Service fees** | Golden Agri International Pte. Ltd. | - | - | 45.14 |
| **Reimbursement of expenses** | Golden Agri International Pte. Ltd. | - | 0.94 | 0.37 |
| | Golden Agri Resources (India) Private Limited | 0.04 | 0.32 | 8.64 |
| | Black River Food 2 Pte Ltd | - | - | 2.49 |
| **IT services received** | Integrated Advance IT Services Sdn Bhd | 8.50 | 10.35 | 1.90 |
| **Interest expense** | Golden Agri International Enterprises Pte. Ltd. (formerly Golden Agri International India Holding Pte. Ltd.) | - | - | 4.40 |
| | Secunderabad Oils Limited | - | 0.20 | 2.75 |
| **Lease rental for office premises** | Secunderabad Oils Limited | 9.77 | 9.31 | 8.87 |
| **Brokerage charges** | Leo Global Commodities Private Limited | 1.56 | 0.59 | 0.39 |
| | UKS Forex Private Limited | - | 0.05 | 0.31 |
| **Sale of goods** | Golden Agri Resources (India) Private Limited | 254.53 | - | 90.87 |
| **Interest income** | Leo Global Commodities Private Limited | 0.24 | 0.80 | 0.71 |

* *Remuneration as given above does not include long-term compensated absences benefit accrued and gratuity benefit accrued since the same are computed based on actuarial valuation for all the employees and the amounts attributable to the managerial personnel cannot be ascertained separately.*

For further details of the related party transactions, see "*Restated Financial Information —Note 39—Related Parties*" on page 245.

**Financing arrangements**

Our Promoters, members of our Promoter Group, Directors of our Promoters, our Directors and their relatives have not financed the purchase by any person of securities of our Company other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of this Draft Red Herring Prospectus.

**Weighted average price at which the specified securities were acquired by our Promoters and Selling Shareholders in the last one year**

Our Promoters and the Selling Shareholders have not acquired any specified securities of our Company in the year immediately preceding the date of this Draft Red Herring Prospectus. Accordingly, the weighted average price at which the specified securities were acquired by our Promoters and Selling Shareholders in the last one year is 'nil'.

**Average cost of acquisition of Equity Shares by our Promoters and Selling Shareholders**

The average cost of acquisition of Equity Shares for our Promoter Selling Shareholders is as set out below.

| Name of Promoter/Promoter Selling Shareholder | Number of Equity Shares | Average cost of acquisition per Equity Share (₹)* |
|---|---|---|
| GAIE | 57,886,130 | 6.89 |
| Alka Chowdhry | 11,886,790 | Nil[#] |
| Pradeep Chowdhry | 590,920 | Nil[#] |

** As certified by Singhi & Co., Chartered Accountants, by way of their certificate dated August 7, 2021.*
*[#]Considered nil since the total sale proceeds from the equity shares sold till date exceeds the cost of total purchase of equity shares.*

Our Promoter, GAI does not directly hold any Equity Shares in our Company.

The average cost of acquisition of Equity Shares for the Investor Selling Shareholders is as set out below.

| Name of Investor Selling Shareholder | Number of Equity Shares | Average cost of acquisition per Equity Share (₹)* |
|---|---|---|
| Black River | 25,718,770 | 248.85 |

| | |
|---|---|
| | ICE \| 6,792,450 \| 0.58<br><br>* *As certified by Singhi & Co., Chartered Accountants, by way of their certificate dated August 7, 2021.* |
| **Details of pre-IPO placement** | Our Company does not contemplate any issuance or placement of Equity Shares from the date of this Draft Red Herring Prospectus until the listing of the Equity Shares. |
| **Issue of Equity Shares in the last one year for consideration other than cash** | Our Company has not issued any Equity Shares in the one year immediately preceding the date of this Draft Red Herring Prospectus, for consideration other than cash. |
| **Split / consolidation of Equity Shares in the last one year** | Our Company has, pursuant to a Board resolution dated June 2, 2021 and Shareholders' resolution dated June 4, 2021, sub-divided each equity share of our Company of face value of ₹10 each to face value of ₹1 each. Accordingly, the issued equity share capital of our Company was reclassified from ₹102,875,080 divided into 10,287,508 equity shares of our Company of face value of ₹10 each to ₹102,875,080 divided into 102,875,080 Equity Shares of face value of ₹1 each. For further details, see "*Capital Structure*" beginning on page 69. |

## CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

### Certain Conventions

All references to "India" contained in this Draft Red Herring Prospectus are to the Republic of India and its territories and possessions and all references herein to the "Government", "Indian Government", "GoI", "Central Government" or the "State Government" are to the Government of India, central or state, as applicable. All references to the "U.S.", "USA" or the "United States" are to the United States of America and its territories and possessions, including any state of the United States of America, Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands and the District of Columbia.

Unless otherwise specified, any time mentioned in this Draft Red Herring Prospectus is in Indian Standard Time ("**IST**"). Unless indicated otherwise, all references to a year in this Draft Red Herring Prospectus are to a calendar year.

Unless stated otherwise, all references to page numbers in this Draft Red Herring Prospectus are to the page numbers of this Draft Red Herring Prospectus.

### Financial Data

Our Company's Financial Year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year, so all references to a particular Financial Year or Fiscal Year, unless stated otherwise, are to the 12-month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year.

Unless the context requires otherwise, the financial information in this Draft Red Herring Prospectus is derived from the restated financial information of our Company as of and for the financial years ended March 31, 2021, March 31, 2020 and March 31, 2019, comprising (i) the restated statement of asset and liabilities as of March 31, 2021, March 31, 2020 and March 31, 2019; (ii) the restated statement of profit and loss (including other comprehensive income) and restated cash flows statement and restated statement of changes in equity for the financial years ended March 31, 2021, March 31, 2020 and March 31, 2019; and (iii) notes thereto, each prepared in accordance with Ind AS, the requirements of Section 26 of Part I of Chapter III of the Companies Act, the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI (the "**Guidance Note**"), each as amended from time to time. For further information, see "*Financial Information*" beginning on page 207.

Ind AS, U.S. GAAP and IFRS differ in certain significant respects from other accounting principles and standards with which investors may be more familiar. We have not made any attempt to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those of IFRS or any other accounting principles or standards. If we were to prepare our financial statements in accordance with such other accounting principles, our results of operations, financial condition and cash flows may be substantially different. For details in connection with risks involving differences between Ind AS, U.S. GAAP and IFRS, see "*Risk Factors—52. Significant differences exist between Ind AS used to prepare our financial information and other accounting principles, such as IFRS and U.S. GAAP, with which investors may be more familiar.*" on page 48. Prospective investors should consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar. The degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, Ind AS, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with these accounting principles and regulations on our financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

All figures, including financial information, in decimals (including percentages) have been rounded off to two decimals. However, where any figures may have been sourced from third-party industry sources, such figures may be rounded-off to such number of decimal points as provided in such respective sources. In this Draft Red Herring Prospectus, (i) the sum or percentage change of certain numbers may not conform exactly to the total figure given;

and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Any such discrepancies are due to rounding off.

Unless stated or the context requires otherwise, any percentage amounts, as disclosed in "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 25, 139 and 265, respectively, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of the Restated Financial Information.

**Non-GAAP Financial Measures**

We use a variety of financial and operational performance indicators to measure and analyze our financial and operational performance from period to period, and to manage our business. In addition to our management, such measures may also be frequently used by securities analysts, investors and others within the edibles oils industry or manufacturing industry to evaluate a company's financial and operating performance. Presentation of these non-GAAP financial measures and key performance indicators should not be considered in isolation from, or as a substitute for, analysis of our historical financial performance, as reported and presented in our Restated Financial Information.

These non-GAAP financial measures are not defined under Ind AS, are not presented in accordance with Ind AS and have limitations as analytical tools which indicate, among other things, that they do not reflect our cash expenditures or future requirements for capital expenditure or contractual commitments; changes in, or cash requirements for, our working capital needs; and the finance cost, or the cash requirements necessary to service our debt. Although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and these measures do not reflect any cash requirements for such replacements. These non-GAAP financial measures may differ from similar titled information used by other companies, including peer companies, who may calculate such information differently and hence their comparability with those used by us may be limited. Therefore, these non-GAAP financial measures and key performance indicators should not be viewed as substitutes for performance or profitability measures under Ind AS or as indicators of our operating performance, liquidity or profitability.

The key financial and operational performance indicators and ratios presented in this Draft Red Herring Prospectus include EBITDA, EBITDA Margin, RoE and RoCE in sections "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 139 and 265, respectively.

**Currency and Units of Presentation**

All references to "₹" or "Rupees" or "Rs." or "Re" or "INR" are to Indian Rupees, the official currency of the Republic of India.

All references to "U.S. $" or "USD" are to United States Dollars, the official currency of the United States of America.

All references to "S$" or "SGD" are to Singapore Dollars, the official currency of Singapore.

All references to "MYR" are to Malaysian Ringgit, the official currency of Malaysia.

Certain numerical information has been presented in this Draft Red Herring Prospectus in "million" units. 1,000,000 represents one million and 1,000,000,000 represents one billion or in whole numbers where the numbers have been too small to represent in such units. However, where any figures that may have been sourced from third-party industry sources are expressed in denominations other than million, such figures appear in this Draft Red Herring Prospectus expressed in such denominations as provided in their respective sources.

**Exchange Rates**

This Draft Red Herring Prospectus contains conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The table below sets forth, for the dates indicated, information with respect to the exchange rate between the Rupee and the respective foreign currencies.

| Currency | Exchange Rate* as of | | |
|---|---|---|---|
| | **March 31, 2021 (₹)** | **March 31, 2020 (₹)** | **March 31, 2019* (₹)** |
| 1 USD | 73.50 | 75.39 | 69.17 |
| 1 SGD | 54.33 | 52.68 | 51.12 |
| 1 MYR | 17.64 | 17.31 | 16.97 |

*(The source is FBIL Reference Rate as available on www.fbil.org.in and www1.oanda.com)*
*Note: Exchange rate is rounded off to two decimal places*
** In case March 31 of any of the respective years is a public holiday, the previous working day, not being a public holiday, has been considered*

### Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus, including the information in "*Industry Overview*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations"* beginning on pages 92, 139 and 265, respectively, have been obtained or derived from publicly available information as well as industry publications and sources such as a report dated August 4, 2021 and titled "*Indian Edible Oils & Fats Industry*" (the "**Technopak Report**") that has been prepared by Technopak Advisors Private Limited ("**Technopak**"), which report has been commissioned and paid for, by our Company for the purposes of confirming our understanding of the industry in connection with the Offer. For risks in relation to commissioned reports, see "*Risk Factors—37. We have commissioned and paid for the services rendered by Technopak in preparing the industry report titled "Indian Edible Oils & Fats Industry" dated August 4, 2021, which has been used for industry related data in this Draft Red Herring Prospectus*" on page 42.

Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy, adequacy, completeness or underlying assumptions are not guaranteed and their reliability cannot be assured. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates and assumptions that may prove to be incorrect. The extent to which the industry and market data presented in this Draft Red Herring Prospectus is meaningful depends upon the reader's familiarity with, and understanding of, the methodologies used in compiling such information. There are no standard data gathering methodologies in the industry in which our Company conducts business and methodologies and assumptions may vary widely among different market and industry sources. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in "*Risk Factors*" beginning on page 25. Accordingly, no investment decision should be solely made on the basis of such information.

Technopak has requested the following disclaimer for inclusion of the information in the Technopak Report in this Draft Red Herring Prospectus:

"*This information package is distributed by Technopak Advisors Private Limited (hereinafter "Technopak") on a strictly private and confidential and on 'need to know' basis exclusively to the intended recipient. This information package and the information and projections contained herein may not be disclosed, reproduced or used in whole or in part for any purpose or furnished to any other person(s). The person(s) who is/are in possession of this information package or may come in possession at a later day hereby undertake(s) to observe the restrictions contained herein. Only leading players are profiled and benchmarked for the purpose of the report and does not necessarily cover all types of players. The information contained herein is of a general nature and is not intended to address the facts and figures of any particular individual or entity. The content provided here treats the subjects covered here in condensed form. It is intended to provide a general guide to the subject matter and should not be relied on as a basis for business decisions. No one should act upon such information without taking appropriate additional professional advice and/or thorough examination of the particular situation. This information package is distributed by Technopak upon the express understanding that no information herein contained has been independently verified. Further, no* *representation or warranty (expressed or implied) is made nor is any responsibility of any kind accepted with respect to the completeness or accuracy of any information as maybe contained herein. Also, no representation or warranty (expressed or implied) is made that such information remains unchanged in any respect as of any date or dates after those stated here in with respect to any matter concerning any statement made in this Information package. Technopak and its directors , employees, agents and consultants shall have no liability (including liability to any person by reason of negligence or negligent misstatement) for any statements, opinions, information or matters (expressed or implied) arising out of, contained in or derived from, or of any omissions from the information package and any liability whatsoever for any direct, indirect, consequential or other loss arising from any use of this information package and/or further communication in relation to this information package. All recipients of the information package should make their own independent evaluations and should conduct their own investigation and analysis and should check the accuracy, reliability and completeness of the information and obtain independent and specified advice from appropriate professional adviser, as they deem necessary.*"

The Nielsen Information prepared by Nielsen and used in this Draft Red Herring Prospectus have been obtained or derived from publicly available information as well as industry publications and sources. Nielsen has requested the following disclaimer for inclusion of the Nielsen Information in this Draft Red Herring Prospectus, the Red Herring Prospectus, the Prospectus and any research reports, presentation, publicity or other materials or press releases prepared by our Company, the BRLMs or their respective advisors in relation to the Offer:

"*Nielsen Information reflects estimates of market conditions based on samples and is prepared primarily as a marketing research tool for the industry. Nielsen Information should not be viewed as a basis for investments and references to Nielsen should not be considered as Nielsen's opinion as to the value of any security or the advisability of investing in the Company.*"

In accordance with the SEBI ICDR Regulations, "*Basis for Offer Price*" beginning on page 81 includes information relating to our peer group companies.

## FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain forward-looking statements. All statements contained in this Draft Red Herring Prospectus that are not statements of historical fact constitute "forward-looking statements". These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "objective", "plan", "project", "propose", "seek to", "shall", "likely to", "will", "will continue", "will pursue", or other words or phrases of similar import. Similarly, statements that describe our expected financial condition, results of operations, business, prospects, strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are based on our current plans, estimates, presumptions and expectations and are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which we operate and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India and globally, which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in laws, regulations and taxes, changes in competition in our industry, incidence of natural calamities and/or acts of violence. Important factors that could cause actual results to differ materially from our Company's expectations include, but are not limited to, the following:

- continued supply and price of raw materials such as crude edible oil;
- concentration of refineries in Andhra Pradesh and a majority of revenue from operations derived from south India and Odisha;
- inability to implement business strategies or sustain and manage our growth;
- improper handling, processing or storage of our products or raw materials, or spoilage of and damage to such products or raw materials, or any real or perceived contamination in our products or raw materials;
- continuing impact of the COVID-19 pandemic on our business, operating results, cash flows and/or financial condition;
- disruption of operations due to manufacturing risks and regulatory non-compliances;
- inability to expand or effectively manage our growing distribution network;
- management of our inventory or working capital;
- intense competition in the edible oils and specialty fats industry in India; and
- health and safety liabilities due to working hazards.

For further discussion of factors that could cause the actual results to differ from the expectations, see "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 25, 139 and 265, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses in the future could materially differ from those that have been estimated and are not a guarantee of future performance.

We cannot assure investors that the expectation reflected in these forward-looking statements will prove to be correct. Given the uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

Forward-looking statements reflect the current views of our Company as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. There can be no assurance to investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements to be a guarantee of our future performance. These statements are based on our management's beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Neither of our Company, our Directors, our KMPs, our Promoters, the Selling Shareholders, the Syndicate nor any of their respective affiliates has any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the SEBI requirements, our Company will ensure that investors are informed of material developments from the date of the Red Herring Prospectus until the date of Allotment. Each of the Selling Shareholders will, severally and not jointly, ensure that investors are informed of material developments in relation to the statements and undertakings confirmed by such Selling Shareholder from the date of the Red Herring Prospectus until the date of Allotment.

## SECTION II: RISK FACTORS

*An investment in our Equity Shares involves a certain degree of risk. Prospective investors should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares pursuant to the Offer. The risks described below are not the only ones relevant to us or our Equity Shares or the industry in which we operate or to India. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business, results of operations, financial condition and cash flows. If any of the following risks, or other risks that are not currently known or are currently deemed immaterial actually occur, our business, results of operations, financial condition and cash flows could suffer, the trading price of our Equity Shares could decline, and you may lose all or part of your investment. In order to obtain a complete understanding of our Company and our business, prospective investors should read this section in conjunction with "Our Business", "Industry Overview" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 139, 92 and 265, respectively of, as well as the financial, statistical and other information contained in, this Draft Red Herring Prospectus.*

*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. This Draft Red Herring Prospectus also contains 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 certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. For further details, see "Forward-Looking Statements" on page 23.*

*Unless stated otherwise, industry and market data used in this section have been obtained or derived from publicly available information as well as industry publications and sources such as the "*Indian Edible Oils & Fats Industry*" dated August 4, 2021 that has been prepared by Technopak, which report has been commissioned, and paid for, by our Company for the purposes of confirming our understanding of the edible oils industry exclusively in connection with the Offer.*

*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. 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 risks involved. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in our Equity Shares. Unless otherwise indicated or context requires otherwise, the financial information included herein is derived from our Restated Financial Information included in this Draft Red Herring Prospectus.*

### Risks relating to our Company and our business

***1. Our operations depend upon the continued supply of raw materials such as crude edible oil, the availability and price of which can be subject to significant variation due to factors beyond our control.***

We require crude edible oils for the manufacture of our products. Crude edible oils are subject to supply disruptions and price volatility caused by various external factors such as market fluctuations, weather conditions, seasonality, farmer planning and selling decisions, crop failure, reduced harvests, bumper harvests, currency fluctuations, inflation, pandemics (such as the COVID-19 pandemic), changes in government policies and regulatory measures or global inventory levels, which are beyond our control. We are vulnerable to the price volatility of crude edible oil.

Our materials and related costs (consisting of cost of materials consumed, purchases of stock-in-trade and changes in inventories of finished goods, stock-in-trade and work-in-progress) amounted to ₹49,726.87 million, ₹58,638.80 million and ₹66,239.97 million in Fiscals 2019, 2020 and 2021, representing 92.7%, 92.7% and 93.3% of our total expenses, respectively, of which the cost of crude edible oils accounted for ₹ 48,410.42 million, ₹57,197.28 million and ₹64,550.03 million, representing 97.4%, 97.5% and 97.5% of the materials and related costs, respectively. Price volatility in crude edible oils may impact our profitability as we may be holding higher priced inventory and the market price could fall by the time we sell the inventory leading to a financial loss. Significant increases in the cost of crude edible oil may affect our profitability as there is no assurance that we will be able to pass on all or any part of the increase in the cost of crude edible oil to our customers in a timely manner, or find an alternate source of crude edible oil on terms favorable to us.

We depend on a limited number of suppliers for the supply of crude edible oil. For instance, 10 of our suppliers, made up approximately 85.5%, 83.5%, and 90.8%, of our crude edible oil purchases in Fiscal 2019, 2020 and 2021, respectively. If the supply of crude edible oil is interrupted, or proves insufficient to meet demand, our results of operations could be adversely impacted. There is no assurance that we will be able to maintain future arrangements with our suppliers for the long term or at all. If we are unable to identify alternate sources of supply, or if we are unable to obtain crude edible oil at a competitive cost, our competitiveness would be affected and we may lose market share. Further, we might face challenges in entering into long-term contracts with our suppliers at competitive prices. If we are not able to obtain adequate supplies of crude edible oil in a timely manner or on acceptable commercial terms, or if there are significant increases in the cost of these supplies, our business and future results of operations may be materially and adversely impacted.

We purchase a significant portion of the crude edible oils used for the manufacture of our edible oils and fats from a number of foreign suppliers in foreign currency. Approximately 58.6%, 82.2% and 88.0%, amounting to ₹20,726.13 million, ₹37,416.47 million and ₹41,929.51 million of our total expenditure on crude oils for Fiscal 2019, 2020 and 2021, respectively, were undertaken in foreign currencies. In view of the fluctuation in the value of the Indian Rupee against foreign currencies, we face foreign exchange risk. The value of the Indian Rupee against foreign currencies is affected by, among other things, the demand and supply of the Indian Rupee and changes in India's political and economic conditions. While we rely on natural hedges and implement risk management policies to limit our foreign exchange risk, a portion of our purchase contracts are not hedged against currency rate fluctuations. This may expose us to exchange rate movements which may have a material effect on our operating results in a given period. Thus, we cannot assure you that we will not suffer any loss because of the fluctuation of the value of the Indian Rupee, which may have a material adverse effect on our financial condition, cash flows and results of operations.

A majority of our edible oil is imported, which make up 85.0%, 90.5%, and 89.5%, of our total edible oil purchase cost, amounting to ₹30,080.98 million, ₹41,190.35 million and ₹42,673.07 million in Fiscal 2019, 2020 and 2021 respectively. For instance, crude sunflower oil is imported primarily from Ukraine, Russia and Argentina, while crude palm oil is largely imported from Indonesia and Malaysia. In the event there are any natural and other disasters, civil unrest, bilateral or international disruptions, our supply of such imported raw materials may be disrupted, which may have a material adverse effect on our financial condition, cash flows and results of operations.

There is also a time lag between when we order imported raw materials, such as crude sunflower oil, crude palm oil and crude palm kernel oil, and when we eventually use such raw materials. While certain of these raw materials have remained correlated to the price of finished goods, our results of operations may be adversely impacted if there is a significant difference between prices at which raw materials were ordered and the prices at which finished products were eventually sold.

Our raw materials are primarily transported by sea. Transport of our raw materials is subject to various bottlenecks and other hazards beyond our control, such as seaport infrastructure, accidents, adverse weather conditions, strikes and civil unrest. An increase in the price of transportation or interruptions in transportation of our raw materials could have an adverse effect on our business, financial condition, cash flows and results of operations. No assurance can be given that significant disruptions to the supply or transportation of our raw materials will not occur in the future. We rely on third-party sea transportation providers for the import of our raw materials. Continuing increases in shipping costs or unavailability of freight and forwarding services for our raw materials may have an adverse effect on our business, financial condition and results of operations.

***2. Our refineries are concentrated in Andhra Pradesh and a majority of our revenue from operations are derived from south India and Odisha, consequently, we may be materially and adversely affected by adverse or unfavorable events affecting Andhra Pradesh, Odisha and/or south India.***

We own and operate three refineries, located in Krishnapatnam and Kakinada, in Andhra Pradesh. As a result, our business, financial condition, results of operations and prospects may be materially and adversely affected by adverse or unfavorable events affecting Andhra Pradesh. For instance, Andhra Pradesh has witnessed natural calamities such as floods and cyclones in recent years. While our refineries and operations have not been significantly impacted by such events, there is no assurance that we will not be affected by such natural calamities or other adverse events affecting Andhra Pradesh, in the future.

Further, in Fiscal 2021, we derived ₹66,758.01 million, which represented approximately 85.6% of our revenue from operations from the sale of our products in the southern region of India and ₹8,063.05 million, which represented approximately 10.3% from Odisha. Since most of our infrastructure, facilities and business operations are currently concentrated in these regions, any significant social, political or economic disruption, or natural calamities or civil disruptions in these regions, or changes in the policies of the state or local governments of these regions or the Government of India ("**GoI**"), could require us to incur significant capital expenditure, or change our business structure or strategy, which could have an adverse effect on our business, results of operations and financial condition.

***3. We may not be able to implement our business strategies or sustain and manage our growth.***

Our growth strategy includes expanding our existing businesses as well as strengthening our market presence in new geographies in India. For further details, see "*Business – Strategies – Expand our market presence to non-penetrated states in India and increase distribution reach*" beginning on page 147. Success in expanding our business or entering into new geographies will depend on various internal and external factors, many of which are beyond our control.

We cannot assure you that our growth strategies will be successful or that we will be able to continue to expand into new geographies. Our ability to sustain and manage our growth depends significantly upon our ability to manage key issues such as selecting, recruiting, training and retaining marketing representatives, maintaining effective risk management policies, continuing to offer products relevant to our customers, maintaining and expanding our refineries and ensuring a high standard of product quality. From time to time, we also launch new products in the geographies in which we are present. However, commercial success in any new product depends on various internal and external factors, many of which are beyond our control. For instance, we launched our own sesame oil in 2018, however this product line did not result in anticipated benefits and we stopped production and sale in 2020. We are evaluating opportunities to set up another facility in Krishnapatnam, Andhra Pradesh; however, there is no assurance that we will be able to sell the additional volume of the edible oils manufactured immediately, or at all, or at a sufficiently attractive price. Our failure to do any of the preceding could adversely affect our business, financial condition, cash flows and results of operations.

***4. The improper handling, processing or storage of our products or raw materials, or spoilage of and damage to such products or raw materials, or any real or perceived contamination in our products or raw materials, could subject us to regulatory action, damage our reputation and have an adverse effect on our business, results of operations and financial condition.***

Our products and raw materials are subject to risks such as contamination, adulteration, product labelling error and product tampering during their manufacture, transport or storage. Although our products are tested extensively at our facilities, we cannot assure you that the quality tests conducted by us will be accurate at all times. Also, edible oils are required to be stored, handled and transported at specific temperatures and under certain food safety conditions. Any shortcoming in the production or storage of our products due to negligence, human error or otherwise, may damage our products and result in non-compliance with applicable regulatory standards. Any actual or alleged contamination of our products or raw materials could damage our reputation, adversely affect our sales and result in legal proceedings being initiated against us, irrespective of whether such allegations have any factual basis.

Any allegation relating to, or the discovery of, unauthorized contaminants in our products or raw materials processed by us, which causes or is alleged to cause injury or illness, allegations that our products were mislabeled, were not produced in accordance with our customer's specifications and/or have not performed adequately, even where food safety or other product safety is not a concern could damage our reputation, adversely affect our sales and may cause product liability or other legal proceedings being initiated against us and our customers, irrespective of whether such allegations have any factual basis. For instance, as of June 30, 2021, we have received 39 notices from food safety authorities under the provisions of the Food Safety and Standards Act, 2006, as amended (the "**FSS Act**") and the relevant rules and regulations thereunder.

These notices allege, among other things, that the samples of our products collected and sent for testing to state food laboratories have been reported as either "sub-standard" (as defined under Section 3(1)(zx) of the FSS Act) if it "does not meet the specified standards but not so as to render the article of food unsafe" or "misbranded" (within the meaning of Section 3(1)(zf) of the FSS Act) if it is, among other things, purported, or is represented to be, or is being offered or promoted for sale with false, misleading or deceptive claims or not labelled in accordance with the requirements set out under the FSS Act. For further details, see "*—10. Our operations are subject to evolving health, safety and environmental laws and regulatory standards.*" and "*Outstanding Litigation and Material Developments—Actions and Proceedings initiated by Statutory/Regulatory Authorities involving our Company*" on pages 31 and 288, respectively.

We may also be subject to regulatory action and mandatory product recalls. We cannot assure you that we will not be subject to such product liability claims in the future or that our insurance coverage will be adequate to cover all such liabilities, whether or not legitimate, or product recalls, whether voluntary or mandatory. Defending such claims or regulatory action could be time-consuming and may also result in unexpected expenditures, and our reputation, business, financial condition, cash flows and results of operations may be adversely affected.

***5. The current outbreak of COVID-19 has caused severe disruptions in the Indian and global economy. The continuing impact of the COVID-19 pandemic on our business, operating results, cash flows and/or financial condition are uncertain and cannot be predicted.***

In late 2019, COVID-19 began spreading globally. In March 2020, the World Health Organization designated COVID-19 as a pandemic, and numerous countries, including India, declared national emergencies in response to the COVID-19 pandemic. The global impact of the COVID-19 pandemic continues, with many countries instituting quarantines and restrictions on travel, closing financial markets and/or restricting trading, and limiting the operations of non-essential businesses. There is currently substantial medical uncertainty regarding COVID-19 and the effectiveness of available vaccines. The scope, duration and frequency of such measures and the adverse effects of COVID-19 remain uncertain.

Since February 2021, India has recorded an increase in daily new COVID-19 cases. Lockdowns and curfews have been implemented by a few states, and a further increase in daily new COVID-19 cases in India could result in new lockdowns and curfews, imposition of quarantines and restrictions on travel, which could thereby adversely affect our business, prospects, financial condition and results of operations. The GoI had imposed a nationwide 21-day lockdown on March 24, 2020, which required us to halt operations completely from March 25, 2020. Our refineries in both Kakinada and Krishnapatnam, in Andhra Pradesh, however, resumed operations within a week, given that we are engaged in manufacturing of edible oils and fats which are fast moving consumer products, and are categorized as 'essential goods' in accordance with guidelines released by the Government of India. Further, the FSSAI has issued a guidance note on 'Food Hygiene and Safety Guidelines for Food Businesses during Coronavirus Disease (COVID-19) Pandemic' ("**FSSAI Covid Guidelines**") with an intent to provide guidance to businesses engaged in the food industry, including for personnel involved in handling of food and other employees to prevent spread of COVID-19 in the work environment and any incidental contamination of food/food packages. We were required to adopt precautionary measures, including social distancing, zero-touch interactions and stringent sanitization of our workplaces. The schedule sets out multiple compulsory measures to be adopted by food business operators in the interest of human nutrition, safety and hygiene, which may result in increased costs. Although we are currently in material compliance with the FSSAI Covid Guidelines, any failure to fully comply or adhere to the measures and guidelines set out in the FSSAI Covid Guidelines or any other similar regulations could lead to the imposition of penalties, fines or other sanctions, which could have an adverse impact on our business. Going forward, the government may introduce further requirements such as country-wide or regional lockdowns, quarantines, or social distancing mandates. Compliance with such mandates may disrupt our normal operations and reduce our revenue or increase our health and safety expenses and other costs. While our financial performance in Fiscal 2021 has been well-sustained, with our total revenue from operations in Fiscal 2021 being ₹77,659.62 million, as compared with our revenue from operation prior to the COVID-19 pandemic, in Fiscal 2020 being ₹65,002.49 million, there can be no assurance that the COVID-19 pandemic and its related effects will not adversely affect our revenues in the future. Please also see "*Management's Discussion and Analysis of Financial Condition and Results of Operation – Impact of COVID-19*" on page 274.

Unfavorable market conditions resulting from the COVID-19 pandemic and responses to it may also continue to affect us. While there has not been any material impact on the supply or procurement of raw materials and distribution of our products to our customers, there is no assurance that this will continue to be the case. We cannot predict the impact that the COVID-19 pandemic will have on our customers, suppliers, vendors and other business partners, and each of their business continuity plans and financial conditions. The COVID-19 pandemic has resulted in significant disruption of global financial markets and increased levels of unemployment and economic uncertainty, which may adversely impact our business. These developments may lead to significant negative impacts on customer spending, demand for our products, the ability of our customers to pay, our financial condition and the financial condition of our customers and suppliers, and may also negatively impact our access to external sources of financing to fund our operations or make capital expenditure. We may also face liquidity challenges, should disruptions occur to our supply and distribution channels or if economic hardship for those we do business with results in delays or cancellation of orders or difficulties in collecting on certain accounts receivable. Changes in liquidity or changes in our outlook for the market more generally may affect our investment plans. There can be no assurance that the COVID-19 pandemic and its related effects will not affect our ability to meet our obligations under any existing financial covenants going forward.

The duration and extent of the impact from the COVID-19 pandemic depends on future developments that cannot be accurately predicted at this time, such as the future resurgence, severity and transmission rate of the virus, the extent and effectiveness of lockdowns and other containment actions, new vaccines and the timing and scale of their implementation in India and the impact that these and other factors have on our employees, customers, suppliers and partners. Such uncertainty precludes any prediction as to the ultimate adverse impact that the COVID-19 pandemic will have on economic and market conditions, demand for our products and services, or our business results. The COVID-19 pandemic may have a continuing adverse impact on market conditions in India and result in a period of global economic slowdown more broadly. The COVID-19 pandemic or the outbreak or threatened outbreak of any other severe communicable disease could materially and adversely affect our reputation, business, financial condition, cash flows and results of operations.

There have been instances of resurgence of the COVID-19 pandemic around the world, which has brought about fresh lockdowns and caused further disruptions to economies. India has also experienced outbreaks of other diseases in the past. Any future outbreak of disease, health epidemic or pandemic, such as the COVID-19 pandemic, or any widespread public health emergency may restrict the level of business activity in affected areas, which may, in turn, materially and adversely impact our business, prospects, financial condition and results of operations.

***6. Manufacturing risks and regulatory non-compliances may disrupt our operations.***

We own and operate three refineries located in Kakinada and Krishnapatnam, in Andhra Pradesh. There is a risk that production and operating difficulties, including those beyond our control such as capacity constraints, mechanical and systems failures, construction/upgrade delays, disruptions in power supply or processes or delays in the delivery of machinery may occur, causing the underutilization of our refineries and reduction in output.

We may also be subject to manufacturing disruptions due to contraventions of any of the conditions of our regulatory approvals, which may require any of our refineries to cease, suspend or limit production until the disputes concerning such approvals are resolved. For instance, in the past during internal audits it was identified that our Company among other things, failed to (i) maintain certain requisite registers under the Minimum Wages Act, 1948 read with Andhra Pradesh Minimum Wages Rules, 1950; (ii) scrutinize mustard oil packet weights after packaging; (iii) file monthly returns of water usage with the assessing authority under Rule 4 of the Water (Prevention and Control of Pollution) Cess Rules, 1978; (iv) maintain the details of sludge generated in Form 3 under Rule 6(5) of the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016; and (v) make payments for certain contributions mandated by the Employees' State Insurance Corporation (ESIC). While our management has recommended various action plans to ensure compliance with the applicable statutes and regulations on the basis of the internal audit reports, there can be no assurance that such action plans can be effectively implemented and that penalties will not be imposed on the Company. As certain regulatory approvals are site specific, we may be unable to transfer manufacturing activities to another location immediately. Any significant manufacturing disruption could adversely affect our ability to make and sell products, which could have a material adverse effect on our reputation, business, financial condition, cash flows and results of operations.

Our operations also require a significant amount and continuous supply of electricity, fuel, and water and any shortage or non-availability of such utilities may adversely affect our operations.

***7. Our inability to expand or effectively manage our growing distribution network may have an adverse effect on our business, results of operations and financial condition.***

We have an extensive sales and distribution network that consists of over 30 depots and over 1,100 distributors and wholesalers through which our products reach retail outlets in approximately 640 towns in the states of Telangana, Andhra Pradesh, Odisha and Karnataka, as at June 30, 2021. To sell products to our end consumers, we use trade channels including wholesalers and distributors to reach out to both modern and traditional retail outlets, as well as through e-commerce platforms, and our ability to expand and grow our product reach depends significantly on the reach and effective management of our distribution network. We continuously seek to increase the penetration of our products by appointing new distributors. We cannot assure you that we will be able to successfully identify or appoint new distributors or effectively manage our existing distribution network.

If the terms offered to such distributors by our competitors are more favorable than those offered by us, distributors may decline to distribute our products and terminate their arrangements with us. We may be unable to appoint replacement distributors in a timely fashion, or at all, which may reduce our sales volumes and adversely affect our business, results of operations and financial condition.

Further, our competitors may have exclusive arrangements with distributors and these distributors may be unable to stock and distribute our products, which may limit our ability to expand our distribution network. While we offer our distributors certain incentive schemes to distribute our products, we may not be able to effectively implement them across our distribution network. We may also face disruptions in the delivery of our products for various reasons beyond our control, including poor handling by distributors of our products, transportation bottlenecks, natural disasters and labor issues, which could lead to delayed or lost deliveries. If our distributors fail to distribute our products in a timely manner, or adhere to the terms of the distribution agreement, or if our distribution agreements are terminated, our business, financial condition, cash flows and results of operations may be adversely affected.

***8. Our performance may be adversely affected if we are not successful in managing our inventory or working capital.***

We estimate demand for our products based on projections, our understanding of anticipated consumer spending and inventory levels with our distribution network. An inability to effectively plan and manage inventory turnover may result in excess or insufficient inventory or fulfilment capacity, resulting in increased costs and impairment charges. Such an inability to accurately forecast product demand or effectively manage such inventory would result in unexpected costs and adversely affect our business operations. If we do not effectively plan our production and related inventory requirements, and our assumptions are proven to be inaccurate (in particular, where such assumptions relate to projected customer demand), we may suffer shortages of required raw and packaging materials and consequently be forced to cease production. At the other extreme, we may order supplies in excess of our requirements, which may result in our working capital being tied up in inventory for a longer period of time than anticipated. In the event of such over-production, we may face difficulties with storage and other inventory management issues before the expiry of the shelf life of our products, which may adversely affect our results of operations and profitability. This could affect our production or operational efficiency, in turn impacting our profitability and competitiveness.

***9. The edible oils and specialty fats industry in India is intensely competitive and our inability to compete effectively may adversely affect our business, results of operations, financial condition and cash flows.***

The edible oils industry in India is a competitive and fragmented market with multiple national and regional companies. Some of our competitors may be larger than us or develop alliances to compete against us, have more financial and other resources and have products with greater brand recognition than ours. In addition to existing players, we also face competition from new players in the edible oil industry. If our competitors develop more efficient production facilities which enable them to produce their products at significantly lower costs, they could sell at lower prices and could require us to lower the prices we charge. Our competitors in certain regions may also have better access to raw materials required in our operations and may procure them at lower costs than us, and consequently be able to sell their products at lower prices. As a result, we cannot assure you that we will be able to compete successfully in the future against our existing or potential competitors or that our business and results of operations will not be adversely affected by increased competition.

Further, we cannot assure you that we will be able to retain our existing industrial customers or maintain our market share with our retail customers. In addition, our competitors may significantly increase their advertising expenses to promote their brands and products, which may require us to similarly increase our advertising and marketing expenses and engage in effective pricing strategies, which may have an adverse effect on our business, financial condition and results of operations.

***10. Our operations are subject to evolving health, safety and environmental laws and regulatory standards.***

We are subject to laws and government regulations, including in relation to safety, health and environmental protection and hazardous waste management. These safety, health and environmental protection laws and regulations impose controls on air and water discharge, noise levels, management of materials used in manufacturing activities, storage, handling, employee exposure to hazardous substances and other aspects of our manufacturing operations. These laws also regulate the storage, treatment and disposal of wastes, remediation of contaminated soil and groundwater, air quality standards, water pollution and discharge of hazardous materials into the environment. For further details, see "*Key Regulations and Policies*" on page 161. The discharge or emission of chemicals, dust or other pollutants into the air, soil or water that exceed permitted levels and cause damage to others may give rise to liabilities towards the government and third parties, and may result in our incurring costs to remedy any such discharge or emissions.

Environmental laws and regulations in India have become and continue to be more stringent, and the scope and extent of new environmental regulations, including their effect on our operations, cannot be predicted with any certainty. In case of any change in environmental or pollution regulations, we may be required to invest in, among other things, environmental monitoring, pollution control equipment, and emissions management and other expenditure to comply with environmental standards. Any failure on our part to comply with any existing or future regulations applicable to us may result in legal proceedings, including public interest litigation, being commenced against us, third party claims or the levy of regulatory fines. Further, any violation of the environmental laws and regulations may result in fines, criminal sanctions, revocation of operating permits, or shutdown of our manufacturing facilities. For instance, the Andhra Pradesh Pollution Control Board ("**APPCB**") issued an order against us on December 27, 2018 in response to a complaint alleging that our facilities and those of certain other companies were polluting the air and land by discharging effluents without treatment. Further, in the related matter, the National Green Tribunal (South Zone), Chennai ("**NGT Chennai**") also conducted an investigation into allegations that we and certain other companies were causing water and air pollution by discharging effluents without treatment, which was leading to the water of the area becoming unfit for drinking and irrigation. A joint committee appointed by NGT Chennai ("**NGT JC**") for inspecting the area found us to be in partial compliance of the standards stipulated by APPCB on December 1, 2020 but recommended imposition of a fine of ₹6.60 million (the "**Proposed NGT Fine**") on us. We filed objections to the report of the NGT JC on February 17, 2021 and have prayed against imposition of the Proposed NGT Fine. For further details, see "*Outstanding Litigation and Material Developments*" on page 287.

Further, our products, including the process of manufacture, storage and distribution of such products, are subject to numerous laws and regulations in relation to their quality, safety and health. For instance, the provisions of the FSS Act are applicable to us and our products, which sets forth requirements relating to the license and registration of food businesses and general principles for food safety standards, and manufacture, storage and distribution. The Legal Metrology Act, 2009, as amended (the "**Legal Metrology Act**") regulates trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number. For further details, see "*Key Regulations and Policies*" on page 161.

We have received 39 notices from regulatory and statutory authorities in the ordinary course of business, including under the FSS Act, the Legal Metrology Act and the rules and regulations issued thereunder.

We have received 35 of notices from local food safety authorities alleging that samples of our products collected and sent for testing to state food laboratories have been reported as either sub-standard, misbranded or not conforming to the requirements under the FSS Act and the relevant rules thereunder. Some of these notices are pending adjudication with various local adjudication authorities. We have responded to these notices and adjudication applications by filing appeals and written statements, as applicable, challenging the findings of the state food laboratories on various grounds such as, the reports having failed to record the relevant evidence to support their claims or the samples collected being beyond their respective expiry dates. In this regard, we have also stated that our products are manufactured and sold in accordance with the specifications under the FSS Act and relevant rules thereunder. We cannot assure you that the outcome in such proceedings will be in our favor. Any unfavorable decision in connection with such proceedings, individually or in the aggregate, could adversely affect our brand, reputation, business, financial condition and result of operations. For further details, see "*Outstanding Litigation and Material Developments*" on page 287.

We are also subject to the laws and regulations governing employees in such areas as minimum wage and maximum working hours, overtime, working conditions, hiring and termination of employees and work permits. Also see "— *24. Employment laws and other labor activity could have a material adverse effect on us.*" on page 38.

There is a risk that we may fail to comply with such regulations, which could lead to enforced shutdowns and other sanctions imposed by the relevant authorities, as well as the withholding or delay in receipt of regulatory approvals for our new products. We cannot assure you that we will not be involved in future litigation or other proceedings, or be held liable in any litigation or proceedings including in relation to safety, health and environmental matters, the costs of which may be significant. As a consequence of unanticipated regulatory or other developments, future environmental and regulatory expenditure may vary substantially from those currently anticipated. We cannot assure you that our costs of complying with current and future environmental laws and other regulations will not adversely affect our business, results of operations or financial condition. In addition, we could incur substantial costs, our products could be restricted from entering certain markets, and we could face other sanctions, if we were to violate or become liable under environmental laws or if our products become non-compliant with applicable regulations. Our potential exposure includes fines and civil or criminal sanctions, third-party property damage or personal injury claims and clean-up costs. The amount and timing of costs under environmental laws are difficult to predict.

Any failure on our part to comply with any existing or future regulations applicable to us may result in legal proceedings being commenced against us, third party claims or the levy of regulatory fines, which may adversely affect our reputation, business, financial condition, cash flows and results of operations.

***11. We may be subject to significant health and safety risks and hazards in the operation of our refineries.***

Manufacturing sites, such as refineries, involve certain inherent operational hazards. We are subject to a variety of laws and regulations dealing with occupational health and safety. Despite compliance with requisite legal requirements and safety standards, we nevertheless remain exposed to the risk of accidents. Our employees and others often work near heavy items, mechanized equipment, moving vehicles, manufacturing processes and other hazardous materials at our refineries and in the transportation of materials to and from our facilities. From time to time, our refineries are subject to a risk of discharges of dangerous substances, leaks, ruptures, fires, explosions, and other accidents. Such accidents may disrupt operations and frustrate our ability to plan and utilize our refining capacities. Further, accidents may result in property damage, environmental pollution, personal injuries or fatalities, the imposition of civil and criminal penalties or other government action against us or our employees. Any such outcomes and significant breakdown of our machineries may entail repair and maintenance costs and cause delay in our operation, which could have a material adverse effect on the productivity of our plants, our reputation, and the profitability of our business. For example, in December 2020, a contract worker, while unloading pouch film roll box from a truck, slipped from the truck and fell resulting in fatal injuries. This has been the only instance of a fatal injury in our operations since our incorporation. Certain other minor incidents include injuries due to incorrect operation of forklifts and minor incidents of fire due to short circuit. Similar developments may have a material adverse effect on our reputation, business, financial condition, cash flows and results of operations. See also "*– 17. Our insurance policies may not be adequate to cover all losses incurred in our business operations"* on page 35.

***12. Our business and prospects may be adversely affected if we are unable to maintain, protect and grow our brand image.***

We are one of the manufacturers and marketers of edible oils in India and our flagship brand '*Freedom*' sunflower oil, rice bran oil, mustard oil and groundnut oil is among the well-known product brands. Our brand and reputation are among our most important assets and we continue to develop awareness of our brand, through focused and consistent branding and marketing initiatives, among retail consumers and institutional customers, in order to increase our sales volumes and our revenues, grow our existing market share and expand into new markets. Consequently, any adverse publicity involving us or any of our products, even if factually incorrect, may impair our reputation, dilute the impact of our branding and marketing initiatives and adversely affect our reputation, business and prospects. In addition, with the increased use of social media in India, any such adverse publicity involving us may be accelerated through the internet.

Our Company has filed objection applications before the Trade Marks Registry at Mumbai, Delhi and Chennai opposing the registration applications of trademarks of third parties. There is one objection application in relation to our key brand 'Freedom' filed by a third party. These objections are pending before the relevant Trade Marks Registry. Our Company has also received objections/oppositions to certain trademark applications filed by the Company in relation to our brand "*Freedom*" from Sapthagiri Industries Private Limited. Our Company has also received objections/opposition from Indian Tobacco Company Limited in relation to our registration of the mark "Manideep". These objections are pending before the relevant Trade Marks Registry and any adverse outcome in such proceedings may affect our brand, business, reputation and prospects. For further details, see "*Outstanding Litigation and Material Developments—Material Civil Litigation against our Company"* beginning on page 294.

***13. Any inability to protect our intellectual property or any claims that we infringe on the intellectual property rights of others could have a material adverse effect on us.***

As at March 31 2021, we had registered 28 trademarks, 1 copyright and 2 designs, including for our key brands '*Freedom*', '*First Klass*' and '*Magik*'. We have also applied for registration of 2 other trademarks and 3 other designs, which remain pending at various stages of the registration process. 34 of our trademark applications including those relating to our key brand, '*Freedom*' have been objected or opposed. We may not be able to prevent infringement of our trademarks and a passing off action may not provide sufficient protection until such time that this registration is granted. For further details, see "*Government and Other Approvals*" beginning on page 299.

We are also exposed to the risk that other entities may pass off their products as ours by imitating our brand name, packaging material and attempting to create counterfeit products. There may be other companies or vendors which operate in the unorganized segment using our trade name or brand names. Any such activities could harm the reputation of our brand and sales of our products, which could in turn adversely affect our financial performance and the market price of the Equity Shares. The measures we take to protect our intellectual property include relying on Indian laws and initiating legal proceedings, which may not be adequate to prevent unauthorized use of our intellectual property by third parties. Furthermore, the application of laws governing intellectual property rights in India is uncertain and evolving, and could involve substantial risks to us. Notwithstanding the precautions we take to protect our intellectual property rights, it is possible that third parties may copy or otherwise infringe on our rights, which may have an adverse effect on our reputation, business, financial condition, cash flows and results of operations.

While we take care to ensure that we comply with the intellectual property rights of others, we cannot determine with certainty whether we are infringing any existing third-party intellectual property rights which may force us to alter our brand names. We may also be susceptible to claims from third parties asserting infringement and other related claims. If similar claims are raised in the future, these claims could result in costly litigation, divert management's attention and resources, subject us to significant liabilities and require us to enter into potentially expensive royalty or licensing agreements or to cease usage of certain brand names. Furthermore, necessary licenses may not be available to us on satisfactory terms, if at all. Any of the foregoing could have an adverse effect on our reputation, business, financial condition, cash flows and results of operations.

14. ***We may evaluate opportunities for inorganic growth. Our efforts at integrating acquired businesses may not yield timely or effective results, which may affect our financial condition and results of operations.***

In addition to growth through our internal efforts, we may rely upon strategic acquisitions and similar investments to provide us with access to new geographies, or expand our product line from time to time. We may further acquire or make investments in similar or related businesses or enter into strategic partnerships. The timely execution of such a transaction, which involves timely receipt of all requisite permits, licenses or approvals, is critical to the success of an acquisition. Government authorities could also delay or block certain acquisitions on antitrust grounds. Moreover, we may experience disputes in relation to such acquisitions. Any of these developments could increase our expenses and require significant management attention that would otherwise be available for ongoing development of our existing businesses, which would have a material adverse effect on our business, cash flows, financial condition and results of operations.

We may also experience difficulties in integrating acquisitions into our existing business and operations. Any such strategic acquisitions may require that our management develop expertise in new areas, manage new business relationships and attract new types of customers. Our failure to derive anticipated synergies could affect our business, financial condition, cash flows and results of operations. Future acquisitions may also expose us to potential risks, including risks associated with the integration of new operations, services and personnel, unforeseen or hidden liabilities, the diversion of resources from our existing businesses, our inability to generate sufficient revenue to offset the costs of acquisitions, and potential loss of, or harm to, relationships with employees, suppliers or customers, any of which could significantly disrupt our ability to manage our business and adversely affect our business, financial condition and results of operations.

15. ***We depend on a limited number of customers for the sale of certain products.***

In Fiscals 2019, 2020 and 2021, our top 10 industrial customers accounted for 82.4%, 78.3%, and 68.7% of our total revenue from the industrial consumer vertical. The industrial consumer vertical accounted for revenue from operations (before deduction of incentives and trade promotion expenses) of ₹5,726.19 million, ₹5,197.84 million and ₹6,324.94 million, in Fiscals 2019, 2020 and 2021, which as a percentage of total revenue from operations (before deduction of incentives and trade promotion expenses) was 10.5%, 8.0% and 8.1%, respectively. There is no assurance that these customers will continue to purchase products from us. The volume and timing of sales to these customers may vary due to variation in demand for their products, their attempts to manage their inventory, changes in their product mix, manufacturing and growth strategy, and macroeconomic factors affecting the economy in general, and these customers in particular. A sustained decline in the demand for products produced by these customers could prompt them to cut their production volumes, affecting their demand for our products. It is difficult to forecast the success or sustainability of any strategies undertaken by these customers in response to the current economic or industry environment. In the event these or other significant customers stop purchasing our products, or if there is a reduction in demand from such customers, for any reason, including due to delay in fulfilling existing orders, failure to negotiate acceptable terms in negotiations, disputes or a downturn in such customers' business, if not suitably replaced with another customer, our business, financial condition, cash flows and results of operations may be adversely affected.

16. ***There are outstanding legal proceedings involving our Company and one of our Group Companies. Any adverse outcome in such legal proceedings may affect our business, results of operations and financial condition.***

There are outstanding legal proceedings involving our Company and one of our Group Companies, which are pending at various levels of adjudication before various courts, tribunals and other authorities. Such proceedings could divert management time and attention and consume financial resources in their defense or prosecution. The amounts claimed in these proceedings have been disclosed to the extent ascertainable and quantifiable and include amounts claimed jointly and severally. Any unfavorable decision in connection with such proceedings, individually or in the aggregate, could adversely affect our reputation, business, financial condition and result of operations.

The list of such outstanding legal proceedings as of the date of this Draft Red Herring Prospectus is set out below.

| Nature of cases | No. of cases | Total amount involved (₹ million)^ |
|---|---|---|
| **Litigation involving our Company** | | |
| ***Against our Company*** | | |
| *Material litigation** | 6 | 105.37 |
| *Action taken by statutory and regulatory authorities* | 39 | 3.86 |
| *Taxation cases^^* | 15 | 112.06 |
| ***By our Company*** | | |
| *Criminal cases* | 3 | 2.17 |
| **Litigation involving our Group Companies** | | |
| *Material legal proceedings* | 1 | Nil |

*^ To the extent quantifiable*

** One of the material litigation disclosed includes seven proceedings in relation to the notices for opposition and application for rectification filed by Sri Sapthagiri Industries against our Company for various trademarks associated with our registered brand "Freedom". For further details, see "Outstanding Litigation and Material Developments—Material Civil Litigation against our Company" on page 294.*

*^^ As of the date of this Draft Red Herring Prospectus, our Company had received 11 show cause notices (the "**Notices**") under the Customs Act, in relation to payment for import of goods utilizing MEIS duty credit scrips ("**MEIS Scrips**"). Our Company has responded to the Notices stating, inter alia, that: (i) the MEIS Scrips, which were originally issued to other exporters (the "**Exporters**"), are freely transferable and obtained by our Company from the Exporters; and (ii) the Exporters, being the original holders of the MEIS Scrips were liable for the actions proposed to be implemented and not the Company. The matters in relation to the Notices are currently pending.*

We cannot assure you that any of these matters will be settled in favor of our Company and Group Company, or that no additional liability will arise out of these proceedings. An adverse outcome in any of these proceedings could adversely affect our reputation, business, financial condition, results of operations and prospects. For further details, see "*Outstanding Litigation and Material Developments*" on page 287.

***17. Our insurance policies may not be adequate to cover all losses incurred in our business operations.***

Our business operations have the potential to cause personal injury and loss of life, damage to or destruction of property, plant and equipment and damage to the environment and are subject to risks such as fire, theft, flood, earthquakes and terrorism. We maintain insurance policies for our refineries, offices, buildings, machinery, equipment, stocks, directors and officers liability insurance, marine cargo annual turnover policy, group health insurance policy, group personal accident policy, marine open inland declaration insurance policy, motor car policies, marine open import declaration insurance policy, employee dishonesty policy, terrorism insurance policy, business interruption insurance policy and comprehensive general liability insurance. We also maintain industrial, standard fire and special perils, burglary, master stock and fidelity insurance coverage for our refineries, warehouses and branches that includes material damages to property, pecuniary loss in respect of monies and stock and business interruption, subject to specific exclusions.

As at March 31, 2021, our net tangible fixed assets (without considering land and capital work in progress) aggregated to ₹3,515.31 million and the net value of inventory was ₹10,967.37 million. Our insurance coverage ratio to net value of tangible fixed assets (without considering land and capital work in progress) was 203.3% and our insurance coverage ratio to net value of inventory was 108.0%, as at March 31, 2021. The insurance coverage ratio is calculated based on standard fire and special perils insurance policy coverage.

Our insurance does not cover, or may not adequately cover, every potential risk associated with our business and the consequences thereof. Further, we cannot assure you that any claim under our insurance policies will be settled in a timely manner or honored fully, in part or on time. Any delay in submission and settlement of claims may result in working capital blockage. In addition, market conditions or any significant claim or several claims made by or against us could cause our premiums and deductibles to increase substantially and, in some instances, our coverage may be reduced or become entirely unavailable. Severe disruptions in the domestic and global financial markets could adversely impact the ratings and survival of some insurers, and future downgrades in the ratings of enough insurers could adversely impact both the availability and cost of appropriate insurance coverage. In the future, we may not be able to obtain meaningful coverage at reasonable rates for a variety of risks, including certain types of environmental hazards, business loss of profits and ongoing regulatory compliance. To the extent that we suffer loss or damage, for which we did not obtain or maintain insurance, and which is not covered by insurance, which exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our business, financial condition and results of operations could be adversely affected.

***18. Conflicts of interest may arise out of business ventures in which certain of our Promoters and Directors are interested.***

As at the date of this Draft Red Herring Prospectus, certain of our Directors namely, Pradeep Chowdhry, Govind Ambady, Hemant Kumar Bhatt and Rajesh Chopra and Promoters namely, GAI and GAIE, have interests in entities that are engaged in businesses similar to ours. For instance, our Directors, Govind Ambady, Hemant Kumar Bhatt and Rajesh Chopra and our Promoters, GAI and GAIE are interested in GARI, one of our Group Companies, which is engaged in the business of importing and selling bulk edible oil in India, lines that are similar to/synergetic with ours. However, GARI does not have any processing facility in India and does not sell branded packaged edible oils to retail consumers. Commercial transactions in the future between us and related parties may result in conflicting interests which could adversely affect our business and operations. Further, we cannot assure you that our Directors and Promoters will not provide competitive services or otherwise compete in business lines in which we are already present or will enter into in future. Such factors may have an adverse effect on the results of our operations and financial condition.

***19. We rely on third-party transportation providers for the supply of our raw materials and the distribution of our products. Any deficiency or interruption in their services could adversely affect our business and reputation.***

We depend on various forms of transport to either receive the imported raw materials required for our products or to deliver finishes products to our customers. We rely on third-party transportation providers for the supply of our raw materials as well as for the distribution of all our products. This makes us dependent on various intermediaries such as shipping lines, sea port operators and domestic land transportation companies. We receive our imported crude edible oils in the port of Krishnapatnam and port of Kakinada, and are heavily reliant on the functioning and operating efficiency of these ports. We have entered into agreements with third parties for the transport of oil through pipelines operated by the third parties from the berths at Kakinada and Krishnapatnam ports to our refineries at Kakinada and Krishnapatnam.

Factors such as weather-related problems, accidents, strike and other restrictions, may impair our ability to receive the crude edible oil and our ability to deliver our finished products to our customers in timely manner.

Further, we do not enter into long-term arrangements with our third-party transportation providers. For instance, the majority of our agreements in Krishnapatnam, with third-party land transport providers are for 12 months, with variable component fees that fluctuate with the cost of diesel. In Kakinada, the truck and tanker freight rates are decided by the unions periodically, after discussions with the edible oil industry players. In the event we are unable to retain our third-party transportation providers, we may be unable to identify and retain alternate third-party transportation providers on terms favorable to us. This in turn may result in an increase in our costs and adversely affect our results of operations.

In addition, our third-party transportation providers may not carry adequate insurance coverage and therefore, any losses that may arise during the transportation process may have to be claimed under our transit insurance policy, or marine insurance policy. We cannot guarantee that we will receive compensation for any such claims in full amount and in timely manner or at all, and consequently, any such loss may adversely affect our business, financial condition and results of operations.

***20. Any inability to attract and retain talented personnel could adversely affect our business.***

Our success will depend on attracting and retaining qualified personnel. In particular, our ability to meet future business challenges will be determined by the knowledge and industry experience of our management team. We cannot assure you that we will be able to retain our management team or other key personnel. The loss of these individuals or any inability to manage the attrition levels in different employee categories may materially and adversely impact our business. Competition for skilled and professionally qualified staff is intense and we may require a long period of time to hire and train replacements when such qualified personnel terminate their employment with us. The inability to adequately fill vacancies in our senior executive positions in a timely manner, or at all, could negatively affect our ability to implement our business strategy, which could adversely affect our results of operations and prospects. Further, the loss of a member of senior management may require substantial resources in the short term. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting employees that our businesses require.

***21. Any delay or inability in obtaining, renewing or maintaining our permits, licenses, registrations and approvals could result in an adverse effect on our results of operations.***

We are required to obtain, maintain and renew certain statutory permits, licenses, registrations and approvals for existing and proposed operations. There can be no assurance that the relevant authorities will issue any of such permits, licenses, registrations or approvals in the timeframe that we anticipate or at all. For instance, the private bonded warehouse license granted to us by the authorities for storing edible oils at Kakinada, in Andhra Pradesh, has been cancelled by the authorities. We have challenged such cancellation before the appellate authorities. For further details, see "*Outstanding Litigation and Material Developments – Material Civil Litigation against our Company*" and "*Government and Other Approvals – Pending Approvals*" on pages 287 and 301, respectively. Further, there may also be delay in applying for renewal or receiving the grant of such approval due to COVID-19. Failure by us to obtain or renew the required permits, licenses, registrations or approvals may result in the interruption of our operations and may have a material adverse effect on our business, financial condition, cash flows and results of operations.

Further, these permits, licenses, registrations and approvals could be subject to several conditions and we cannot assure you that we would be able to continuously meet such conditions or be able to prove compliance with such conditions to the statutory authorities. Any non-compliance may lead to cancellation, revocation or suspension of relevant permits, licenses, registrations or approvals, or lead to imposition of penalties or other government action, which may result in the interruption of our operations and may adversely affect our reputation, business, financial condition, cash flows and results of operations.

***22. We may require financing for our business operations and the failure to obtain financing on terms commercially acceptable to us may adversely affect our ability to grow and our future profitability.***

While we do not currently have any long-term borrowings, our continued business growth, liquidity and profitability may depend on our ability to obtain adequate funding on acceptable terms from relatively stable and cost-effective sources of funds, which in turn depends on our financial performance, credit ratings and relationships with lenders. There can be no assurance that our business will generate sufficient cash to enable us to service our debt or to fund our other liquidity needs. Our ability to borrow funds may also be affected by a variety of factors, including liquidity in the credit markets, the strength of the lenders from which we borrow and the amount of eligible collateral that may impact calculations of covenants in our financing agreements. An event of default, a significant negative ratings action by a rating agency, an adverse action by a regulatory authority or a general deterioration in prevailing economic conditions may make it difficult for us to access financing in a cost-effective manner. If we are unable to obtain adequate funding on acceptable terms as and when we require for any of the foregoing reasons, it could limit our growth, liquidity and profitability, which could result in a material adverse effect on our liquidity, business, financial condition, cash flows and results of operations.

***23. We are required to comply with certain restrictive covenants under our financing agreements, non-compliance with which may lead to, among others, suspension of further drawdowns.***

Certain of our financing arrangements include conditions and covenants that require our Company to obtain respective lenders' consent prior to carrying out certain activities and entering into certain transactions. Failure to meet these conditions or obtain these consents could have significant consequences on our business and operations. These covenants vary depending on the requirements of the financial institution extending such loan and the conditions negotiated under each financing agreement. Certain actions that require prior consents from certain lenders include, among others, any amalgamation or merger, re-organisation, or reconstruction, change of ownership or shareholding, change in control or management, incurrence of additional indebtedness, creation of additional security, changes in the capital structure of our Company, carrying out any amendment to the constitutional documents of our Company or changes to the memorandum and articles of association of our Company, change or dilution in promoter shareholding, disposition of assets, raising of capital and developing new assets, acquiring any assets, undertaking any guarantee obligations, making any capital expenditure or investment, substantial alteration to the nature of business, repay any principal or interest on any loans availed from the shareholders, directors, partners, proprietors, co-parceners, relatives, friends or any affiliates. Failure to comply with such covenants may restrict or delay certain actions or initiatives that we may propose to take from time to time.

A failure to observe the covenants under our financing arrangements or to obtain necessary waivers may lead to the termination of our credit facilities, acceleration of amounts due under such facilities, imposition of penalties under the terms of the relevant financing arrangements, suspension of further drawdown or withdrawals under such loan facility, either in whole or in part, and/or restructuring of our debt.

***24. Employment laws and other labor activity could have a material adverse effect on us.***

As at March 31, 2021, we had a total of 672 full-time employees and 1,175 contract employees. All employment relationships are subject to certain protections under law, including minimum wages, maximum working hours, overtime, and safe working conditions. Regulatory changes could involve significant costs to our business.

The number of contract employees we have at our facilities varies from time to time based on the nature and extent of work contracted to independent contractors. While we believe that such a high proportion of employees on contract gives us the necessary flexibility and helps us run our business in an efficient and cost-effective manner, it also makes us more susceptible to sudden shortages of skilled personnel in the markets in which we operate, whether driven by competitors or otherwise.

While we have not had any labor disputes with our contract employees in the past, there can be no assurance that we will not experience disruptions in our operations due to disputes or other problems with our workforce going forward, and efforts by our employees to modify compensation and other terms of employment may divert management’s attention and increase operating expenses. The occurrence of such events could adversely affect our business and future results of operations.

From time to time, we also enter into contracts with independent contractors to complete specific assignments and these contractors are required to provide the labor necessary to complete such assignments. Although we do not engage these contractors directly, it is possible under Indian law that we may be held responsible for wage payments to laborers engaged by contractors should the contractors default on wage payments. Any requirement to fund such payments may adversely affect our business, financial condition, cash flows and results of operations. While the Contract Labour (Regulation and Abolition) Act, 1970 does not require us to retain contract laborers as our employees, on a case-by-case basis, the Indian courts have directed employers in the past to absorb contract laborers as employees. Any such order from a court or any other regulatory authority may adversely affect our reputation, business, financial condition, cash flows and results of operations.

***25. Any delay or default in client payment could result in the reduction of our profits***

Our operations involve extending credit for extended periods of time to our distributors and certain customers and consequently, we face the risk of the uncertainty regarding the receipt of these outstanding amounts. As a result of such industry conditions, we have and may continue to have high levels of outstanding receivables. During Fiscals 2019, 2020 and 2021, our trade receivables were ₹ 1,078.11 million, ₹ 814.55 million and ₹ 1,461.78 million, respectively, which constituted 2.0%, 1.3%, and 1.9%, respectively, of our total revenue from operations during those periods. If our distributors and customers delay or default in making these payments, our cash flows and profit margins could be adversely affected.

***26. We are dependent on a number of key personnel, including our senior management, and the loss of or our inability to attract or retain such persons could adversely affect our business, results of operations and financial condition.***

Our performance depends largely on the efforts and abilities of our individual promoters, senior management and other key personnel, including our Managing Director, Pradeep Chowdhry, our Senior Vice President, Sales & Marketing, P. Chandra Shekhara Reddy and our Whole Time Director / Technical Director and Director of Operations & Projects, Prathap Gangaraju. We believe that the inputs and experience of these and other senior management and key managerial personnel are essential for the development of the business and the operations and strategic directions taken by our Company. We cannot assure you that we will be able to retain these employees or find adequate replacements in a timely manner, or at all. We may require a long period of time to hire and train replacement personnel when qualified personnel terminate their employment with our Company. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting employees that our business requires. The continued operations and growth of our business is dependent upon our ability to attract and retain personnel who have the necessary and required experience and expertise. Competition for qualified personnel with relevant industry expertise in India is intense. A loss of the services of our key personnel may adversely affect our prospects, business, results of operations and financial condition. We may also face attrition of our existing workforce as a result of increased competition or other factors relating to our businesses.

***27. The premises of our Registered and Corporate Office and certain other premises are leased. Non-renewal or a dispute with a lessor may lead to disruption of business and costs associated with shifting of branch office.***

We have entered into lease agreements with third parties for certain of our premises. We may also enter into such transactions with new third parties in the future. Further, our Registered and Corporate Office in Telangana is located on premises leased to us by Secunderabad Oils Limited, one of our Promoter Group and Group Companies, for a period of one year with effect from October 1, 2020. In the event that we are unable to renew our lease or Secunderabad Oils Limited loses ownership or lease rights to this property, we may be required to vacate the current premises and make alternative arrangements for our Registered and Corporate Office. We cannot assure you that we will be able to renew these leasing arrangements at commercially favorable terms, or at all. If we are unable to renew all or any of our leasing arrangements, it may cause disruptions in our business and we may incur substantial costs associated with shifting of our offices, all of which may adversely affect our operations and financial condition. For further details, see "*Our Business—Properties*" on page 160.

***28. The lease agreement in relation to our Registered and Corporate Office has not been registered.***

Our Company has executed a lease agreement dated September 25, 2020 with Secunderabad Oils Limited, one of our Promoter Group and Group Companies, for the purpose of leasing the premises of our Registered and Corporate Office. The tenure of the lease agreement is one year, with effect from October 1, 2020. We have not registered the lease agreement as required under the Registration Act, 1908. Such non-registration may render our lease agreement invalid in the event of any dispute, which may adversely affect our business and operations. For further details, see "*Our Business—Properties*" on page 160.

***29. Any failure of our information technology systems could adversely affect our business and our operations.***

We have information technology systems that support our business processes, including product development, sales, order processing, production, distribution and finance. These systems may be susceptible to outages due to fire, floods, power loss, telecommunications failures, natural disasters, break-ins and similar events. Effective response to such disruptions will require effort and diligence on the part of our third-party vendors and employees to avoid any adverse effect to our information technology systems. In addition, our systems and proprietary data stored electronically may be vulnerable to computer viruses, cybercrime, computer hacking and similar disruptions from unauthorized tampering. If such unauthorized use of our systems were to occur, data related to our product formulas, product development and other proprietary information could be compromised. The occurrence of any of these events could adversely affect our business, interrupt our operations, subject us to increased operating costs, and expose us to regulatory action or litigation.

***30. We have certain contingent liabilities which, if materialized, may adversely affect our financial condition.***

As at March 31, 2021, we had certain contingent liabilities, as set out in the table below.

| **Particulars** | **Amount** *(₹ million)* |
|---|---|
| Demand under Goods and Services Tax Acts | 83.27 |
| Demand under Central Excise Act, 1944 | 12.14 |
| Demand under Value Added Tax / Entry Tax | 0.12 |
| Others | 7.99 |
| **Total** | **103.52** |

If at any time we are compelled to pay all or a material proportion of these contingent liabilities, it would have a material and adverse effect on our business, financial condition, cash flows and results of operations. For further details, see "*Financial Information*" beginning on page 207.

***31. We have in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest with the equity shareholders.***

We have entered into various transactions with related parties. In this regard, we and GAI had entered into master agreements dated May 29, 2015 and January 7, 2016, as amended by an amendment agreement dated January 31, 2020 (together, the "**Master Agreements**"), whereby we and GAI have agreed to sell and purchase from each other, vegetable oils based commodity products including palm oil and sunflower oil by execution of contracts for hedging the commodity price risk. The prices of the products are mutually negotiated between us and GAI at the time of execution of each contract and are benchmarked against publicly available market prices. While all such transactions have been conducted on an arm's length basis and contain commercially reasonable terms, we cannot assure you that we could not have achieved more favorable terms had such transactions been entered into with unrelated parties. It is likely that we may enter into related party transactions in the future. Such related party transactions may potentially involve conflicts of interest. For details on our related party transactions, see "*Financial Information*" on page 207. For details on the interest of our Promoter, Promoter Group, Group Companies, Directors and Key Managerial Personnel, other than reimbursement of expenses incurred or normal remuneration or benefits, see "*Our Management—Interest of Directors*", "*Our Management—Interest of Key Managerial Personnel*", "*Our Group Companies—Related business transactions within our Group Companies and significance on the financial performance of our Company*" and "*Our Promoters and Promoter Group—Business Interests / Payment or Benefits to our Promoters or Promoter Group*" on pages 180, 193, 204 and 197, respectively. We cannot assure you that such transactions, individually or in the aggregate, will always be in the best interests of our minority shareholders and will not have an adverse effect on our business, financial condition, cash flows and results of operations.

***32. We utilize the services of certain third parties for our support functions. Any deficiency or interruption in their services could adversely affect our business and reputation.***

We engage third party service providers from time to time for support functions including for the regular maintenance and servicing of plant and machinery at our refineries. Our ability to control the manner in which services are provided by third parties is limited. We may be held liable on account of any deficiency of services on the part of such service providers. We cannot assure you that we will be successful in continuing to receive uninterrupted and quality services from third parties. Any disruption or inefficiency in the services provided by third parties could affect our business and reputation.

***33. We and certain of our Selling Shareholders may engage in transactions in or with countries or persons that are subject to U.S. and other sanctions.***

We import crude sunflower oil from suppliers in countries subject to international sanctions administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State or equivalent sanctions regimes administered by Her Majesty's Treasury, the European Union, the United Nations or other relevant sanctions authorities (collectively, "**International Sanctions**"). For instance, in Fiscal 2019, 2020 and 2021, we have imported 292,105 MTs, 345,386 MTs, and 376,865 MTs of crude sunflower oil from Ukraine and Russia representing 100%, 95% and 96%, respectively, of our total crude sunflower oil import volumes. Sales from sunflower oil contributed to ₹26,537.53 million, ₹31,736.68 million and ₹47,068.16 million, representing 48.7%, 48.5%, and 60.3% of our revenue from operations (before deducting incentives and trade promotion expenses) in Fiscal 2019, 2020 and 2021, respectively.

We cannot assure you that our business will not be impacted by such International Sanctions in the future, particularly if there are changes to or more stringent application of International Sanctions. In addition, as a result of our business activities or a change in the scope or application of International Sanctions, our suppliers, customers or other parties that are associated with us and that are required to comply with such International Sanctions may seek to terminate or modify our contractual arrangements to impose additional conditions that may be adverse to our operations or business prospects, or may be precluded from entering into commercial transactions with us. Since sanctions programs are evolving, new requirements or restrictions could come into effect which might increase regulatory scrutiny of our business or result in certain of our business activities being deemed to have violated sanctions, or being sanctionable. Any future changes to International Sanctions may also require us to discontinue our arrangements with our suppliers in such jurisdictions, or prevent us from having dealings in jurisdictions subject to such International Sanctions, which could have a material adverse effect on our financial condition and results of operations. Further, certain of our Selling Shareholders have had transactions with territories that are the subject of non-comprehensive sanctions. As a result, investors in the Equity Shares could also incur reputational or other risks as a consequence.

***34. Lack of transparency, threat of fraud, public sector corruption and other forms of criminal activity involving government officials increase the risk for potential liability under anti-bribery laws.***

In addition, we and our counterparties, including the Selling Shareholders are subject to anti-corruption and anti-bribery laws that prohibit improper payments or offers of improper payments to governments and their officials and political parties for the purpose of obtaining or retaining business and require the maintenance of internal controls to prevent such payments. In the past, one of the Selling Shareholders have had incidents of bribery. Further, in certain circumstances, we may be held liable for actions taken by our partners and agents, even though they are not always subject to our control. Any violation of anti-corruption laws could result in penalties, both financial and non-financial, that could have a material adverse effect on our business and reputation.

***35. We have had negative net cash flows from operations in the past and may continue to have negative cash flows in the future.***

The following table sets forth our cash flow for the periods indicated:

| **Particulars** | **Fiscal 2019** | **Fiscal 2020** | **Fiscal 2021** |
|---|---|---|---|
| | *(₹ million)* | | |
| Net cash (used in)/generated from operating activities | (210.83) | 2,212.58 | 5,883.96 |

Negative cash flows over extended periods or significant negative cash flows in the short term, could materially affect our ability to operate our business and implement our growth plans. For further details, see "*Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Cash Flows*" beginning on pages 207 and 279, respectively.

***36. Information relating to historical production capacity and the capacity utilization of our facilities included in the DRHP is based on various assumptions and estimates and future production capacity and capacity utilization may vary.***

Information relating to the historical production capacity and the capacity utilization of our refineries included in this Draft Red Herring Prospectus are based on various assumptions and estimates of our management that have been taken into account by an independent chartered accountant in the calculation of the production capacity and the capacity utilization of our refineries and such calculations may not be computed on the basis of any standard methodology and may not be comparable to that employed by other companies in the edible oil and fats industry. Actual production levels and future capacity utilization rates may vary significantly from the estimated production capacities of our refineries and their historical capacity utilization rates. Undue reliance should therefore not be placed on our production capacity and the capacity utilization included in this Draft Red Herring Prospectus. See "*Our Business—Capacity and Capacity Utilization*" on page 155.

***37. We have commissioned and paid for the services rendered by Technopak in preparing the industry report titled "Indian Edible Oils & Fats Industry" dated August 4, 2021, which has been used for industry related data in this Draft Red Herring Prospectus.***

We have commissioned and paid for the services rendered by a third-party industry report which has been used by us for the purpose of confirming our understanding of the industry in connection with the Offer, for industry related data that has been disclosed in this Draft Red Herring Prospectus.

The report uses certain methodologies for market sizing and forecasting. While we believe the data to be true, we cannot assure you that it is complete or reliable. Accordingly, investors should read the industry related disclosure in this Draft Red Herring Prospectus in this context.

Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. While industry sources take due care and caution while preparing their reports, they do not guarantee the accuracy, adequacy or completeness of the data. Accordingly, investors should not place undue reliance on, or base their investment decision solely on, this information.

***38. The audit reports on our audited financial statements as at and for Fiscal 2020, and the examination report on the Restated Financial Information contains a remark.***

The examination report issued by the Statutory Auditors on the Restated Financial Information contains a remark on the inability of the erstwhile auditors to participate in physical verification of inventory due to the COVID-19 pandemic and the performance of alternative audit procedures as per guidance provided by SA 501 "Audit Evidence – Specific Consideration for Selected Items". The erstwhile auditors for our Company had also drawn attention in this regard in their audit report on the audited financial statements of our Company for Fiscal 2020.

***39. Certain of our Promoters together may be able to exert significant influence over our Company after completion of the Offer, which may limit your ability to influence the outcome of matters submitted for approval of our Shareholders.***

Following the completion of the Offer, our Promoters will continue to hold more than 50.0% of our post-Offer Equity Share capital. Such shareholdings to be held by our Promoters and certain significant Shareholders could limit your ability to influence corporate matters requiring shareholder approval, especially the resolutions which are required to be approved by way of special resolutions by the Shareholders under the provisions of the Companies Act. Any consequent delay or non-receipt of shareholder approval for such matters could adversely affect our business. In addition, following the completion of the Offer and subject to the approval of Shareholders by special resolution after the successful completion of the Offer, Black River and the Individual Promoters will each have a right to appoint one Director so long as the Black River and the Individual Promoters' shareholding has not fallen below 5.0% of the paid-up share capital of the Company, on a fully diluted basis. Further, GAIE will have the right to appoint three Directors so long as the shareholding of GAIE has not fallen below 26.0% of the paid-up share capital of our Company, on a fully diluted basis. In the event the shareholding of GAIE falls below 26.0% of the paid-up share capital of our Company but not below 15.0% of the paid-up share capital of our Company, on a fully diluted basis, GAIE has the right to appoint two Directors. In the event the shareholding of GAIE further falls below 15.0% of the paid-up share capital of our Company but not below 5.0% of the paid-up share capital of our Company, on a fully diluted basis, GAIE has the right to appoint one Director on our Board. For further details on their shareholding and their right to appoint nominee directors, see "*Capital Structure*", "*History and Certain Corporate Matters*" and "*Description of Equity Shares and Main Terms of Articles of Association*" beginning on pages 69, 168 and 352, respectively.

***40. One of our Promoters has limited experience in the edible oils and fats industry.***

One of our Promoters, Alka Chowdhry has limited experience in the edible oils and fats industry.

***41. We have had an instance of regulatory non-compliance in relation to pre-payment of an external commercial borrowing.***

YES Bank Limited ("**YBL**") received a letter from Reserve Bank of India (the "**RBI**") in relation to lapse in allowing pre-payment of an external commercial borrowing ("**ECB**") amounting to US$2,660,000 by our Company from one of our lenders, prior to completion of the minimum average maturity prescribed under the prevailing directions and guidelines governing external commercial borrowings (the "**ECB Guidelines**"). In response to representations from our Company and YBL, the RBI issued a letter dated September 6, 2018 to YBL where it excused the non-compliance with the ECB Guidelines but urged it to exercise caution and ensure that such lapses do not occur in the future and further stated that any future lapses could result in penal action from the RBI. Any action taken by the relevant authorities on account of similar non-compliances in the future could adversely affect our reputation, business, financial condition, results of operations and prospects.

***42. Our Company will not receive any proceeds from the Offer. Our Shareholders selling Equity Shares in the Offer will receive all proceeds from the Offer as part of the Offer for Sale.***

The Offer consists of an offer for sale of up to [●] Equity Shares aggregating up to ₹25,000.00 million by the Selling Shareholders, which includes one of our Corporate Promoters and our Individual Promoters. The proceeds from the Offer will be paid to the Selling Shareholders, in proportion of the respective portion of their Offered Shares, and we will not receive any such proceeds. Our Promoters, being part of the Selling Shareholders, will receive such proceeds from the Offer for Sale. For further details, see "*Objects of the Offer*" and "*Capital Structure*" on pages 78 and 69, respectively.

**External Risk Factors**

***43. Changing laws, rules and regulations and legal uncertainties, including adverse application or interpretation of corporate and tax laws, may adversely affect our business, prospects and results of operations.***

The regulatory and policy environment in which we operate is evolving and subject to change. Our business and financial performance could be adversely affected by unfavorable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations applicable to us and our business. In such instances, and including the instances mentioned below, our business, results of operations and prospects may be adversely impacted, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. Any political instability in India, such as corruption, scandals and protests against certain economic reforms, which have occurred in the past, could slow the pace of liberalization and deregulation. The rate of economic liberalization could change, and specific laws and policies affecting foreign investment, currency exchange rates and other matters affecting investment in India could change as well.

The Government of India implemented a new law relating to social security and wages in September 2020, the Code for Social Security, which takes effect from April 1, 2021 (the "**Social Security Code**"). This code will impact overall employee expenses and, in turn, could impact the profitability of our Company. Under the Social Security Code, a new concept of deemed remuneration has been introduced, such that where an employee receives more than half (or such other percentage as may be notified by the Central Government), of their total remuneration in the form of allowances and other amounts that are not included within the definition of wages under the Social Security Code, the excess amount received shall be deemed as remuneration and accordingly be added to wages for the purposes of the Social Security Code and the compulsory contribution to be made towards the employees' provident fund. The Social Security Code has been published in the Gazette of India. The effective date from which the changes are applicable is yet to be notified and the rules are yet to be finalized. As an immediate consequence, the Social Security Code could increase the financial burden on the employer, which may impact profitability.

The application of various Indian tax laws, rules and regulations to our business, currently or in the future, is subject to interpretation by the applicable taxation authorities. For instance, the Taxation Laws (Amendment) Act, 2019, a tax legislation issued by the Ministry of Finance, GoI, effective as of September 20, 2019, prescribes certain changes to the income tax rate applicable to companies in India. According to this legislation, companies can henceforth voluntarily opt in favor of a concessional tax regime (subject to no other special benefits/exemptions being claimed), which reduces the rate of income tax payable to 22.0% subject to compliance with conditions prescribed, from the erstwhile 25.0% or 30.0% depending upon the total turnover or gross receipt in the relevant period. Any such future amendments may affect our other benefits such as exemption for income earned by way of dividend from investments in other domestic companies and units of mutual funds, exemption for interest received in respect of tax free bonds, and long-term capital gains on equity shares if withdrawn by the statute in the future, and the same may no longer be available to us. Any adverse order passed by the appellate authorities/ tribunals/ courts would have an effect on our profitability.

Unfavorable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. For instance, the Supreme Court of India has in a decision clarified the components of basic wages which need to be considered by companies while making provident fund payments, which resulted in an increase in the provident fund payments to be made by companies. Any such decisions in future or any further changes in interpretation of laws may have an impact on our results of operations.

Further, the GoI has announced the union budget for Fiscal 2022, pursuant to which the Finance Bill, 2021 ("**Finance Bill**"), has introduced various amendments. The Finance Bill has received assent from the President of India on March 28, 2021, and has been enacted as the Finance Act, 2021 (the "**Finance Act**"). We cannot predict whether any amendments made pursuant to the Finance Act would have an adverse effect on our business, financial condition and results of operations. Furthermore, changes in capital gains tax or tax on capital market transactions or the sale of shares could affect investor returns. As a result, any such changes or interpretations could have an adverse effect on our business and financial performance. For further discussion on capital gains tax, see "— *55. You may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares*" on page 50.

There can be no assurance that the GoI will not implement new regulations and policies requiring us to obtain approvals and licenses from the GoI or other regulatory bodies, or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the applicability, interpretation and implementation of any amendment or change to governing laws, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent in the jurisdictions in which we operate may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future. It may also have a material adverse effect on our business, financial condition, cash flows and results of operations. In addition, we may have to incur expenditures to comply with the requirements of any new regulations, which could materially harm our results of operations or cash flows. Any unfavorable changes to the laws and regulations applicable to us could also subject us to additional liabilities.

We are unable to determine the impact of any changes in or interpretations of existing, or the promulgation of, new, laws, rules and regulations applicable to us and our business. If that was to occur it could result in us, our business, operations or group structure being deemed to be in contravention of such laws and/or may require us to apply for additional approvals. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future.

***44. Recent global economic conditions have been challenging and continue to affect the Indian market, which may adversely affect our business, financial condition, results of operations and prospects.***

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. The ongoing COVID-19 pandemic has caused an economic downturn in several major economies and generated volatility in, and general adverse impact on, the global securities markets, including in India; further, it is not possible for us to predict the extent and duration of this volatility and adverse impact on the global or Indian securities markets, including any possible impact on our Equity Shares. For further discussion on COVID-19, see "– *5. The current outbreak of COVID-19 has caused severe disruptions in the Indian and global economy. The continuing impact of the COVID-19 pandemic on our business, operating results, cash flows and/or financial condition are uncertain and cannot be predicted*." on page 28. Negative economic developments, such as rising fiscal or trade deficits, or a default on national debt, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India and could then adversely affect our business, financial performance and the price of our Equity Shares.

Large budget deficits and rising public debts in recent years, for example in Europe, have triggered sovereign debt finance crises that resulted in the bailouts of European economies and elevated the risk of government debt defaults, forcing governments to undertake aggressive budget cuts and austerity measures, in turn underscoring the risk of global economic and financial market volatility. Financial markets and the supply of credit could continue to be negatively impacted by ongoing concerns surrounding the sovereign debts and/or fiscal deficits of several countries in Europe, the possibility of further downgrades of, or defaults on, sovereign debt, concerns about a slowdown in growth in certain economies and uncertainties regarding the stability and overall standing of the European Monetary Union. Increased budget deficits and the incurrence of additional public debt in Europe and other developed markets as a result of the COVID-19 pandemic may exacerbate these risks and uncertainties.

Further deterioration in the global economy as a result of COVID-19 or otherwise, or the perception that such deterioration could occur, may continue to have an adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition, cash flows and results of operations and reduce the price of our Equity Shares. Any financial disruption could have an adverse effect on our business, results of operations shareholders' equity and the price of our Equity Shares.

***45. A decline in India's foreign exchange reserves may adversely affect liquidity and interest rates in the Indian economy, which could have an adverse impact on us. A rapid decrease in reserves would also create a risk of higher interest rates and a consequent slowdown in growth.***

According to the RBI, India's foreign exchange reserves amounted to US$582.04 billion as at March 12, 2021. Flows to foreign exchange reserves can be volatile, and past declines may have adversely affected the valuation of the Rupee. There can be no assurance that India's foreign exchange reserves will not decrease again in the future. Further decline in foreign exchange reserves, as well as other factors, could adversely affect the valuation of the Rupee and could result in reduced liquidity and higher interest rates that could adversely affect our business, financial condition, cash flows and results of operations.

### 46. *Any downgrading of India's debt rating by an international rating agency could have a negative impact on our business and financial performance.*

Ratings agencies may lower their sovereign ratings for India or the outlook on such ratings, which would also impact our ratings. Moody's and Fitch Ratings, Inc. ("**Fitch**") have negative outlooks on their sovereign rating for India while Standard and Poor's ("**S&P**") currently has a stable outlook.

On June 18, 2020, Fitch downgraded their outlook on India's long-term foreign currency Issuer Default Rating to "negative" from "stable" and affirmed the rating at BBB-, which was re-affirmed on December 3, 2020. This was due to the COVID-19 pandemic having significantly weakened India's growth outlook for the year and the challenges associated with a high public debt burden.

In November 2017, Moody's upgraded India's credit rating to "Baa2" from "Baa3" and changed its India rating outlook to "stable" from "positive" citing reforms such as GST, demonetization, the inflation-targeting monetary policy framework, the Bankruptcy Act, bank recapitalization, Aadhaar and the Direct Benefits Transfer system, however, on June 1, 2020, Moody's downgraded India's foreign currency and local currency long-term issuer ratings to "Baa3" from "Baa2" while maintaining the "negative outlook" due to relatively weak implementation of reforms since 2017, a sustained period of relatively low growth, significant deterioration in the fiscal position of the government and the rising stress in the financial sector.

In September 2020, S&P retained India's sovereign ratings at "BBB minus" with a "stable" outlook, citing its expectation that the Indian economy will recover following the resolution of the COVID-19 pandemic.

There can be no assurance that these ratings will not be further revised or changed by S&P, Fitch or Moody's or that any of the other global rating agencies will not downgrade India's credit rating. Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such financing is available. Any of these developments may materially and adversely affect our business, financial condition, cash flows and results of operations.

### 47. *If inflation rises in India, increased costs may result in a decline in profits.*

Inflation rates in India have been volatile in recent years, and such volatility may continue. India has experienced high inflation in the recent past. Increasing inflation in India could cause a rise in the costs of rent, wages, raw materials and other expenses. High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to adequately pass on to our retail, institutional and wholesale customers, whether entirely or in part, and may adversely affect our business and financial condition. If we are unable to increase our revenues sufficiently to offset our increased costs due to inflation, it could have an adverse effect on our business, financial condition, cash flows, results of operations, and prospects. Further, the GoI has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

### 48. *We may be affected by competition law in India and any adverse application or interpretation of the Competition Act could adversely affect our business.*

The Competition Act, 2002, as amended ("**Competition Act**"), regulates practices having an appreciable adverse effect on competition in the relevant market in India. Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an appreciable adverse effect on competition is considered void and results in the imposition of substantial monetary penalties. Further, any agreement among competitors which directly or indirectly: (i) involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or provision of services; (ii) shares the market or source of production or provision of services by way of allocation of geographical area, type of goods or services or number of customers in the relevant market; or (iii) results in bid-rigging or collusive bidding is presumed to have an appreciable adverse effect on competition. The Competition Act also prohibits abuse of a dominant position by any enterprise. The combination regulation (merger control) provisions under the Competition Act require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to, and pre-approved by, the CCI. Additionally, the Competition Commission of India (Procedure in regard to the Transaction of Business Relating to Combinations) Regulations, 2011, as amended, set out the mechanism for implementation of the merger control regime in India. The CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an appreciable adverse effect on competition in India. However, we cannot predict the impact of the provisions of the Competition Act on the agreements entered into by it at this stage.

If we are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any award passed by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, financial condition, cash flows and results of operations.

***49. Natural and man-made disasters, including terrorist attacks, and the inefficient management of the effects of such disasters, may have an adverse effect on our business, financial condition, cash flows and results of operations.***

Natural disasters such as earthquakes, tsunamis, floods, pandemics, cyclones and droughts of a significant scale, may cause damage or disruption to our facilities, adversely affect our production capabilities by reducing the volume of products we can manufacture, and cause us to suffer significant losses. We may also be adversely impacted by government responses to such natural disasters, such as when state governments limit the supply of water to our facilities in the event of a drought. Furthermore, there is a risk that we may be subject to terrorist attacks which may disrupt or damage our facilities. Any damage or failure resulting from natural or man-made disasters, including explosions, terrorist attacks, civil unrest, acts of violence, regional conflicts or situations or war as well as inefficient management of the effects of any such disaster, may cause temporary or extended interruptions in the completion or operation of our facilities, which may have an adverse effect on our business, financial condition, cash flows and results of operations.

***50. Foreign investors are subject to investment restrictions under Indian law, which could limit our ability to attract foreign investors and our ability to raise foreign capital may be constrained by Indian law, which in turn could adversely affect the market price of the Equity Shares.***

Foreign investment in Indian securities is subject to regulation by Indian regulatory authorities. Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then a prior regulatory approval will be required. Additionally, shareholders who seek to convert the Rupee proceeds from a sale of shares in India into a foreign currency and repatriate that foreign currency from India will require a no-objection certificate or a tax clearance certificate from the Indian income tax authorities. Additionally, the GoI may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the GoI experiences extreme difficulty in stabilizing the balance of payments, or where there are substantial disturbances in the financial and capital markets in India. We cannot assure investors that any required approval from the RBI or any other governmental agency can be obtained on any particular terms or at all. Further, the GoI on April 22, 2020 amended the FEMA Non-Debt Instruments Rules pursuant to which any investment into India by an entity of a country which shares a land border with India, or the beneficial owner of an investment into India who is situated in or is a citizen of any such country, shall require the approval of the Government of India. For further details, see "*Restrictions on Foreign Ownership of Indian Securities*" on page 350.

As an Indian company, we are also subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit our financing sources and could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that any required regulatory approvals for borrowing in foreign currencies will be granted to us without onerous conditions, or at all. Limitations on foreign debt may adversely affect our business, financial condition and results of operations.

***51. Investors may have difficulty enforcing foreign judgments against us or our management.***

We are a limited liability company incorporated under the laws of India. The majority of our directors and key managerial personnel are residents of India and all of our assets are located in India. As a result, it may not be possible for investors to effect service of process upon us or such persons outside of India, or to enforce judgments obtained against such parties outside of India.

Recognition and enforcement of foreign judgments is provided for under Section 13 of the Code of Civil Procedure, 1908 ("**CPC**") on a statutory basis. Section 13 of the CPC provides that foreign judgments shall be conclusive regarding any matter directly adjudicated upon, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Under the CPC, a court in India shall, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record. However, under the CPC, such presumption may be displaced by proving that the court did not have jurisdiction.

Among others, the United Kingdom, Singapore, the United Arab Emirates and Hong Kong have been declared by the GoI to be reciprocating territories for the purposes of Section 44A of the CPC. Section 44A of the CPC provides that where a foreign judgment has been rendered by a superior court, within the meaning of that Section, in any country or territory outside of India which the Central Government has by notification declared to be in a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the CPC is applicable only to monetary decrees not being of the same nature as amounts payable in respect of taxes, other charges of a like nature or of a fine or other penalties.

We have been advised by our Indian counsel that the United States and India do not currently have a treaty providing for reciprocal recognition and enforcement of judgments, other than arbitration awards, in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any federal or state court in the United States on civil liability, whether or not predicated solely upon the federal securities laws of the United States, would not be enforceable in India. However, the party in whose favor such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in the United States. The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action was brought in India. Furthermore, it is unlikely that an Indian court would enforce a foreign judgment if that court was of the view that the amount of damages awarded was excessive or inconsistent with public policy or Indian practice. It is uncertain as to whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. However, a party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to execute such a judgment or to repatriate any amount recovered.

***52. Significant differences exist between Ind AS used to prepare our financial information and other accounting principles, such as IFRS and U.S. GAAP, with which investors may be more familiar.***

Our Restated Financial Information included in this Draft Red Herring Prospectus is presented in conformity with Ind AS, restated in accordance with the requirements of Section 26 of part I of the Companies Act, 2013, the SEBI ICDR Regulations and the Guidance Note on "Reports in Company Prospectuses (Revised 2019)" issued by the ICAI. Ind AS differs from accounting principles with which prospective investors may be familiar, such as IFRS and U.S. GAAP. We have not attempted to quantify the impact of U.S. GAAP or IFRS on the financial data included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP or IFRS. U.S. GAAP and IFRS differ in significant respects from Ind AS. Accordingly, the degree to which the Ind AS financial statements, which are restated as per the SEBI ICDR Regulations included in this Draft Red Herring Prospectus, will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should be limited accordingly.

**Risks relating to the Offer and the Equity Shares**

***53. Our Equity Shares have never been publicly traded, and may experience price and volume fluctuations following the completion of the Offer. Further, our Equity Shares may not result in an active or liquid market and the price of our Equity Shares may be volatile and you may be unable to resell your Equity Shares at or above the Offer Price or at all. The Offer Price is also not indicative of the market price of the Equity Shares.***

Prior to the Offer, there has been no public market for our Equity Shares, and an active trading market may not develop or be sustained after the Offer. Listing and quotation does not guarantee that a market for our Equity Shares will develop or, if developed, does not guarantee the liquidity of such market for the Equity Shares. Investors might not be able to rapidly sell the Equity Shares at the quoted price if there is no active trading in the Equity Shares. The Offer Price has been determined by our Company and the Selling Shareholders in consultation with the BRLMs through the Book Building Process. The Offer Price will be based on numerous factors, including certain qualitative and quantitative factors, the basic and diluted earnings per share, price earnings ratio in relation to the offer price per equity share of the face value, comparison with listed industry peers, if any, and return on net worth as described under "*Basis for Offer Price"* on page 81 and may not be indicative of the market price for the Equity Shares after the Offer.

The market price of the Equity Shares may fluctuate as a result of, among other things, the following factors, some of which are beyond our control:

- quarterly variations in our results of operations;
- results of operations that vary from the expectations of securities analysts and investors;
- results of operations that vary from those of our competitors;
- changes in expectations as to our future financial performance, including financial estimates by research analysts and investors;
- a change in research analysts' recommendations;
- announcements by us or our competitors of significant acquisitions, strategic alliances, joint operations or capital commitments;
- announcements by third parties or governmental entities of significant claims or proceedings against us;
- developments relating to our peer companies in our industry;
- new laws and governmental regulations applicable to our industry;
- additions or departures of key managerial personnel;
- changes in exchange rates;
- speculative trading in the Equity Shares;
- investor perception of us and the edible oils, bakery and specialized fats industry;
- the public's reaction to our press releases and adverse media reports;
- fluctuations in stock market prices and volume; and
- general economic and stock market conditions.

Changes in relation to any of the factors listed above could adversely affect the price of the Equity Shares. The market price of the Equity Shares may decline below the Offer Price and investors may not be able to re-sell Equity Shares at or above the Offer Price resulting in a loss of all or part of the investment.

### 54. *Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flows, capital requirements, capital expenditures and restrictive covenants of our financing arrangements.*

While we have not paid any dividends on our Equity Shares in the last three Fiscals, we have, pursuant to Board resolution dated June 2, 2021, declared dividend of ₹24.30 per Equity Share, aggregating to ₹2,499.864 million**.** Our ability to pay dividends in the future will depend on a number of factors, including but not limited to earnings, profit available for distribution, capital requirements, business expansion and growth needs, cost of borrowings, likelihood of crystallization of contingent liabilities, contractual restrictions and overall financial position of our Company. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board in accordance with applicable law, and subject to approval of shareholders. The dividend pay-out decision of our Board also depends upon external factors such as the prevailing economic condition, inflation, increase in interest rates, change in the trade policies, acts of violence, terrorist attacks or war. The declaration of dividends, if any, in the future will also depend on a number of factors that our Board deems relevant, including but not limited to our Company's profits, capital requirements, rate of dividend distribution tax, contractual obligations, applicable legal restrictions, overall financial condition, business prospects and restrictive covenants under loan or financing arrangements of our Company. We cannot assure you that we will be able to pay dividends at any point in the future. We may also decide to retain all of our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on our Equity Shares. For further details, see "*Dividend Policy*" on page 206.

### 55. *You may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.*

Under the current Indian tax laws and unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. However, any gain realized on the sale of listed equity shares on or before March 31, 2018 on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if Securities Transaction tax ("**STT**") is paid on the sale transaction and additionally, as stipulated by the Finance Act, 2017, STT had been paid at the time of acquisition of such equity shares on or after October 1, 2004, except in the case of such acquisitions of equity shares which are not subject to STT, as notified by the Central Government under notification no. 43/2017/F. No. 370142/09/2017- TPL on June 5, 2017. However, the Finance Act, 2018, has now levied taxes on such long-term capital gains exceeding ₹100,000.00 arising from a sale of equity shares on or after April 1, 2018, while continuing to exempt the unrealized capital gains earned up to January 31, 2018 on such equity shares subject to specific conditions. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any equity shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the equity shares are sold.

Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short-term capital gains tax at in India. Capital gains arising from the sale of equity shares will be exempt from taxation in India in cases where an exemption is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdictions on gains arising from a sale of equity shares.

The Finance Act, 2019, which amended the Indian Stamp Act, 1899 with effect from July 1, 2020, clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be of the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty on transfer of securities other than debentures on a delivery basis is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. As such, the impact that the Finance Act, 2019 may have on our business and operations is uncertain.

### 56. *Investors will not be able to sell immediately on an Indian stock exchange any of the Equity Shares they purchase in the Offer.*

The Equity Shares will be listed on the Stock Exchanges. Pursuant to applicable Indian laws, certain actions must be completed before the Equity Shares can be listed and trading in the Equity Shares may commence. Investors' book entry, or 'demat' accounts with depository participants in India, are expected to be credited with the Equity Shares within one working day of the date on which the Basis of Allotment is approved by the Stock Exchanges. The Allotment of Equity Shares in this Offer and the credit of such Equity Shares to the applicant's demat account with depository participant could take approximately six working days from the Bid Closing Date (or such other period as prescribed under applicable laws) and trading in the Equity Shares upon receipt of final listing and trading approvals from the Stock Exchanges is expected to commence within six working days of the Bid Closing Date (or such other period as prescribed under applicable laws). There could be a failure or delay in listing of the Equity Shares on the Stock Exchanges. Any failure or delay in obtaining the approval or otherwise any delay in commencing trading in the Equity Shares would restrict the investors' ability to dispose of their Equity Shares. There can be no assurance that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time periods specified in this risk factor. We could also be required to pay interest at the applicable rates if allotment is not made, refund orders are not dispatched or demat credits are not made to investors within the prescribed time periods.

***57. Any future issuance of Equity Shares may dilute your shareholding and sales of the Equity Shares by significant shareholders may adversely affect the trading price of the Equity Shares.***

We may be required to finance our growth through future equity offerings. Any future equity issuances by our Company, including a primary offering may lead to the dilution of investors' shareholdings in our Company. Any future issuances of Equity Shares or the disposal of Equity Shares by our significant Shareholders or the perception that such issuance or sale may occur may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of the Equity Shares or incurring additional debt. We cannot assure you that we will not issue further Equity Shares or that the Shareholders will not dispose of, pledge or otherwise encumber the Equity Shares held by them. Any future issuances could also dilute the value of your investment in the Equity Shares.

***58. Rights of shareholders under Indian law may be more limited than under the laws of other jurisdictions.***

Indian legal principles and the validity of corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholders of our Company than as shareholders of a corporation in another jurisdiction.

***59. Fluctuation in the exchange rate of the Rupee and other currencies could have an adverse effect on the value of our Equity Shares, independent of our operating results.***

Our Equity Shares will be quoted in Rupees on the Stock Exchanges. Any dividends, if declared, in respect of our Equity Shares will be paid in Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to investors. In addition, any adverse movement in exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the net proceeds received by shareholders.

The exchange rate of the Rupee has changed substantially in the last two decades and could fluctuate substantially in the future, which may have a material adverse effect on the value of the Equity Shares and returns from the Equity Shares, independent of our operating results.

***60. Holders of Equity Shares may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby may suffer future dilution of their ownership position.***

Under the Companies Act, a company having share capital and incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the pre-emptive rights have been waived by adoption of a special resolution by our Company. However, if the laws of the jurisdiction the investors are located in do not permit them to exercise their pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, the investors will be unable to exercise their pre-emptive rights unless our Company makes such a filing. If our Company elects not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for the investor's benefit. The value the custodian receives on the sale of such securities and the related transaction costs cannot be predicted. In addition, to the extent that the investors are unable to exercise pre-emptive rights granted in respect of the Equity Shares held by them, their proportional interest in our Company would be reduced.

***61. QIBs and Non-Institutional Bidders are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid.***

Pursuant to the SEBI Regulations, QIBs and Non-Institutional Bidders are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Retail Individual Bidders can revise their Bids during the Bid/Offer Period and withdraw their Bids until the Bid/Offer Closing Date. While our Company is required to complete Allotment pursuant to the Offer within six working days from the Bid/Offer Closing Date (or such other period as prescribed under applicable laws), events affecting the Bidders' decision to invest in the Equity Shares, including material adverse changes in international or national monetary policy, financial, political or economic conditions, our business, cash flows, financial condition or results of operations or may arise between the date of submission of the Bid and Allotment. Our Company may complete the Allotment of the Equity Shares even if such events occur, and such events limit the Bidders' ability to sell the Equity Shares Allotted pursuant to the Offer or cause the trading price of the Equity Shares to decline on listing.

## SECTION III: INTRODUCTION

## THE OFFER

The details of the Offer are summarized below.

| | |
|---|---|
| **The Offer consist of:** | |
| Offer for Sale [(1)(2)] | Up to [●] Equity Shares aggregating up to ₹25,000.00 million |
| (A) QIB Portion[(3)] | Not more than [●] Equity Shares |
| | |
| *Of which* | |
| Anchor Investor Portion[(4)] | Up to [●] Equity Shares |
| Net QIB Portion (assuming Anchor Investor Portion is fully subscribed) | [●] Equity Shares |
| | |
| *Of which* | |
| Mutual Fund Portion[(4)] | [●] Equity Shares |
| Balance of QIB Portion including Mutual Funds (5% of the QIB Category (excluding Anchor Investor Portion) | [●] Equity Shares |
| | |
| (B) Non-Institutional Portion[(3)] | Not less than [●] Equity Shares |
| (C) Retail Portion[(3)] | Not less than [●] Equity Shares |
| | |
| **Pre and Post-Offer Equity Shares** | |
| | |
| Equity Shares outstanding prior to and after the Offer | 102,875,080 Equity Shares |
| **Use of Net Proceeds by our Company** | Our Company will not receive any proceeds from the Offer for Sale. For further details, please see "*Objects of the Offer*" on page 78. |

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(1) *The Offer has been authorized by a resolution dated July 23, 2021 passed by our Board.*

(2) *Each of the Selling Shareholders, severally and not jointly, confirm that the Equity Shares being offered by such Selling Shareholder in the Offer for Sale have been held by them for a period of at least one year immediately preceding the date of filing this Draft Red Herring Prospectus with the SEBI in accordance with Regulation 8 of the SEBI ICDR Regulations, and are accordingly eligible for being offered for sale pursuant to the Offer. The details of authorization by each Selling Shareholder approving their participation in the Offer for Sale are as set out below.*

| S. No. | Name of the Selling Shareholder | Date of board resolution | Date of consent letter | Aggregate proceeds from the sale of Offered Shares | Number of Offered Shares |
|---|---|---|---|---|---|
| 1. | Pradeep Chowdhry | Not applicable | August 2, 2021 | Up to ₹250.00 million | [●] |
| 2. | Alka Chowdhry | Not applicable | August 2, 2021 | Up to ₹2,250.00 million | [●] |
| 3. | GAIE | August 2, 2021 | August 2, 2021 | Up to ₹7,500.00 million | [●] |
| 4. | Black River | August 2, 2021 | August 2, 2021 | Up to ₹12,500.00 million | [●] |
| 5. | ICE | August 2, 2021 | August 2, 2021 | Up to ₹2,500.00 million | [●] |

(3) *Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange, subject to applicable laws. For further details, see "Offer Structure" beginning on page 328. In case of an under-subscription in the Offer, the Equity Shares proposed for sale by each Selling Shareholder shall be in proportion to the Offered Shares by such Selling Shareholder.*

(4) *Our Company may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. The QIB Portion will be accordingly reduced for the shares allocated to Anchor Investors. One-third of the Anchor Investor Portion will be reserved for domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Offer Price. In case of under-subscription or non-Allotment in the Anchor Investor Portion, the remaining Equity Shares will be added back to the Net QIB Portion. See "Offer Procedure" beginning on page 331. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than [●] Equity Shares, the balance Equity Shares available for allotment in the Mutual Fund Portion will be added to the QIB Portion and*

*allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. See "Offer Procedure" beginning on page 331.*

Allocation to Bidders in all categories, except the Retail Portion and the Anchor Investor Portion, if any, shall be made on a proportionate basis, subject to valid Bids being received at or above the Offer Price, as applicable. Allocation to Retail Individual Bidders shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion, and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. Allocation to Anchor Investors shall be on a discretionary basis in accordance with the SEBI ICDR Regulations. For further details, see "*Offer Structure*", "*Terms of the Offer*" and "*Offer Procedure*" beginning on pages 328, 321 and 331, respectively.

## SUMMARY OF FINANCIAL INFORMATION

*The following tables set forth summary financial information (excluding the notes) derived from the Restated Financial Information. The summary financial information presented below should be read in conjunction with "Restated Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 207 and 265, respectively.*

*[The remainder of this page is intentionally left blank]*

## RESTATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES

*(all amounts in ₹ million, unless otherwise stated)*

| | As at March 31, 2021 | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-Current Assets** | | | |
| (a) Property, plant and equipment | 4,189.60 | 3,952.82 | 1,725.18 |
| (b) Capital work-in-progress | 50.34 | 264.00 | 1,162.92 |
| (c) Other intangible assets | 9.65 | 11.65 | 15.73 |
| (d) Financial assets | | | |
| (i) Investments | 1.25 | 1.25 | 1.25 |
| (ii) Loans | 0.91 | 0.45 | 0.86 |
| (iii) Other financial assets | 598.25 | 372.93 | 2.28 |
| (e) Deferred tax assets(net) | 326.14 | 9.22 | - |
| (f) Other non-current assets | 97.76 | 136.20 | 424.72 |
| **Total non-current assets** | **5,273.90** | **4,748.52** | **3,332.94** |
| **Current Assets** | | | |
| (a) Inventories | 10,967.37 | 10,376.19 | 6,053.18 |
| (b) Financial assets | | | |
| (i) Trade receivables | 1,461.78 | 814.55 | 1,078.11 |
| (ii) Cash and cash equivalents | 69.39 | 154.92 | 338.54 |
| (iii) Bank balances other than (ii) above | 13,672.67 | 7,547.93 | 6,209.77 |
| (iv) Other financial assets | 848.88 | 803.00 | 1,160.30 |
| (c) Other current assets | 640.04 | 780.29 | 921.20 |
| (d) Current tax assets (net) | - | 7.06 | - |
| **Total current assets** | **27,660.13** | **20,483.95** | **15,761.10** |
| **Total assets** | **32,934.03** | **25,232.47** | **19,094.04** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| (a) Equity share capital | 102.88 | 102.88 | 102.88 |
| (b) Other equity | 16,142.76 | 10,448.08 | 8,597.78 |
| **Total equity** | **16,245.64** | **10,550.96** | **8,700.66** |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| (a)Financial liabilities | | | |
| - Borrowings | - | 434.00 | 565.00 |
| (b) Deferred tax liabilities (net) | - | - | 108.39 |
| **Total non-current liabilities** | **-** | **434.00** | **673.39** |
| **Current liabilities** | | | |
| (a) Financial liabilities | | | |
| (i) Borrowings | 7,981.88 | 7,214.88 | 6,355.17 |
| (ii) Trade payables | | | |
| - Total outstanding dues of micro enterprises and small enterprises; | 42.16 | 1.09 | 0.45 |
| - Total outstanding dues of creditors other than micro enterprises and small enterprises | 5,340.29 | 4,980.82 | 2,230.35 |
| (iii) Other financial liabilities | 2,516.71 | 1,170.08 | 934.20 |
| (b) Other current liabilities | 121.04 | 423.15 | 145.44 |
| (c) Provisions | 457.49 | 457.49 | 11.81 |
| (d) Current tax liabilities (net) | 228.82 | - | 42.57 |
| **Total current liabilities** | **16,688.39** | **14,247.51** | **9,719.99** |
| **Total equity and liabilities** | **32,934.03** | **25,232.47** | **19,094.04** |

## RESTATED SUMMARY STATEMENT OF PROFIT AND LOSS

(*all amounts in ₹ million, unless otherwise stated*)

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|---|
| **Revenue** | | | |
| Revenue from operations | 77,659.62 | 65,002.49 | 54,227.53 |
| Other income | 971.46 | 710.61 | 1,112.26 |
| **Total income** | **78,631.08** | **65,713.10** | **55,339.79** |
| **Expenses** | | | |
| Cost of materials consumed | 59,960.09 | 40,803.28 | 33,203.31 |
| Purchases of Stock-in-Trade | 7,333.05 | 16,893.84 | 17,552.71 |
| Changes in inventories of finished goods, stock-in-trade and work-in-progress | (1,053.17) | 941.67 | (1,029.16) |
| Employee benefits expense | 2,019.81 | 771.57 | 430.76 |
| Finance costs | 302.48 | 608.92 | 1,277.48 |
| Depreciation and amortization expense | 329.48 | 269.84 | 178.12 |
| Other expenses | 2,088.32 | 2,987.36 | 2,031.17 |
| **Total expenses** | **70,980.06** | **63,276.48** | **53,644.39** |
| **Profit before tax** | **7,651.02** | **2,436.62** | **1,695.40** |
| | | | |
| **Tax expense:** | | | |
| - Current tax | 2,258.00 | 693.59 | 604.97 |
| - Taxes of earlier years | (2.13) | (0.62) | 3.74 |
| - Deferred tax | (312.54) | (114.85) | (6.77) |
| **Total Tax expense** | **1,943.33** | **578.12** | **601.94** |
| **Profit for the year (A)** | **5,707.69** | **1,858.50** | **1,093.46** |
| | | | |
| **Other comprehensive income** | | | |
| **Items that will not be reclassified to profit or loss** | | | |
| - Remeasurement of net defined benefit obligation | (17.38) | (10.96) | 0.88 |
| - Income-tax relating to those items | 4.37 | 2.76 | (0.31) |
| **Other comprehensive income for the year (B)** | **(13.01)** | **(8.20)** | **0.57** |
| **Total comprehensive income for the year (A+B)** | **5,694.68** | **1,850.30** | **1,094.03** |
| | | | |
| Earnings per equity share (EPES) [Nominal value of share ₹1 (March 31, 2020: ₹1, March 31, 2019: ₹1 )] | | | |
| - Basic and diluted EPES (in absolute ₹) | 55.48 | 18.07 | 11.78 |

# RESTATED SUMMARY STATEMENT OF CASH FLOWS

*(all amounts in ₹ million, unless otherwise stated)*

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|---|
| **Cash flow from operating activities** | | | |
| **Profit before income tax** | 7,651.02 | 2,436.62 | 1,695.40 |
| **Adjustments for:** | | | |
| - Depreciation and amortization expense | 329.48 | 269.84 | 178.11 |
| - Gain on sale of current investments | (6.44) | (8.16) | (3.71) |
| - Interest income | (533.81) | (372.87) | (1,086.16) |
| - Subsidy written-off | - | 307.89 | - |
| - Provision for doubtful trade receivables and expected credit losses | 11.82 | 12.10 | 0.61 |
| - Bad debts written-off | - | - | 0.08 |
| - Finance costs | 143.68 | 299.21 | 641.01 |
| - Net unrealized loss/(gain) on foreign currency transaction | (25.40) | 291.14 | 3.53 |
| - Loss on disposal of property, plant and equipment | 0.27 | 1.00 | 0.22 |
| **Operating profit before working capital changes** | **7,570.62** | **3,236.77** | **1,429.09** |
| **Movements in working capital:** | | | |
| Changes in loans | (0.46) | 0.40 | (0.42) |
| Changes in other financial assets | 20.17 | (39.31) | 15.17 |
| Changes in other assets | 150.57 | 140.25 | (593.43) |
| Changes in inventories | (591.18) | (4,323.00) | 225.45 |
| Changes in trade receivables | (659.05) | 251.45 | (103.24) |
| Changes in trade payables | 338.43 | 2,612.82 | (371.53) |
| Changes in other financial liabilities | 1,394.33 | 369.41 | (253.79) |
| Changes in other liabilities | (319.49) | 706.38 | 17.07 |
| **Cash generated from operations** | **7,903.94** | **2,955.18** | **364.37** |
| Income taxes paid, net | (2,019.98) | (742.60) | (575.20) |
| **Net cash generated from/(used in) operating activities (A)** | **5,883.96** | **2,212.58** | **(210.83)** |
| **Cash flow from investing activities** | | | |
| Purchase of property, plant and equipment | (355.01) | (1,295.17) | (1,761.69) |
| Proceeds from sale of property, plant and equipment | 1.46 | 1.46 | 0.09 |
| Investment of fixed deposits, net | (6,350.06) | (1,708.16) | 5,067.36 |
| Purchase of current investments in mutual funds | (4,780.00) | (4,047.70) | (1,835.00) |
| Proceeds from sale of current investments in mutual funds | 4,786.44 | 4,055.86 | 1,838.71 |
| Interest received | 467.75 | 454.43 | 1,054.52 |
| **Net cash generated from/(used in) investing activities (B)** | **(6,229.42)** | **(2,539.28)** | **4,363.99** |
| **Cash flow from financing activities** | | | |
| Proceeds from issue of equity shares | - | - | 4,400.01 |
| Proceeds from long-term borrowings | - | 900.00 | 600.00 |
| Repayment of long-term borrowings | (509.00) | (1,001.00) | (228.02) |
| Proceeds from short-term borrowings, net | 950.38 | 542.98 | (8,080.33) |
| Finance costs paid | (181.45) | (298.90) | (682.25) |
| **Net cash generated from/(used in) financing activities (C)** | **259.93** | **143.08** | **(3,990.59)** |
| | | | |
| **Net increase/(decrease) in cash and cash equivalent (A+B+C)** | **(85.53)** | **(183.62)** | **162.57** |
| Cash and cash equivalents at the beginning of the financial year | 154.92 | 338.54 | 175.97 |
| **Cash and cash equivalents at the end of the financial year** | **69.39** | **154.92** | **338.54** |
| - Balances with banks in current account | 69.09 | 154.63 | 338.29 |
| - Cash on hand | 0.30 | 0.29 | 0.25 |
| **Total cash and cash equivalents** | **69.39** | **154.92** | **338.54** |

## GENERAL INFORMATION

For details in relation to our incorporation and changes to our name and Registered and Corporate Office, see "*History and Certain Corporate Matters*" on page 168. For details of the business of our Company, see "*Our Business*" beginning on page 139.

**Registered and Corporate Office of our Company**

**Gemini Edibles & Fats India Limited**
"Freedom House"
8-2-334/70 & 71
Opposite SBI Executive Enclave
Road No.5, Banjara Hills
Hyderabad 500 034
Telangana, India

**Corporate Identity Number**: U15205TG2008PLC058708

**Address of the RoC**

Our Company is registered with the Registrar of Companies, Telangana at Hyderabad, situated at the address set out below.

**Registrar of Companies, Hyderabad**
2nd Floor, Corporate Bhawan
GSI Post, Nagole, Bandlaguda
Hyderabad 500 068
Telangana, India

**Filing of this Draft Red Herring Prospectus**

A copy of this Draft Red Herring Prospectus has been filed electronically with SEBI at cfddil@sebi.gov.in, in accordance with the instructions issued by the SEBI on March 27, 2020, in relation to "Easing of Operational Procedure – Division of Issues and Listing – CFD" and has also been uploaded on the SEBI intermediary portal at siportal.sebi.gov.in as specified in Regulation 25(8) of the SEBI ICDR Regulations and the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018.

A copy of the Red Herring Prospectus, along with the material contracts and documents required to be filed under Section 32 of the Companies Act would be filed with the RoC and a copy of the Prospectus shall be filed under Section 26 of the Companies Act with the RoC at its office.

**Board of Directors of our Company**

As of the date of this Draft Red Herring Prospectus, the composition of our Board is as disclosed below.

| S. No. | Name | Designation | DIN | Address |
|---|---|---|---|---|
| 1. | Pradeep Chowdhry | Managing Director | 01154121 | Flat S-5, Block – A, Stone Valley Apartments, Road No. 4, Banjara Hills, Hyderabad 500 034, Telangana, India |
| 2. | Prathap Gangaraju | Whole Time Director | 07433830 | Flat No. 403, Padmaja Towers, Near Ratnadeep Super Market, Srinagar Colony, Khairatabad, Hyderabad 500 073, Telangana, India |

| S. No. | Name | Designation | DIN | Address |
|---|---|---|---|---|
| 3. | Govind Ambady | Non-Executive Nominee Director[(1)] | 00057621 | C-081, DLF Pinnacle, Sector 56, Gurgaon 122 011, Haryana, India |
| 4. | Hemant Kumar Bhatt | Non-Executive Nominee Director[(2)] | 00389638 | 6, Peach Garden, #19-06, Singapore 437 606 |
| 5. | Deepak Malik | Non-Executive Nominee Director[(3)] | 00662141 | 99, Meyer Road, 16-02, Singapore 437 920 |
| 6. | Rajesh Chopra | Non-Executive Nominee Director[(4)] | 08139585 | 190 Depot Road, #16-18, Singapore 109 689 |
| 7. | Savita Mahajan | Independent Director | 06492679 | V-15, 2nd Floor, Green Park Main, New Delhi -110016 |
| 8. | Vipen Kapur | Chairman and Independent Director | 01623192 | A1 – 1201, World Spa East, Sector 30/41, Gurugram 122 001, Haryana, India |
| 9. | Chitranjan Dar | Independent Director | 03191054 | Flat 34, Woodlands Syndicate, 8/7 Alipore Road, Kolkata 720 027, West Bengal, India |

(1) *Govind Ambady has been nominated as Non-executive Nominee Director by GAIE.*
(2) *Hemant Kumar Bhatt has been nominated as Non-executive Nominee Director by GAIE.*
(3) *Deepak Malik has been nominated as Non-executive Nominee Director by Black River.*
(4) *Rajesh Chopra has been nominated as Non-executive Nominee Director by GAIE.*

For brief profiles and further details of our Board, see "*Our Management*" beginning on page 174.

**Company Secretary and Compliance Officer**

Rajesh Kumar Aggarwal is our Company Secretary and Compliance Officer. His contact details are set out below.

"Freedom House"
8-2-334/70 & 71
Opposite SBI Executive Enclave
Road No.5, Banjara Hills
Hyderabad 500 034
Telangana, India
**Tel:** +91 40 6735 7868
**E-mail:** rajesh.aggarwal@gefindia.net

**Book Running Lead Managers**

**Axis Capital Limited**
1st Floor, Axis House
C 2, Wadia International Centre
Pandurang Budhkar Marg, Worli
Mumbai 400 025
Maharashtra, India
**Tel:** +91 22 4325 2183
**E-mail:** gemini.ipo@axiscap.in
**Investor Grievance E-mail:** complaints@axiscap.in
**Website:** www.axiscapital.co.in
**Contact Person:** Mayuri Arya
**SEBI Registration No.:** INM000012029

**Credit Suisse Securities (India) Private Limited**
Ceejay House, 9th Floor
Plot F, Shivsagar Estate
Dr. Annie Besant Road, Worli
Mumbai 400 018
Maharashtra, India
**Tel:** +91 22 6777 3885
**E-mail:** list.geminiipo@credit-suisse.com
**Investor Grievance E-mail:** list.igcellmer-bnkg@credit-suisse.com
**Website:** www.credit-suisse.com/in/en/investment-banking-apac/investment-banking-in-india/ipo.html
**Contact Person:** Abhishek Joshi
**SEBI Registration No.:** INM000011161

**Kotak Mahindra Capital Company Limited**
1st Floor, 27 BKC
Plot No. C-27, "G" Block
Bandra Kurla Complex, Bandra (East)
Mumbai 400 051
Maharashtra, India
**Tel:** +91 22 4336 0000
**E-mail:** gefil.ipo@kotak.com
**Investor Grievance E-mail:** kmccredressal@kotak.com
**Website:** www.investmentbank.kotak.com
**Contact Person:** Ganesh Rane
**SEBI Registration No.:** INM000008704

**Nomura Financial Advisory and Securities (India) Private Limited**
Ceejay House, Level 11 Plot F
Shivsagar Estate, Dr. Annie Besant Road, Worli
Mumbai 400 018
Maharashtra, India
**Tel:** +91 22 4037 4037
**E-mail:** geminiindiaipo@nomura.com
**Investor Grievance E-mail:** investorgrievances-in@nomura.com
**Website:** www.nomuraholdings.com/company/group/asia/india/index.html
**Contact Person:** Vishal Kanjani/Ananya Joshi
**SEBI Registration No.:** INM000011419

**Syndicate Members**

**[●]**

**Legal Advisers to our Company and the Selling Shareholders as to Indian Law**

**S&R Associates**
One World Centre
1403, Tower 2B
841 Senapati Bapat Marg, Lower Parel
Mumbai 400 013
Maharashtra, India
**Tel:** +91 22 4302 8000

**Legal Advisers to the BRLMs as to Indian Law**

**Shardul Amarchand Mangaldas & Co**
Express Towers, 24th Floor
Nariman Point
Mumbai 400 021
Maharashtra, India
**Tel.:** +91 22 4933 5555

**Legal Advisers to the BRLMs as to International Law**

**Allen & Overy (Asia) Pte Ltd**
50 Collyer Quay
09-01 OUE Bayfront
Singapore 049 321
**Tel.:** +61 6671 6000

**Statutory Auditors to our Company**

**Walker Chandiok & Co LLP**
Chartered Accountants
7th Floor, Block III
White House, Kundan Bagh
Begumpet, Hyderabad 500 016
Telangana, India
**Tel:** +91 40 4859 7178

**E-mail:** mehul.janani@walkerchandiok.in
**Firm Registration No.:** 001076N / N500013
**Peer Review No.:** 011707

**Changes in statutory auditors**

Except as stated below, there has been no change in our statutory auditors during the three years immediately preceding the date of this Draft Red Herring Prospectus.

| Particulars | Date of change | Reason for change |
|---|---|---|
| **Walker Chandiok & Co LLP**<br>Chartered Accountants<br>7th Floor, Block III<br>White House, Kundan Bagh<br>Begumpet, Hyderabad 500 016<br>Telangana, India<br>**Tel:** +91 40 4859 7178<br>**E-mail:** mehul.janani@walkerchandiok.in<br>**Firm Registration No.:** 001076N / N500013<br>**Peer Review No.:** 011707 | July 31, 2021* | Appointment of Statutory Auditors |
| | September 30, 2020 | Appointment to fill causal vacancy caused by the resignation of Singhi & Co., Chartered Accountants |
| **Singhi & Co.**<br>Chartered Accountants<br>Unit No. 1704, 17th Floor<br>World Trade (TowerB)<br>DND Fly Way, C-01, Sector 16<br>Noida 201 301<br>Uttar Pradesh, India<br>**Tel:** +91 120 2970005/ 98100 65957<br>**E-mail:** bksipani@singhico.com<br>**Firm Registration No.:** 302049E<br>**Peer Review No.:** 11816 | September 25, 2020 | Resignation due to travel restrictions and pre-occupation with other assignment |

** Walker Chandiok & Co LLP, Chartered Accountants, were appointed as the Statutory Auditors to fill the casual vacancy caused by the resignation of Singhi & Co., Chartered Accountants, at the AGM held on September 30, 2020 for a period until the conclusion of 13th AGM. Subsequently, Walker Chandiok & Co LLP, Chartered Accountants, has been reappointed as Statutory Auditors at the AGM held on July 31, 2021 for a period until the conclusion of the 18th AGM.*

**Registrar to the Offer**

**Kfin Technologies Private Limited**
Selenium Tower-B, Plot 31 & 32
Gachibowli, Financial District
Nanakramguda, Serilingampally
Hyderabad, Telangana 500 032, India
**Tel:** +91 40 6716 2222
**E-mail:** gefil.ipo@kfintech@.com
**Investor grievance E-mail:** einward.ris@kfintech.com
**Website:** www.kfintech.com
**Contact Person:** M Murali Krishna
**SEBI Registration No.:** INR000000221

**Banker(s) to the Offer**

***Escrow Collection Bank(s)***

[●]

***Refund Bank(s)***

[●]

***Public Offer Account Bank(s)***

[●]

***Sponsor Bank***

**[●]**

**Bankers to our Company**

**Axis Bank Limited**
**Address:** Corporate Banking Branch, G. Pulla Reddy Building, First Floor, Begumpet
Hyderabad 500 016
Telangana, India
**Tel: +**91 40 2325 5365
**Contact Person:** Ratnakar Tankala
**Website:** www.axisbank.com
**Email:** ratnakar.tankala@axisbank.com
**CIN:** L65110GJI993PLC020769

**ICICI Bank Limited**
**Address:**
Registered office –
ICICI Bank Tower, Near Chakli Circle
Old Padra Road
Vadodara 390 007
Gujarat, India
Corporate office –
ICICI Bank Tower
Bandra-Kurla Complex
Mumbai 400 051
Maharashtra, India
**Tel:** +91 26 5672 2286/22 3366 7777
**Contact Person:** Sayantika Chakraborty
**Website:** www.icicibank.com
**Email:** syantika.chkraborty@icicibank.com/amar.manwani@icicibank.com
**CIN:** L65190GJ1994PLC021012

**IndusInd Bank Limited**
**Address:** 100 Laxmi, SP Road
Secunderabad 500 003
Telangana, India
**Tel:** +91 40 4659 5200
**Contact Person:** Ravi Kalyankar
**Website:** www.indusind.com
**Email:** ravi.kalyankar@indusind.com
**CIN:** L65191PN1994PLC076333

**RBL Bank Limited**
**Address:** Ground Floor, Krishe Sapphire
Hitech City Road, Madhapur
Hyderabad 500 081
Telangana, India
**Tel:** +91 40 4001 3320
**Contact Person:** Suresh Thangutoori
**Website:** www.rblbank.com
**Email:** suresh.thangutoori@rblbank.com
**CIN:** L65191PN1943PLC007308

**Yes Bank Limited**
**Address:** Yes Bank House
Off Western Express Highway, Santacruz East
Mumbai 400 055

Maharashtra, India
**Tel:** +91 40 4673 0000 (ext: 302)
**Contact Person:** Jeeban Das/Karthik M
**Website:** www.yesbank.in
**Email:**
jeeban.das@yesbank.in/karthik.machavolu@yesbank.in
**CIN:** L65190MH2003PLC143249

**Designated Intermediaries**

**SCSBs**

The banks registered with the SEBI, which offer the facility of ASBA services, (i) in relation to ASBA, where the Bid Amount will be blocked by authorizing an SCSB, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time, (ii) in relation to Retail Individual Bidders using the UPI Mechanism, a list of which is available on the website of SEBI at sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as updated from time to time.

Applications through UPI in the Offer can be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website. A list of SCSBs and mobile application, which, are live for applying in public issues using UPI mechanism is provided as Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019. The list is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time.

**Syndicate SCSB Branches**

In relation to Bids (other than Bids by Anchor Investor) submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI (www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes) and updated from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes as updated from time to time.

**Registered Brokers**

The list of the Registered Brokers eligible to accept ASBA forms, including details such as postal address, telephone number and e-mail address, is provided on the websites of the BSE and the NSE at www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx? and www1.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm, respectively, as updated from time to time.

**RTAs**

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of Stock Exchanges at www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? and www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as updated from time to time.

**Collecting Depository Participants**

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, is provided on the websites of BSE at www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx? and on the website of NSE at www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, as updated from time to time.

**Credit Rating**

As the Offer is of Equity Shares, the appointment of a credit rating agency is not required.

**IPO Grading**

No credit rating agency registered with the SEBI has been appointed in respect of obtaining grading for the Offer.

**Trustees**

As the Offer is of Equity Shares, the appointment of trustees is not required.

**Monitoring Agency**

The Offer being an offer for sale, our Company will not receive any proceeds from the Offer and is not required to appoint a monitoring agency for the Offer.

**Appraising Agency**

The objects of the Offer have not been appraised. Accordingly, no appraising agency has been appointed.

**Green Shoe Option**

No green shoe option is contemplated under the Offer.

**Experts**

Except as stated below, our Company has not obtained any expert opinions.

Our Company has received written consent dated August 7, 2021 from our Statutory Auditors, namely, Walker Chandiok & Co LLP, Chartered Accountants, to include their name in this Draft Red Herring Prospectus as required under Section 26(5) of the Companies Act read with SEBI ICDR Regulations and as an "expert" as defined under Section 2(38) of the Companies Act to the extent and in their capacity as a statutory auditor of our Company and in respect of the examination report of the Statutory Auditors on the Restated Financial Information dated August 7, 2021 and the statement of possible special tax benefits dated August 7, 2021, included in this Draft Red Herring Prospectus and such consent has not been withdrawn until the filing of this Draft Red Herring Prospectus with the SEBI.

Our Company has received a written consent dated August 7, 2021 from our Past Statutory Auditors, namely, from Singhi & Co., Chartered Accountants, to include their name in this Draft Red Herring Prospectus as required under Section 26(5) of the Companies Act and as an "expert" as defined under Section 2(38) of the Companies Act in respect of certain operational and financial data being certified by them and included in this Draft Red Herring Prospectus and such consent has not been withdrawn until the filing of this Draft Red Herring Prospectus with the SEBI.

Our Company has received a written consent dated August 4, 2021 from Technopak for inclusion of its name under Section 26(5) of the Companies Act and as an "expert" as defined under Section 2(38) of the Companies Act in respect of certain industry data extracted from the "*Indian Edible Oils & Fats Industry*" and included in this Draft Red Herring

Prospectus and such consent has not been withdrawn until the filing of this Draft Red Herring Prospectus with the SEBI.

The term "experts", as used hereinabove, and consent thereof does not represent an expert or consent within the meaning under the U.S. Securities Act.

**Inter-se Allocation of Responsibilities between the BRLMs**

The table below sets forth the inter-se allocation of responsibilities for various activities among the BRLMs.

| S. No. | Activity | Responsibility | Coordinator |
|---|---|---|---|
| 1. | Capital structuring with the relative components and formalities such as composition of debt and equity, type of instruments, positioning strategy and due diligence of the Company including its operations/management/ business plans/legal etc. Drafting, design and finalizing of the draft red herring prospectus, red herring prospectus and prospectus and of statutory / newspaper advertisements including a memorandum containing salient features of the prospectus. The BRLMs shall ensure compliance with SEBI ICDR Regulations and stipulated requirements and completion of prescribed formalities with the stock exchanges, RoC and SEBI and RoC filings and follow up and coordination till final approval from all regulatory authorities. | Axis, Kotak, Credit Suisse, Nomura | Axis |
| 2. | Drafting and approval of all statutory advertisements. | Axis, Kotak, Credit Suisse, Nomura | Axis |
| 3. | Drafting and approval of all publicity material other than statutory advertisement as mentioned above including media monitoring, corporate advertising, brochure, etc. and filing of media compliance report. | Axis, Kotak, Credit Suisse, Nomura | Nomura |
| 4. | Appointment of intermediaries (including coordinating all agreements to be entered with such parties) - registrar to the Offer, advertising agency, printers, banker(s) to the Offer, share escrow agent, syndicate members / brokers to the Offer and underwriters. | Axis, Kotak, Credit Suisse, Nomura | Axis |
| 5. | International Institutional marketing of the Offer, which will cover, *inter alia*:<br>• Institutional marketing strategy preparation of publicity budget;<br>• Finalizing the list and division of international investors for one-to-one meetings; and<br>• Finalizing international road show and investor meeting schedule.<br>These will be done in consultation with and approval of the management and selling shareholders. | Axis, Kotak, Credit Suisse, Nomura | Credit Suisse |
| 6. | Preparation of investor frequently asked questions and preparation of roadshow presentation. | Axis, Kotak, Credit Suisse, Nomura | Nomura |
| 7. | Domestic Institutional marketing of the Offer, which will cover, *inter alia*:<br>• Institutional marketing strategy preparation of publicity budget;<br>• Finalizing the list and division of domestic investors for one-to-one meetings; and<br>• Finalizing domestic road show and investor meeting schedule.<br>These will be done in consultation with and approval of the management and selling shareholders. | Axis, Kotak, Credit Suisse, Nomura | Axis |
| 8. | Non-Institutional and retail marketing of the Offer, which will cover, inter alia: Formulating marketing strategies, preparation of publicity budget;<br>• Finalize ad media and public relation strategy;<br>• Finalizing centers for holding conferences for stock brokers, investors, etc.; | Axis, Kotak, Credit Suisse, Nomura | Kotak |

| S. No. | Activity | Responsibility | Coordinator |
|---|---|---|---|
| | • Finalizing collection centers as per Schedule III of the SEBI ICDR Regulations; and<br>• Follow-up on distribution of publicity and Offer material including application form, red herring prospectus, prospectus and brochure and deciding on the quantum of the Offer material. | | |
| 9. | Coordination with stock exchanges for book building process, filing of letters including for software, bidding terminals, mock trading and anchor investor intimation, and payment of 1% security deposit to Designated Stock Exchange. | Axis, Kotak, Credit Suisse, Nomura | Kotak |
| 10. | Managing the book and finalization of pricing in consultation with the Company and the Selling Shareholders. | Axis, Kotak, Credit Suisse, Nomura | Credit Suisse |
| 11. | Post bidding activities including management of escrow accounts, coordinate non-institutional allocation, coordination with registrar, SCSBs and banks, intimation of allocation and dispatch of refund to bidders, etc.<br><br>Post-Offer activities, which shall involve essential follow-up steps including allocation to anchor investors, follow-up with bankers to the Offer and SCSBs to get quick estimates of collection and advising the issuer about the closure of the Offer, based on correct figures, finalization of the basis of allotment or weeding out of multiple applications, finalization of trading, dealing and listing of instruments, dispatch of certificates or demat credit and refunds and coordination with various agencies connected with the post-issue activity such as registrar to the Offer, bankers to the Offer, SCSBs including responsibility for underwriting arrangements, as applicable.<br><br>Payment of the applicable securities transaction tax ("**STT**") on sale of unlisted equity shares by the Selling Shareholder under the Offer for Sale to the Government and filing of the STT return by the prescribed due date as per Chapter VII of Finance (No. 2) Act, 2004.<br><br>Co-ordination with SEBI and Stock Exchanges for refund of 1% security deposit and submission of all post Offer reports including the initial and final post offer report to SEBI. | Axis, Kotak, Credit Suisse, Nomura | Kotak |

**Book Building Process**

Book building, in the context of the Offer, refers to the process of collection of Bids from Bidders on the basis of the Red Herring Prospectus and the Bid cum Application Forms and the Revision Forms within the Price Band. The Price Band and the minimum Bid Lot size will be decided by our Company, in consultation with the BRLMs and will be included in the Red Herring Prospectus or will be advertised in [●] editions of the English national daily newspaper [●], [●] editions of the Hindi national daily newspaper [●] and [●] editions of the Telugu daily newspaper [●] (Telugu being the regional language of Telangana, where our Registered and Corporate Office is located), each with wide circulation, and advertised at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges to upload on their respective websites. The Offer Price shall be determined by our Company, in consultation with the BRLMs, after the Bid/Offer Closing Date.

**All Bidders, except Anchor Investors, are mandatorily required to use the ASBA process for participating in the Offer by providing details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by SCSBs. In addition to this, the Retail Individual Bidders may participate through the ASBA process by either (a) providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs; or (b) through the UPI Mechanism. Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process.**

**In accordance with the SEBI ICDR Regulations, QIBs Bidding in the QIB Portion and Non-Institutional Bidders bidding in the Non-Institutional Portion are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bids during the Bid/Offer Period and withdraw their Bids on or before the Bid/Offer Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/Offer Period. Allocation to the Anchor Investors will be on a discretionary basis.**

See "*Offer Structure*", "*Offer Procedure*" and "*Terms of the Offer*" beginning on pages 328, 331 and 321, respectively.

**The Book Building Process is in accordance with guidelines, rules, regulations prescribed by SEBI, which are subject to change from time to time. Bidders are advised to make their own judgment about an investment through this process prior to submitting a Bid.**

Investors should note the Offer is also subject to obtaining final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment.

**Illustration of Book Building and Price Discovery Process**

For an illustration of the Book Building Process and the price discovery process, see "*Offer Procedure*" beginning on page 331.

**Underwriting Agreement**

The Underwriting Agreement had not been executed as of the date of this Draft Red Herring Prospectus and will be executed after the determination of the Offer Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC. Our Company and the Selling Shareholders intend to enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. The Underwriting Agreement is dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to conditions specified therein.

The Underwriters have indicated their intention to underwrite such number of Equity Shares as disclosed below.

*(This portion has been intentionally left blank and will be filled in before the Prospectus is filed with the RoC)*

| Name, Address, Telephone Number and E-mail Address of the Underwriters | Indicative Number of Equity Shares to be Underwritten | Amount Underwritten (₹ million) |
|---|---|---|
| [●] | [●] | [●] |

The abovementioned underwriting commitments are indicative and will be finalized after determination of the Offer Price and Basis of Allotment and the allocation, subject to and in accordance with the provisions of the SEBI ICDR Regulations.

In the opinion of our Board, the resources of each of the abovementioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The abovementioned Underwriters are registered with the SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). Our Board/ IPO Committee, at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

Notwithstanding the above table, the Underwriters will be severally responsible for ensuring payment with respect to Equity shares allocated to Bidders procured by them in accordance with the Underwriting Agreement.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitment disclosed in the table above.

## CAPITAL STRUCTURE

Our Company's share capital, as of the date of this Draft Red Herring Prospectus, is disclosed below.

| S. No. | Particulars | Aggregate Value at Face Value | Aggregate Value at Offer Price* |
|---|---|---|---|
| | | | *(₹, except share data)* |
| **A** | **AUTHORIZED SHARE CAPITAL** | | |
| | 104,000,000 equity shares of face value of ₹1 each [(1)] | 104,000,000 | - |
| | | | |
| **B** | **ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE AND AFTER THE OFFER** | | |
| | 102,875,080 equity shares of face value of ₹1 each | 102,875,080 | - |
| | | | |
| **C** | **OFFER** | | |
| | Offer for Sale of up to [●] Equity Shares aggregating up to ₹25,000.00 million[(2)(3)] | [●] | [●] |
| | | | |
| **D** | **SECURITIES PREMIUM ACCOUNT** | | |
| | Before and after the Offer | | 5,368,228,994 |

* *To be included upon finalization of Offer Price and the Basis of Allotment.*

(1) *For details in relation to the changes in the authorized share capital of our Company, see "History and Certain Corporate Matters—Amendments to the Memorandum of Association" on page 169.*

(2) *The Offer has been authorized by a resolution dated July 23, 2021 passed by our Board. This Draft Red Herring Prospectus has been authorized by a resolution dated August 6, 2021 passed by our Board and a resolution dated August 7, 2021 passed by our IPO Committee.*

(3) *Each of the Selling Shareholders, severally and not jointly, confirms that the Equity Shares to be offered by such Selling Shareholder in the Offer for Sale have been held by them for a period of at least one year immediately preceding the date of filing of this Draft Red Herring Prospectus with the SEBI in accordance with Regulation 8 of the SEBI ICDR Regulations and are accordingly, eligible for being offered for sale pursuant to the Offer. The Selling Shareholders have confirmed and authorized their participation in the Offer for Sale. For further details on the authorizations by the Selling Shareholders in relation to the Offer for Sale, see "The Offer" and "Other Regulatory and Statutory Disclosures" on pages 53 and 305, respectively.*

### Notes to Capital Structure

1. **Share Capital History of our Company**

(a) The history of the equity share capital of our Company is disclosed below.

| Date of allotment / change | Number of Equity Shares Allotted | Face Value (₹) | Issue Price per Equity Share (₹) | Nature of Allotment | Nature of Consideration | Cumulative Number of Equity Shares | Cumulative Paid-up Equity Share Capital (₹) |
|---|---|---|---|---|---|---|---|
| April 17, 2008 | 50,000 | 10 | 10 | Initial subscription to Memorandum of Association [(1)] | Cash | 50,000 | 500,000 |
| March 22, 2010 | 2,575,000 | 10 | 10 | Preferential allotment[(2)] | Cash | 2,625,000 | 26,250,000 |
| March 29, 2010 | 3,750,001 | 10 | 120 | Preferential allotment[(3)] | Cash | 6,375,001 | 63,750,010 |
| March 15, 2011 | 749,993 | 10 | 240 | Preferential allotment[(4)] | Cash | 7,124,994 | 71,249,940 |
| February 22, 2013 | 375,007 | 10 | 240 | Preferential allotment[(5)] | Cash | 7,500,001 | 75,000,010 |
| December 29, 2014 | 1,019,341 | 10 | 318.68 | Rights issue[(6)] | Cash | 8,519,342 | 85,193,420 |
| October 26, 2018 | 1,768,166 | 10 | 2,488.46 | Private Placement[(7)] | Cash | 10,287,508 | 102,875,080 |

| Date of allotment / change | Number of Equity Shares Allotted | Face Value (₹) | Issue Price per Equity Share (₹) | Nature of Allotment | Nature of Conside ration | Cumulative Number of Equity Shares | Cumulative Paid-up Equity Share Capital (₹) |
|---|---|---|---|---|---|---|---|
| June 4, 2021 | Sub-division of equity shares of face value of ₹10 each to Equity Shares of face value of ₹1 each[8] | | | | | 102,875,080 | 102,875,080 |
| **Total** | **102,875,080** | | | | | **102,875,080** | **102,875,080** |

*(1) Subscription to Memorandum of Association by Pradeep Chowdhry (25,000 equity shares of face value of ₹10 each) and Alka Chowdhry (25,000 equity shares of face value of ₹10 each).*

*(2) 1,287,500 equity shares of face value of ₹10 each were allotted to Pradeep Chowdhry and 1,287,500 equity shares of face value of ₹10 each were allotted to Alka Chowdhry.*

*(3) 3,750,001 equity shares of face value of ₹10 each were allotted to RSIL. The equity shares of face value of ₹10 each held by RSIL were transferred to GAIE on November 10, 2014 and are currently held by GAIE.*

*(4) 262,500 equity shares of face value of ₹10 each were allotted to ICE; 112,493 equity shares of face value of ₹10 each were allotted to Charleston Holdings Pte. Ltd.; and 375,000 equity shares of face value of ₹10 each were allotted to SOL. The equity shares of face value of ₹10 each held by SOL were transferred to GAIE on November 10, 2014 and are currently held by GAIE.*

*(5) 259,257 equity shares of face value of ₹10 each were allotted to ICE; and 115,750 equity shares of face value of ₹10 each were allotted to Charleston Holdings Pte. Ltd. 228,243 equity shares of face value of ₹10 each were transferred to ICE on December 10, 2014 making ICE as a shareholder of 750,000 equity shares of face value of ₹10 each out of which 70,755 equity shares of face value of ₹10 each were transferred to Black River on October 26, 2018 and are currently held by Black River.*

*(6) 1,019,341 equity shares of face value of ₹10 each were allotted to GAIE. The other Shareholders being Pradeep Chowdhry, Alka Chowdhry and ICE had renounced their rights in favor of GAIE.*

*(7) 1,768,166 equity shares of face value of ₹10 each were allotted to Black River.*

*(8) Pursuant to the Board resolution dated June 2, 2021 and Shareholders' resolution dated June 4, 2021, each equity share of our Company of face value of ₹10 each and fully paid-up was sub-divided into 10 equity shares of our Company of face value of ₹1 each. Accordingly, the issued equity share capital of our Company was reclassified from ₹102,875,080 divided into 10,287,508 equity shares of our Company of face value of ₹10 each to ₹102,875,080 divided into 102,875,080 Equity Shares of our Company of face value of ₹1 each.*

(b) As of the date of this Draft Red Herring Prospectus, our Company did not have any authorized, issued, subscribed or paid-up preference share capital.

2. **Issue of Equity Shares at a price lower than the Offer Price in the last one year**

Our Company has not issued any Equity Shares at a price which may be lower than the Offer Price during the period of one year preceding the date of this Draft Red Herring Prospectus.

3. **Issue of Equity Shares for consideration other than cash**

Our Company has not issued any Equity Shares in the past for consideration other than cash.

4. **Issue of Equity Shares out of revaluation reserves**

Our Company has not issued any Equity Shares out of revaluation reserves since its incorporation.

5. **Issue of Equity Shares pursuant to a scheme of arrangement**

Our Company has not issued any Equity Shares in the past in terms of a scheme of arrangement approved under Sections 391 to 394 of the Companies Act, 1956 or Sections 230 to 234 of the Companies Act.

6. **Details of Build-up, Contribution and Lock-in of Promoters' Shareholding and Lock-in of other Equity Shares**

As of the date of this Draft Red Herring Prospectus, GAI, one of our Promoters, did not directly hold any Equity Shares in our Company, and has never directly held any Equity Shares in our Company since its incorporation.

As of the date of this Draft Red Herring Prospectus, our other Promoters, Pradeep Chowdhry, Alka Chowdhry and GAIE together held 70,363,840 Equity Shares, representing approximately 68.40% of the issued, subscribed and paid-up share capital of our Company.

(a) *Build-up of our Promoters' Shareholding in our Company*

The build-up of the equity shareholding of our Promoters in our Company since its incorporation is set forth below.

| **Date of Allotment/ Transfer** | **Number of Equity Shares** | **Face Value (₹)** | **Issue/ Transfer Price per Equity Share (₹)** | **Nature of Consideration** | **Nature of Acquisition/ Allotment/ Transfer** | **Percentage of Pre-Offer Equity Share Capital (%)** | **Percentage of Post-Offer Equity Share Capital (%)** |
|---|---|---|---|---|---|---|---|
| ***Pradeep Chowdhry*** | | | | | | | |
| April 17, 2008 | 25,000 | 10 | 10 | Cash | Initial subscription to Memorandum of Association | 0.24 | 0.24 |
| March 22, 2010 | 1,287,500 | 10 | 10 | Cash | Preferential allotment | 12.52 | 12.52 |
| November 10, 2014 | (1,247,250) | 10 | 292.95 | Cash | Transfer to GAIE | (12.12) | (12.12) |
| October 24, 2018 | (6,156) | 10 | 2,488.46 | Cash | Transfer to Black River | (0.06) | (0.06) |
| May 28, 2021 | (1) | 10 | Not applicable | Not applicable | Gift to Akshay Chowdhry | Negligible | Negligible |
| May 28, 2021 | (1) | 10 | Not applicable | Not applicable | Gift to Sanjana K. Chowdhry | Negligible | Negligible |
| June 4, 2021 | Sub-division of equity shares of face value of ₹10 each to Equity Shares of face value of ₹1 each | | | | | - | - |
| **SUB TOTAL (A)** | **590,920** | | | | | **0.57** | **0.57** |
| ***Alka Chowdhry*** | | | | | | | |
| April 17, 2008 | 25,000 | 10 | 10 | Cash | Initial subscription to Memorandum of Association | 0.24 | 0.24 |
| March 22, 2010 | 1,287,500 | 10 | 10 | Cash | Preferential allotment | 12.52 | 12.52 |
| October 24, 2018 | (123,821) | 10 | 2,488.46 | Cash | Transfer to Black River | (1.20) | (1.20) |
| June 4, 2021 | Sub-division of equity shares of face value of ₹10 each to Equity Shares of face value of ₹1 each | | | | | - | - |
| **SUB TOTAL (B)** | **11,886,790** | | | | | **11.56** | **11.56** |
| ***GAIE*** | | | | | | | |
| November 10, 2014 | 3,750,001 | 10 | 293.13 | Cash | Transfer from RSIL | 36.45 | 36.45 |
| November 10, 2014 | 375,000 | 10 | 292.95 | Cash | Transfer from SOL | 3.65 | 3.65 |
| November 10, 2014 | 1,247,250 | 10 | 292.95 | Cash | Transfer from Pradeep Chowdhry | 12.12 | 12.12 |
| December 29, 2014 | 1,019,341 | 10 | 318.68 | Cash | Rights issue* | 9.91 | 9.91 |
| October 24, 2018 | (602,979) | 10 | 2,488.46 | Cash | Transfer to Black River | (5.86) | (5.86) |
| June 4, 2021 | Sub-division of equity shares of face value of ₹10 each to Equity Shares of face value of ₹1 each | | | | | - | - |
| **SUB TOTAL (C)** | **57,886,130** | | | | | **56.27** | **56.27** |
| **TOTAL (A)+(B)+(C)** | **70,363,840** | | | | | **68.40** | **68.40** |

* *The other Shareholders being Pradeep Chowdhry, Alka Chowdhry and ICE had renounced their rights in favor of GAIE.*

All the Equity Shares held by our Promoters were fully paid-up on the respective dates of their acquisition, or allotment. None of the Equity Shares held by our Promoters are pledged.

(b) *Details of Promoters' Contribution and Lock-in*

Pursuant to Regulations 14 and 16 of the SEBI ICDR Regulations, an aggregate of at least 20% of the fully-diluted post-Offer Equity Share capital of our Company held by GAIE, one of our Promoters, shall be considered as the minimum Promoters' contribution and is required to be locked-in for a period of three years from the date of Allotment. GAIE's shareholding in excess of 20% shall be locked in for a period of one year from the date of Allotment.

The Equity Shares that are being locked-in are not ineligible for computation of minimum Promoters' contribution under Regulation 15 of the SEBI ICDR Regulations. In this regard, our Company confirms that:

(i) The Equity Shares offered towards minimum Promoters' contribution have not been acquired during the three immediately preceding years (a) for consideration other than cash and revaluation of assets or capitalization of intangible assets, or (b) arising from bonus issue by utilization of revaluation reserves or unrealized profits of our Company or from a bonus issue against Equity Shares, which are otherwise ineligible for computation of Promoters' contribution;

(ii) The Equity Shares offered towards minimum Promoters' contribution have not been acquired by GAIE during the year immediately preceding the date of this Draft Red Herring Prospectus at a price lower than the Offer Price;

(iii) The Equity Shares held by GAIE and offered towards minimum Promoters' contribution are not subject to any pledge;

(iv) Our Company has not been formed by the conversion of a partnership firms or limited liability partnership firms into a company; and

(v) All Equity Shares held by our Promoters (including GAIE) were in dematerialized form as of the date of this Draft Red Herring Prospectus.

The details of the Equity Shares of GAIE, which will be locked-in as minimum Promoters' contribution for a period of three years from the date of Allotment, are set forth below.

| **Name of Promoter** | **Date of Acquisition of Equity Shares and When Made Fully Paid-up** | **Nature of Transaction** | **Face Value (₹)** | **Acquisition Price per Equity Share (₹)** | **Number of Equity Shares Locked-in** | **Pre-Offer Equity Share Capital (%)** | **Percentage of Post-Offer Equity Share Capital (%)** | **Date up to which the Equity Shares are subject to Lock-in#** |
|---|---|---|---|---|---|---|---|---|
| GAIE | November 10, 2014 | Transfer from RSIL | 1 | 293.13 | 20,575,020* | 20.00 | 20.00 | [●] |

**Taking into account the effect of the sub-division of Equity Shares. Pursuant to the Board resolution dated June 2, 2021 and Shareholders' resolution dated June 4, 2021, each equity share of our Company of face value of ₹10 each and fully paid-up was sub-divided into 10 equity shares of our Company of face value of ₹1 each.*
*# To be completed prior to filing of the Prospectus with the RoC.*

GAIE has agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner, the Promoter's contribution from the date of filing this Draft Red Herring Prospectus, until the expiry of the lock-in specified above, or for such other time as required under SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations.

(c) *Details of Share Capital locked-in for one year*

In addition to the Equity Shares proposed to be locked-in as part of the minimum Promoters' contribution as stated above, as prescribed under the SEBI ICDR Regulations, the entire pre-Offer Equity Share capital of our Company will be locked-in for a period of one year from the date of Allotment of Equity Shares in the Offer except the following: (i) the Equity Shares that are held by a VCF, AIF (category I or category II) or FVCI, subject to the conditions set out in Regulation 17 of the SEBI ICDR Regulations, provided that such Equity Shares shall be locked-in for a period of at least one year from the date of purchase by the VCF, AIF (category I or category II) or FVCI. Accordingly, all Equity Shares held by Black River as of the date of this Draft Red Herring Prospectus shall be exempt from the aforementioned lock-in requirement since Black River is a FVCI; and (ii) the Equity Shares transferred pursuant to the Offer for Sale. Further, any unsold portion of the Equity Shares offered pursuant to the Offer for Sale will be locked-in as required under the SEBI ICDR Regulations.

(d) *Lock-in of Equity Shares Allotted to Anchor Investors*

Any Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion will be locked-in for a period of 30 days from the date of Allotment.

(e) *Other Requirements in respect of Lock-in*

Pursuant to Regulation 22 of the SEBI ICDR Regulations, Equity Shares held by our Promoters prior to the Offer and locked-in for a period of one year may be transferred to and among the Promoter Group or to any new promoter or another Promoter, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Regulations, as applicable.

Pursuant to Regulation 22 of the SEBI ICDR Regulations, the Equity Shares held by persons other than our Promoters and locked-in for a period of one year from the date of Allotment in the Offer may be transferred to any other person holding Equity Shares which are locked-in, subject to the continuation of the lock-in in the hands of transferees for the remaining period and compliance with the Takeover Regulations.

The Equity Shares held by GAIE which are locked-in for a period of three years from the date of Allotment may be pledged only in accordance with Regulation 21(a) of the SEBI ICDR Regulations.

The Equity Shares held by our Promoters which are locked-in for a period of one year from the date of Allotment may be pledged only with scheduled commercial banks or public financial institutions or Systemically Important NBFCs or housing finance companies, as collateral security for loans granted by such banks or public financial institutions or Systemically Important NBFCs or housing finance companies in terms of Regulation 21(b) of the SEBI ICDR Regulations, provided that pledge of the Equity Shares is one of the terms of the sanction of loans. The lock-in may continue pursuant to the invocation of pledge; however, the transferee shall not be eligible to transfer the Equity Shares until the expiry of the lock-in period.

Any portion of the Offered Shares that remains unsubscribed would also be locked-in as required under the SEBI ICDR Regulations.

7. **Shareholding Pattern of our Company**

The table below presents the shareholding of our Company as of the date of this Draft Red Herring Prospectus.

| Category (I) | Category of Shareholder (II) | Number of Shareholders (III) | Number of Fully Paid-up Equity Shares Held (IV) | Number of Partly Paid-up Equity Shares Held (V) | Number of Shares Underlying Depository Receipts (VI) | Total Number of Equity Shares Held (VII) =(IV)+(V)+ (VI) | Shareholding as a % of Total Number of Equity Shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2) | Number of Voting Rights held in Each Class of Securities (IX) | | | Number of Shares Underlying Outstanding Convertible Securities (including Warrants) (X) | Shareholding, as a % Assuming Full Conversion of Convertible Securities (as a Percentage of Diluted Share Capital) (XI)= (VII)+(X) As a % of (A+B+C2) | Number of locked-in shares (XII) | | Number of Shares Pledged or Otherwise Encumbered* (XIII) | | Number of Equity Shares held in Dematerialized Form (XIV) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | No of Voting Rights | | Total as a % of (A+B+ C) | | | Number (a) | As a % of total shares held (b) | Number (a) | As a % of total share s held (b) | |
| | | | | | | | | Class: Equity Shares | Total | | | | | | | | |
| (A) | Promoter and Promoter Group | 4 | 70,363,850 | - | - | 70,363,850 | 68.40 | 70,363,850 | 70,363,850 | 68.40 | - | - | - | | - | | 70,363,850 |
| (B) | Public | - | - | - | - | - | - | - | - | - | - | - | - | | - | | - |
| (C) | Non Promoter-Non Public | 3 | 32,511,230 | - | - | 32,511,230 | 31.60 | 32,511,230 | 32,511,230 | 31.60 | - | - | - | | - | | 32,511,230 |
| (C1) | Shares Underlying DRs | - | - | - | - | - | - | - | - | - | - | - | | - | | - | - |
| (C2) | Shares held by Employee Trusts | - | - | - | - | - | - | - | - | - | - | - | | - | | - | - |
| | **Total** | **7** | **102,875,080** | **-** | **-** | **102,875,080** | **100.00** | **102,875,080** | **102,875,080** | **100.00** | - | - | | - | | - | **102,875,080** |

8. **Details of the equity shareholding of the major Shareholders of our Company**

(a) The Equity Shareholders holding 1% or more of the paid-up Equity Share capital of our Company and the number of Equity Shares held by them as of the date of this Draft Red Herring Prospectus are detailed in the table below.

| S. No. | Name of the Shareholder | Number of Equity Shares | Percentage of the pre-Offer Equity Share capital (%) |
|---|---|---|---|
| 1. | GAIE | 57,886,130 | 56.27 |
| 2. | Black River | 25,718,770 | 25.00 |
| 3. | Alka Chowdhry | 11,886,790 | 11.56 |
| 4. | ICE | 6,792,450 | 6.60 |
| | **Total** | **102,284,140** | **99.43** |

(b) The Equity Shareholders who held 1% or more of the paid-up Equity Share capital of our Company and the number of Equity Shares held by them 10 days prior to the date of this Draft Red Herring Prospectus are detailed in the table below.

| S. No. | Name of the Shareholder | Number of Equity Shares | Percentage of the pre-Offer Equity Share capital (%) |
|---|---|---|---|
| 1. | GAIE | 57,886,130 | 56.27 |
| 2. | Black River | 25,718,770 | 25.00 |
| 3. | Alka Chowdhry | 11,886,790 | 11.56 |
| 4. | ICE | 6,792,450 | 6.60 |
| | **Total** | **102,284,140** | **99.43** |

(c) The Equity Shareholders who held 1% or more of the paid-up Equity Share capital of our Company and the number of Equity Shares held by them one year prior to the date of this Draft Red Herring Prospectus are detailed in the table below.

| S. No. | Name of the Shareholder | Number of Equity Shares* | Percentage of the pre-Offer Equity Share capital (%)* |
|---|---|---|---|
| 1. | GAIE | 57,886,130 | 56.27 |
| 2. | Black River | 25,718,770 | 25.00 |
| 3. | Alka Chowdhry | 11,886,790 | 11.56 |
| 4. | ICE | 6,792,450 | 6.60 |
| | **Total** | **102,284,140** | **99.43** |

* *Based on the beneficiary position statement dated August 7, 2020. While such beneficiary position statement does not reflect the effect of split of equity shares of face value ₹10 into the Equity Shares, the details disclosed above takes such split into account.*

(d) The Equity Shareholders who held 1% or more of the paid-up Equity Share capital of our Company and the number of Equity Shares held by them two years prior to the date of this Draft Red Herring Prospectus are detailed in the table below.

| S. No. | Name of the Shareholder | Number of Equity Shares* | Percentage of the pre-Offer Equity Share capital (%)* |
|---|---|---|---|
| 1. | GAIE | 57,886,130 | 56.27 |
| 2. | Black River | 25,718,770 | 25.00 |
| 3. | Alka Chowdhry | 11,886,790 | 11.56 |
| 4. | ICE | 6,792,450 | 6.60 |
| | **Total** | **102,284,140** | **99.43** |

* *Based on the beneficiary position statement dated August 2, 2019. While such beneficiary position statement does not reflect the effect of split of equity shares of face value ₹10 into the Equity Shares, the details disclosed above takes such split into account.*

9. **Details of the Shareholding of our Key Managerial Personnel, our Directors, Promoters and Promoter Group and directors of our Promoter**

(a) None of our Key Managerial Personnel held any Equity Shares as of the date of filing of this Draft Red Herring Prospectus other than as disclosed below.

| S. No. | Name of the Key Managerial Personnel | Number of Equity Shares | Percentage of the pre-Offer Equity Share capital (%) |
|---|---|---|---|
| 1. | Pradeep Chowdhry | 590,920 | 0.57 |
| 2. | Akshay Chowdhry | 10 | Negligible |
| | **Total** | **590,930** | **0.57** |

(b) None of our Directors hold any Equity Shares as of the date of filing of this Draft Red Herring Prospectus other than as disclosed below.

| S. No. | Name of the Director | Number of Equity Shares | Percentage of the pre-Offer Equity Share capital (%) |
|---|---|---|---|
| 1. | Pradeep Chowdhry | 590,920 | 0.57 |
| | **Total** | **590,920** | **0.57** |

(c) GAI did not directly hold any Equity Shares in our Company as of the date of this Draft Red Herring Prospectus. None of the directors of our Corporate Promoters held any Equity Shares in our Company as of the date of filing of this Draft Red Herring Prospectus.

(d) The aggregate shareholding of our Promoters and Promoter Group, as of the date of filing of this Draft Red Herring Prospectus, is set out in the table below.

| S. No. | Name of the Shareholder | Number of Equity Shares | Percentage of the pre-Offer Equity Share capital (%) |
|---|---|---|---|
| ***Promoter*** | | | |
| 1. | GAIE | 57,886,130 | 56.27 |
| 2. | Alka Chowdhry | 11,886,790 | 11.56 |
| 3. | Pradeep Chowdhry | 590,920 | 0.57 |
| ***Promoter Group*** | | | |
| 4. | Akshay Chowdhry | 10 | Negligible |
| | **Total** | **70,363,850** | **68.40** |

10. Our Company has not issued any Equity Shares under any employee stock option schemes.

11. As of the date of this Draft Red Herring Prospectus, there were no outstanding warrants, options or rights to convert debentures, loans or other instruments which are convertible into Equity Shares.

12. None of the BRLMs or their respective associates, as defined in the SEBI Merchant Bankers Regulations, held any Equity Shares in our Company as of the date of this Draft Red Herring Prospectus.

13. Our Company has not made any public issue since its incorporation, and has not made any rights issue of any kind or class of securities since its incorporation.

14. Our Company has not made any bonus issue of any kind or class of securities since its incorporation.

15. Our Company, our Directors and the BRLMs have not entered into any buy-back arrangements for purchase of Equity Shares to be Allotted pursuant to the Offer.

16. Our Company did not have any partly paid-up Equity Shares as of the date of this Draft Red Herring Prospectus. All Equity Shares Allotted in the Offer will be fully paid-up at the time of Allotment.

17. There will not be any further issue of Equity Shares, whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from filing of this Draft Red Herring Prospectus with the SEBI until the Equity Shares have been listed on the Stock Exchanges or all application monies have been refunded, as the case may be.

18. Our Company presently does not intend or propose and is not under negotiations or considerations to alter its capital structure for a period of six months from the Bid/Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares), whether on a preferential basis or by way of issue of bonus shares or on a rights basis or by way of further public issue of Equity Shares or qualified institutions placements or otherwise. Provided, however, that the foregoing restriction does not apply to the Allotment of any Equity Shares under the Offer.

19. As of the date of filing of this Draft Red Herring Prospectus, the total number of holders of the Equity Shares is seven.

20. Our Promoters, any members of our Promoter Group, the directors of our Corporate Promoters, any of our Directors or any of their respective relatives have not purchased or sold any securities of our Company during the period of six months immediately preceding the date of this Draft Red Herring Prospectus, other than as disclosed in "*—Build-up of our Promoters' Shareholding in our Company*" on page 71.

21. There have been no financing arrangements whereby our Promoters, members of our Promoter Group, the directors of our Corporate Promoters, any of our Directors or any of their respective relatives have purchased or sold or financed the purchase by any other person of securities of our Company other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus.

22. Our Company shall ensure that there shall be only one denomination of the Equity Shares, unless otherwise permitted by law.

23. Our Company shall ensure that transactions in the Equity Shares by our Promoters and their respective Promoter Group between the date of filing of this Draft Red Herring Prospectus and the date of closure of the Offer shall be notified to the Stock Exchanges within 24 hours of such transaction.

24. No person connected with the Offer, including, but not limited to, the members of the Syndicate, our Company, our Directors, our Promoters, members of our Promoter Group, shall offer or make payment of any incentive, direct or indirect, in the nature of discount, commission and allowance, except for fees or commission for services rendered in relation to the Offer, in any manner, whether in cash or kind or services or otherwise, to any Bidder for making a Bid.

## OBJECTS OF THE OFFER

The objects of the Offer are to (i) to carry out the Offer for Sale of up to [●] Equity Shares aggregating to ₹25,000.00 million by the Selling Shareholders; and (ii) achieve the benefits of listing the Equity Shares on the Stock Exchanges. Our Company will not receive any proceeds from the Offer and all such proceeds will go to the Selling Shareholders after deducting the Offer expenses and relevant taxes thereon.

Further, our Company expects that listing of the Equity Shares will enhance our visibility and brand image and provide liquidity to our Shareholders and will also provide a public market for the Equity Shares in India.

**Utilization of the Offer Proceeds by Selling Shareholders**

Our Company will not receive any proceeds from the Offer (the "**Offer Proceeds**") and all the Offer Proceeds after deducting the Offer expenses and relevant taxes thereon, will be received by the Selling Shareholders, in proportion to the Offered Shares sold by the respective Selling Shareholders as part of the Offer. For details of Offered Shares by each Selling Shareholder, see "*The Offer*" and "*Other Regulatory and Statutory Disclosures*" beginning on pages 53 and 305, respectively.

**Offer expenses**

The Offer related expenses primarily include fees payable to the BRLMs and legal counsels, auditors, brokerage and selling commission, underwriting commission, commission payable to Registered Brokers, RTAs, CDPs, SCSBs' fees, Sponsor Bank's fees, Registrar's fees, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges.

Other than the listing fees which will be borne solely by the Company, all fees, costs and expenses required to be paid in respect of the Offer, including, without limitation, the fees, costs and expenses relating to the process and consummation of the Offer and of any merchant bankers, underwriters, book-runners, registrars or other intermediaries involved in any manner in relation to the Offer, shall be borne by each Selling Shareholder in proportion to the Offered Shares transferred by the Selling Shareholders pursuant to the Offer, except as may be prescribed by the SEBI or any other regulatory authority. All the expenses relating to the Offer shall be paid by the Company in the first instance. All proportional Offer-related fees, costs and expenses to be borne by the Selling Shareholders shall be reimbursed to the Company upon the successful completion of the Offer, i.e., on the listing and the commencement of trading of the Equity Shares on the Stock Exchanges. Notwithstanding the above, in the event that the Offer is withdrawn, abandoned or terminated for any reason whatsoever, the Company shall bear all the expenses incurred in relation to the proposed Offer and the Selling Shareholders shall not be responsible for any such expenses, except as may be prescribed by the SEBI or any other regulatory authority.

The estimated Offer related expenses are as under:

| Activity | Estimated expenses(1) (₹ million) | As a % of the total estimated Offer expenses[(1)] | As a % of the total Offer size[(1)] |
|---|---|---|---|
| BRLMs' fees and commissions (including underwriting commission, brokerage and selling commission) | [●] | [●] | [●] |
| Selling commission/processing fee for SCSBs and Bankers to the Offer and fee payable to the Sponsor Bank for Bids made by RIBs using UPI [(2)(3)(4)] | [●] | [●] | [●] |
| Brokerage and selling commission and bidding charges for Members of the Syndicate, Registered Brokers, RTAs and CDPs[(5)] | [●] | [●] | [●] |
| Fees payable to the Registrar to the Offer | [●] | [●] | [●] |
| Fees payable to the other advisors to the Offer | [●] | [●] | [●] |
| Others | | | |
| - Listing fees, SEBI filing fees, upload fees, the Stock Exchanges processing fees, book building software fees and other regulatory expenses | [●] | [●] | [●] |

| Activity | Estimated expenses(1) (₹ million) | As a % of the total estimated Offer expenses[(1)] | As a % of the total Offer size[(1)] |
|---|---|---|---|
| - Printing and stationery | [●] | [●] | [●] |
| - Advertising and marketing expenses | [●] | [●] | [●] |
| - Fee payable to legal counsels | [●] | [●] | [●] |
| - Miscellaneous | [●] | [●] | [●] |
| **Total estimated Offer expenses** | [●] | [●] | [●] |

(1) *Amounts will be finalised and incorporated in the Prospectus on determination of Offer Price*

(2) *Selling commission payable to the SCSBs on the portion for Retail Individual Bidders and Non-Institutional Investors which are directly procured by the SCSBs, would be as follows:*

| | |
|---|---|
| *Portion for Retail Individual Investors** | *[●]% of the Amount Allotted (plus applicable taxes)* |
| *Portion for Non-Institutional Investors** | *[●]% of the Amount Allotted (plus applicable taxes)* |

**Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price. The selling commission payable to the SCSBs will be determined on the basis of the bidding terminal ID as captured in the Bid Book of BSE or NSE.*

(3) *No uploading/processing fees shall be payable by our Company and the Selling Shareholders to the SCSBs on the Bid cum Applications Forms directly procured by them. Processing fees payable to the SCSBs on the portion for Retail Individual Bidders and Non-Institutional Bidders which are procured by the members of the Syndicate/sub-Syndicate/Registered Broker/RTAs/ CDPs and submitted to SCSB for blocking, would be as follows:*

| | |
|---|---|
| *Portion for Retail Individual Investors* | *₹[●] per valid Bid cum Application Form (plus applicable taxes)* |
| *Portion for Non-Institutional Investors* | *₹[●] per valid Bid cum Application Form (plus applicable taxes)* |

(4) *The processing fees for applications made by Retail Individual Bidders using the UPI Mechanism would be as follows:*

| | |
|---|---|
| *Members of the Syndicate / RTAs / CDPs* | *₹[●] per valid Bid cum Application Form* (plus applicable taxes)* |
| *Sponsor Bank* | *₹[●] per valid Bid cum Application Form* (plus applicable taxes)*<br>*The Sponsor Bank shall be responsible for making payments to the third parties such as remitter bank, NPCI and such other parties as required in connection with the performance of its duties under the SEBI circulars, the Syndicate Agreement and other applicable laws.* |

**For each valid application*

(5) *Selling commission on the portion for Retail Individual Bidders and Non-Institutional Bidders which are procured by members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, RTAs and CDPs would be as follows:*

| | |
|---|---|
| *Portion for Retail Individual Investors** | *[●]% of the Amount Allotted (plus applicable taxes)* |
| *Portion for Non-Institutional Investors** | *[●]% of the Amount Allotted (plus applicable taxes)* |

**Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price*

(6) *The selling commission payable to the Syndicate / Sub-Syndicate Members will be determined on the basis of the application form number / series, provided that the application is also bid by the respective Syndicate / Sub-Syndicate Member. For clarification, if a Syndicate ASBA application on the application form number / series of a Syndicate / Sub-Syndicate Member, is bid by an SCSB, the Selling Commission will be payable to the SCSB and not the Syndicate / Sub-Syndicate Member.*

(7) *Bidding Charges payable to members of the Syndicate (including their sub-Syndicate Members), RTAs and CDPs on the portion for RIBs and Non-Institutional Bidders which are procured by them and submitted to SCSB for blocking, would be as follows: ₹[●] plus applicable taxes, per valid application bid by the Syndicate (including their sub-Syndicate Members), RTAs and CDPs.*

*The selling commission and bidding charges payable to Registered Brokers the RTAs and CDPs will be determined on the basis of the bidding terminal id as captured in the Bid Book of BSE or NSE.*

*Bidding charges payable to the Registered Brokers, RTAs/CDPs on the portion for RIBs and Non-Institutional Bidders which are directly procured by the Registered Broker or RTAs or CDPs and submitted to SCSB for processing, would be as follows:*

| | |
|---|---|
| *Portion for RIBs** | *₹[●] per valid application (plus applicable taxes)* |
| *Portion for Non-Institutional Bidders** | *₹[●] per valid application (plus applicable taxes)* |

** Based on valid applications*

**Monitoring of Utilization of funds**

As the Offer is an offer for sale of Equity Shares, our Company will not receive any proceeds from the Offer. Accordingly, no monitoring agency is required to be appointed for the Offer.

**Other Confirmations**

Except to the extent of any proceeds received by the Promoter Selling Shareholders and the Investor Selling Shareholders pursuant to the Offer for Sale, (a) there is no proposal whereby Promoters, Directors, KMPs, members of the Promoter Group or Group Companies will receive any portion of the Offer Proceeds; and (b) there are no material existing or anticipated transactions in relation to utilization of the Offer Proceeds with our Promoters, Directors, KMPs or Promoter Group.

## BASIS FOR OFFER PRICE

The Price Band and Offer Price will be determined by our Company, in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of quantitative and qualitative factors as described below, and is justified in view of these parameters. The face value of the Equity Shares is ₹1 each and the Offer Price is [●] times the Floor Price and [●] times the Cap Price of the Price Band. Investors should also refer to "*Risk Factors*", "*Our Business*", "*Restated Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 25, 139, 207 and 265, respectively, to have an informed view before making an investment decision.

**Qualitative Factors**

Some of the qualitative factors which form the basis for computing the Offer Price are:

- Leading and reputable consumer brands in the edible oil sector.
- One of the leading manufacturers of specialty fats and oils.
- Modern and strategically located manufacturing facilities.
- Extensive and well-established sales and distribution network.
- Technology-enabled distribution capability.
- We have an experienced and professional senior management team along with diversified board.
- We enjoy certain benefits from the experience and expertise of our Shareholders.
- We leverage an efficient and integrated operating system throughout all business operations, with emphasis on risk management.
- We have a strong financial position.

For details, see "*Our Business—Our Competitive Strengths*" on page 142.

**Quantitative Factors**

Some of the information presented below relating to our Company is derived from the Restated Financial Information. For details, see "*Financial Information*" on page 207.

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

**1. Basic and Diluted Earnings per Share ("EPS") at face value of ₹1 each:**

Derived from Restated Financial Information:

| Period | Basic EPS (in ₹) | Diluted EPS (in ₹) | Weight |
|---|---|---|---|
| Fiscal 2021 | 55.48 | 55.48 | 3 |
| Fiscal 2020 | 18.07 | 18.07 | 2 |
| Fiscal 2019 | 11.78 | 11.78 | 1 |
| **Weighted Average** | 35.73 | 35.73 | |

Notes:
*(1) Weighted average = aggregate of year-wise weighted EPS divided by the aggregate of weights, i.e., (EPS x Weight) for each year/Total of weights.*
*(2) The figures disclosed above are based on the Restated Financial Information.*
*(3) EPS (₹) = net PAT, attributable to equity shareholders by weighted average number of equity shares. outstanding during the years/period. Weighted average number of equity shares has been computed as per Ind AS - 33, 'Earnings per share'.*

*(4) Basic EPS and diluted EPS calculations are in accordance with the relevant Indian accounting standard.*
*(5) The above statement should be read with "Significant Accounting Policies" and the notes appearing in "Restated Financial Information" beginning on page 207.*
*(6) The above ratios have been calculated after taking into account the effect of the sub-division of the Equity Shares. Pursuant to the Board resolution dated June 2, 2021 and Shareholders' resolution dated June 4, 2021, each equity share of our Company of face value of ₹10 each and fully paid-up was sub-divided into 10 equity shares of our Company of face value of ₹1 each.*

## 2. Price/Earnings Ratio in relation to Price Band of ₹[●] to ₹[●] per Equity Share:

| Particulars | P/E at the Floor Price (no. of times) | P/E at the Cap Price (no. of times) |
|---|---|---|
| P/E ratio based on basic EPS for the Financial Year 2021 | [●] | [●] |
| P/E ratio based on diluted EPS for the Financial Year 2021 | [●] | [●] |

## 3. Industry Peer Group Price / Earning (P/ E) Ratio

**Industry P/E ratio**

| Particulars | Industry P/E |
|---|---|
| Highest | 75.79 |
| Lowest | 58.12 |
| Average | 66.96 |

*Note: The industry high and low has been considered from the industry peer set provided later in this chapter. For Industry P/E, P/E figures for the peers are computed based on closing market price as of July 29, 2021 on the BSE, divided by Basic EPS (on consolidated basis) based on financial results of the respective company for the year ended March 31, 2021 submitted to stock exchanges.*

## 4. Return on Net Worth ("RoNW"):

| Financial Year | RoNW (%) | Weight |
|---|---|---|
| 2021 | 35.1 | 3 |
| 2020 | 17.6 | 2 |
| 2019 | 12.6 | 1 |
| Weighted Average | 25.5 | |

*Notes*:
*(1) RoNW (%) is calculated as profit for the year (as reported in the Restated Financial Information) for the relevant year/period as a percentage of net worth as of the last day of the relevant year/period.*
*(2) Net worth as of the last day of the relevant year represents net worth which includes paid up share capital and all reserves and surplus and securities premium account as per the Restated Financial Information.*
*(3) Weighted Average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights, i.e., (RoNW x Weight) for each year / total of weights.*

## 5. Net Asset Value ("NAV") per Equity Share of face value of ₹1 each

| NAV per Equity Share | (₹) |
|---|---|
| As of March 31, 2021 | 157.92 |
| Offer Price | [●] |

*Notes:*
*(1) NAV per equity share represents net worth as at the end of the fiscal year, as restated, divided by the number of Equity Shares outstanding at the end of the period/year.*
*(2) The above has been calculated after taking into account the effect of the sub-division of Equity Shares. Pursuant to the Board resolution dated June 2, 2021 and Shareholders' resolution dated June 4, 2021, each equity share of our Company of face value of ₹10 each and fully paid-up was sub-divided into 10 equity shares of our Company of face value of ₹1 each.*

## 6. Comparison with Listed Industry Peers:

| Name of the company | Total Income (₹ million) | Face Value per equity share (₹) | P/E | EPS (Basic) (₹) | EPS (Diluted) (₹) | Return on Net Worth (%) | NAV per Equity Share (₹) |
|---|---|---|---|---|---|---|---|
| Gemini Edibles & Fats India Limited* | 78,631.08 | 1 | [●] | 55.48 | 55.48 | 35.1 | 157.92 |
| **Listed Peers#** | | | | | | | |
| Marico Limited | 81,420.00 | 1 | 58.12 | 9.08 | 9.08 | 37.16 | 25.09 |
| Agro tech Foods Limited | 8,934.20 | 10 | 75.79 | 13.21 | 13.17 | 7.33 | 178.93 |

*Source: All the financial information for listed industry peer mentioned above is sourced from the annual report of those companies for the year ended March 31, 2021.*
* *Financial information for our Company is derived from the Restated Financial Information.*
\# *Notes:*
*1. All the financial information for listed industry peers mentioned above is on a consolidated basis and is sourced from the financial results as available of the respective company for the year ended March 31, 2021 submitted to stock exchanges.*
*2. P/E ratio is calculated as closing share price (July 29, 2021 - BSE) / basic EPS for year ended March 31, 2021.*
*3. Basic and diluted EPS as reported in the financial results of the company for the year ended March 31, 2021.*
*4. RoNW (%) = Net profit/(loss) after tax / net worth at the end of the year.*
*5. NAV per share (in ₹) = Net worth at the end of the year / total number of equity shares outstanding at the end of the year.*

**The Offer price is [●] times of the face value of the Equity Shares.**

The Offer Price of ₹[●] has been determined by our Company, in consultation with the BRLMs, on the basis of assessment of market demand from investors for Equity Shares through the Book Building Process, and is justified in view of the above qualitative and quantitative parameters. The trading price of the Equity Shares could decline due to the factors mentioned in the "*Risk Factors*" beginning on page 25 and you may lose all or part of your investments.

## STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS

### I. STATEMENT OF POSSIBLE SPECIAL DIRECT TAX BENEFITS

To
The Board of Directors
Gemini Edibles & Fats India Limited
(formerly known as Gemini Edibles &
Fats India Private Limited)
"Freedom House", 8-2-334/70 & 71
Opposite to SBI Executive Enclave
Road No. 5, Banjara Hills
Hyderabad – 500 034
Telangana, India

**Proposed initial public offering of equity shares of Re. 1 each ("Offer") by Gemini Edibles & Fats India Limited (formerly known as Gemini Edibles & Fats India Private Limited) (the "Issuer"/"Company")**

1. This report is issued in accordance with the terms of our engagement letter dated 9 July 2021.

2. The accompanying Statement of Possible Special Tax Benefits available to the Company and its Shareholders (hereinafter referred to as the "Statement") under the Income-tax Act, 1961 (read with Income-tax Rules, circulars, notifications) as amended by the Finance Act, 2021 (hereinafter referred to as the "Income Tax Regulations") has been prepared by the management of the Company in connection with the proposed Offer, which we have initialed for identification purposes.

**Management's Responsibility**

3. The preparation of this Statement as of the date of our report which is to be included in the Draft Red Herring Prospectus is the responsibility of the management of the Company and has been approved by the Board of Directors of the Company at its meeting held on 7 August 2021 for the purpose set out in paragraph 9 below. The management's responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances. The Management is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.

**Auditor's Responsibility**

4. Our work has been carried out in accordance with Standards on Auditing, the 'Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)' and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India.

5. Pursuant to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, as amended (the '**ICDR Regulations**') and the Companies Act 2013, as amended ('**Companies Act**'), it is our responsibility to report whether the Statement prepared by the Company, presents, in all material respects, the possible special tax benefits available as of 7 August 2021 to the Company and the shareholders of the Company, in accordance with the Income Tax Regulations as at the date of our report.

6. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Companies Act and the ICDR Regulations in connection with the Offer.

**Inherent Limitations**

7. We draw attention to the fact that the Statement includes certain inherent limitations that can influence the reliability of the information.

Several of the benefits mentioned in the Statement are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which may or may not be fulfilled. The benefits discussed in the accompanying statement are not exhaustive.

The Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Offer.

Further, we give no assurance that the Revenue Authorities / Courts will concur with our views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes**.**

**Opinion**

8. In our opinion, the Statement prepared by the Company presents, in all material respects, the possible special tax benefits available as of 7 August 2021, to the Company and its shareholders in accordance with the Income Tax Regulations as at the date of our report.

   Considering the matter referred to in paragraph 7 above, we are unable to express any opinion or provide any assurance as to whether:

   (i) The Company or its shareholders will continue to obtain the benefits per the Statement in future; or
   (ii) The conditions prescribed for availing the benefits per the Statement have been/ would be met with.

**Restriction on Use**

9. This report is addressed to and is provided to enable the Board of Directors of the Company to include this report in the Draft Red Herring Prospectus, prepared in connection with the Offer to be filed by the Company with the Securities and Exchange Board of India and the concerned stock exchanges.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No. 001076N/N500013

**Amit Kumar**
Partner

Membership No.: 060995
UDIN: 21060995AAAAAG9004

Date: 7 August 2021
Place: Hyderabad

**Statement of Possible Special Direct Tax Benefits available to the Company and its Shareholders under the applicable laws in India – the Income-tax Act, 1961 (“the Act”)**

Outlined below are the Possible Special Direct Tax benefits available to Gemini Edibles & Fats India Limited (formerly known as Gemini Edibles & Fats India Private Limited) (the “Company”) and its Shareholders under the Act as amended by the Finance Act, 2021 applicable for the Financial Year 2021-22 relevant to the Assessment Year 2022-23, presently in force in India.

**I. Special direct tax benefits available to the Company**

As per section 115BAA of the Act, the Company has an option to pay income tax in respect of its total income at a concessional tax rate of 25.17% (including applicable surcharge and cess) subject to satisfaction of certain conditions with effect from Financial Year 2019-20 (i.e., Assessment Year 2020-21). Such option once exercised shall apply to subsequent assessment years.

In such a case, the Company will not be allowed to claim any of the following deductions/ exemptions under the Act:

1. Deduction under the provisions of section 10AA (deduction for units in Special Economic Zone)

2. Deduction under clause (iia) of sub-section (1) of section 32 (Additional depreciation)

3. Deduction under section 32AD or section 33AB or section 33ABA (Investment allowance in backward areas, Investment deposit account, site restoration fund)

4. Deduction under sub-clause (ii) or sub-clause (iia) or sub-clause (iii) of sub-section (1) or sub-section (2AA) or subsection (2AB) of section 35 (Expenditure on scientific research)

5. Deduction under section 35AD or section 35CCC (Deduction for specified business, agricultural extension project)

6. Deduction under section 35CCD (Expenditure on skill development)

7. Deduction under any provisions of Chapter VI-A other than the provisions of section 80JJAA or Section 80M

8. Deduction under Section 80LA other than deduction applicable to a Unit in the International Financial Services Centre, as referred to in sub-section (1A) of section 80LA of the Act.

9. No set off of any loss carried forward or depreciation from any earlier assessment year, if such loss or depreciation is attributable to any of the deductions referred from clause 1) to 8) above.

10. No set off of any loss or allowance for unabsorbed depreciation deemed so under section 72A, if such loss or depreciation is attributable to any of the deductions referred from clause 1) to 8) above.

Further, it was clarified by CBDT vide Circular No. 29/ 2019 dated 2 October 2019 that if the Company opts for concessional income tax rate under section 115BAA, the provisions of section 115JB regarding Minimum Alternate Tax (MAT) are not applicable. Additionally, such Company will not be entitled to claim tax credit relating to MAT.

In this regard, from Assessment Year 2020-21 relevant to Financial Year 2019-20 onwards the Company has opted to be covered under the provisions of Section 115BAA of the Act and would be eligible for a reduced tax rate of 22% (effective rate of 25.17% along with Surcharge and Health and Education Cess) subject to fulfilment of above conditions.

In accordance with and subject to fulfilment of conditions as laid out under Section 35D of the Act, the

Company will be entitled to amortize preliminary expenditure, being expenditure incurred in connection with the issue for public subscription, under Section 35D of the Act, subject to the limit specified in section 35D(3) of the Act. The deduction is allowable for an amount equal to one-fifth of such expenditure for each of five successive previous years beginning with the previous year in which the business commences or as the case may be, the previous year in which the extension of the undertaking is completed or the new unit commences production or operation.

Further, as per the provisions of Section 80M of the Act, dividend received by the Company from any other domestic company or a foreign company shall be eligible for deduction while computing its total income for the relevant year. The amount of such deduction would be restricted to the amount of dividend distributed by the Company to its shareholders on or before one month prior to due date of filing of its Income-tax return for the relevant year. If the Company has investments in India, it can avail the above-mentioned benefit under Section 80M of the Act.

Subject to fulfilment of prescribed conditions, the Company is entitled to claim deduction, under the provisions of Section 80JJAA of the Act, of an amount equal to thirty per cent of additional employee cost (relating to specified category of employees) incurred in the course of business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided.

## II. Special direct tax benefits available to the Shareholders of the Company

Dividend income earned by the shareholders would be taxable in their hands at the applicable rates. However, in case of domestic corporate shareholder, deduction under Section 80M of the Act would be available on fulfilling the conditions (as discussed above). Further, in case of shareholders who are individuals, Hindu Undivided Family, Association of Persons, Body of Individuals, whether incorporated or not and every artificial juridical person, surcharge would be restricted to 15%, irrespective of the amount of dividend.

As per Section 112A, long-term capital gains arising from transfer of an equity share, or a unit of an equity-oriented fund or a unit of a business trust shall be taxed at 10% (without indexation) of such capital gains subject to fulfillment of prescribed conditions under the Act as well as per Notification No. 60/2018/F. No.370142/9/2017-TPL dated 01 October 2018. It is worthwhile to note, that tax shall be levied where such capital gains exceed INR 1,00,000/-.

As per Section 111A of the Act, short term capital gains arising from transfer of an equity share, or a unit of an equity oriented fund or a unit of a business trust shall be taxed at 15% subject to fulfilment of prescribed conditions under the Act.

Except for the above, the Shareholders of the Company are not entitled to any other special direct tax benefits under the Act.

**Notes:**

1. These special tax benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company or its shareholders may or may not choose to fulfil.

2. The special tax benefits discussed in the Statement are not exhaustive and is only intended to provide general information to the investors and hence, is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Offer.

3. The Statement has been prepared on the basis that the shares of the Company are listed on a recognized stock exchange in India and the Company will be issuing its equity shares.

4. The Statement is prepared on the basis of information available with the Management of the Company and there is no assurance that:

    i. the Company or its shareholders will continue to obtain these benefits in future;
    ii. the conditions prescribed for availing the benefits have been/ would be met with; and
    iii. the revenue authorities/courts will concur with the view expressed herein.

5. This Annexure covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.

6. In respect of non-resident shareholders, the tax rates and consequent taxation will be further subject to any benefits available under the relevant Double Tax Avoidance Agreement(s), if any, between India and the country in which the non-resident has fiscal domicile.

7. No assurance is provided that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

**For and on behalf of Gemini Edibles & Fats India Limited (formerly known as Gemini Edibles & Fats India Private Limited)**

(Authorised Signatory)

Place: Hyderabad
Date: 7 August 2021

## II. STATEMENT OF POSSIBLE SPECIAL INDIRECT TAX BENEFITS

To
The Board of Directors
Gemini Edibles & Fats India Limited
(formerly known as Gemini Edibles &
Fats India Private Limited)
"Freedom House", 8-2-334/70 & 71
Opposite to SBI Executive Enclave
Road No. 5, Banjara Hills
Hyderabad – 500 034
Telangana, India

**Proposed initial public offering of equity shares of Re. 1 each ("Offer") by Gemini Edibles & Fats India Limited (formerly known as Gemini Edibles & Fats India Private Limited) (the "Issuer"/" Company")**

1. This report is issued in accordance with the terms of our engagement letter dated 9 July 2021.

2. The accompanying Statement of Possible Special Tax Benefits available to the Company and its shareholders (hereinafter referred to as the "Statement") under the Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017 and respective State Goods and Services Tax Act (the rules and regulations there under) as amended (hereinafter referred to as the "Indirect Tax Regulations") has been prepared by the management of the Company in connection with the proposed Offer, which we have initialed for identification purposes.

**Management's Responsibility**

3. The preparation of this Statement as of the date of our report which is to be included in the Draft Red Herring Prospectus is the responsibility of the management of the Company and has been approved by the Board of Directors of the Company at its meeting held on 7 August 2021 for the purpose set out in paragraph 9 below. The management's responsibility includes designing, implementing and maintaining internal control relevant to the preparation and presentation of the Statement, and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances. The Management is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.

**Auditor's Responsibility**

4. Our work has been carried out in accordance with Standards on Auditing, the 'Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)' and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India.

5. Pursuant to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018, as amended (the '**ICDR Regulations**') and the Companies Act 2013, as amended ('**Companies Act**'), it is our responsibility to report whether the Statement prepared by the Company, presents, in all material respects, the possible special tax benefits available as of 7 August 2021 to the Company and the shareholders of the Company, in accordance with the Indirect Tax Regulations as at the date of our report.

6. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Companies Act and the ICDR Regulations in connection with the Offer.

**Inherent Limitations**

7. We draw attention to the fact that the Statement includes certain inherent limitations that can influence the reliability of the information.

Several of the benefits mentioned in the Statement are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which may or may not be fulfilled. The benefits discussed in the accompanying statement are not exhaustive.

The Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Offer.

Further, we give no assurance that the Revenue Authorities / Courts will concur with our views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes**.**

**Opinion**

8. In our opinion, the Statement prepared by the Company presents, in all material respects, the possible special tax benefits available as of 7 August 2021, to the Company and its shareholders in accordance with the Indirect Tax Regulations as at the date of our report.

   Considering the matter referred to in paragraph 7 above, we are unable to express any opinion or provide any assurance as to whether:

   (i) The Company or its shareholders will continue to obtain the benefits per the Statement in future; or
   (ii) The conditions prescribed for availing the benefits per the Statement have been/ would be met with.

**Restriction on Use**

9. This report is addressed to and is provided to enable the Board of Directors of the Company to include this report in the Draft Red Herring Prospectus, prepared in connection with the Offer to be filed by the Company with the Securities and Exchange Board of India and the concerned stock exchanges.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No. 001076N/N500013

**Amit Kumar**
Partner

Membership No.: 060995
UDIN: 21060995AAAAAH9602

Date: 7 August 2021
Place: Hyderabad

**Statement of Possible Special Tax Benefits available to Gemini Edibles & Fats India Limited (formerly known as Gemini Edibles & Fats India Private Limited) and its Shareholders**

**A. <u>Special tax benefits available to Gemini Edibles & Fats India Limited (formerly known as Gemini Edibles & Fats India Private Limited) under the Indirect Tax Regulations</u>**

There are no special tax benefits for the Company under the Indirect Tax Regulations.

**B. <u>Possible special indirect tax benefits for shareholders of Gemini Edibles & Fats India Limited (formerly known as Gemini Edibles & Fats India Private Limited)</u>**

Shareholders of the Company are not eligible to special indirect tax benefits under the provisions of the Central Goods and Services Act 2017 (read with Central Goods and Services Tax Rules, circulars, notifications), respective State Goods and Services Tax Act (read with respective State Goods and Services Tax Rules, circulars, notifications), Integrated Goods and Services Tax Act, 2017 (read with Integrated Goods and Services Tax Rules, circulars, notifications), The Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2015-20), Customs Act, 1962 (read with Custom Rules, circulars, notifications), Customs Tariff Act, 1975 (read with Custom Tariff Rules, circulars, notifications) and Special Economic Zones Act, 2005.

**Notes:**

1. These special tax benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Indirect Tax Regulations. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company or its shareholders may or may not choose to fulfil.

2. The special tax benefits discussed in the Statement are not exhaustive and is only intended to provide general information to the investors and hence, is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences aid the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Offer.

3. The Statement has been prepared on the basis that the shares of the Company are listed on a recognized stock exchange in India and the Company will be issuing its equity shares.

4. The Statement is prepared on the basis of information available with the Management of the Company and there is no assurance that:

   i. the Company or its shareholders will continue to obtain these benefits in future;
   ii. the conditions prescribed for availing the benefits have been/ would be met with; and
   iii. the revenue authorities/courts will concur with the view expressed herein.

5. The above views are based on the existing provisions of law and its interpretation, which are subject to change from time to time.

**For and on behalf of Gemini Edibles & Fats India Limited formerly known as Gemini Edibles & Fats India Private Limited)**

(Authorised Signatory)
Place: Hyderabad
Date: 7 August 2021

## SECTION IV: ABOUT OUR COMPANY

## INDUSTRY OVERVIEW

*Unless noted otherwise, the information in this section is obtained or extracted from the "Indian Edible Oils & Fats Industry" dated August 4, 2021 (the "**Technopak Report**") prepared and issued by Technopak Advisors Private Limited, on our request. We have commissioned the report for the purposes of confirming our understanding of the industry in connection with the Offer and the report has been paid for by our Company for an agreed amount. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on, this information.*

### MACROECONOMIC OVERVIEW

*India is the world's sixth largest economy and is expected to be one of the top three global economies by FY 2050.*

Currently, India ranks sixth in the world in terms of nominal gross domestic product ("**GDP**") and is the third largest economy in the world in terms of purchasing power parity ("**PPP**"). India is estimated to be among the top three global economies in terms of nominal GDP by FY 2050.

*GDP Ranking of Key Global Economies (CY 2020)*

| Country | Rank | % Share (World GDP, at current prices) | Rank PPP | % Share (World GDP, PPP) |
|---|---|---|---|---|
| **United States** | 1 | 24.7% | 2 | 15.8% |
| **China** | 2 | 17.4% | 1 | 18.3% |
| **Japan*** | 3 | 5.8% | 4 | 3.9% |
| **Germany** | 4 | 4.5% | 5 | 3.3% |
| **United Kingdom** | 5 | 3.2% | 9 | 2.3% |
| **India** | 6 | **3.1%** | **3** | **6.7%** |
| **France** | 7 | 3.1% | 8 | 2.3% |
| **Italy** | 8 | 2.2% | 10 | 1.8% |
| **Canada** | 9 | 1.9% | 14 | 1.3% |
| **Korea, Republic** | 10 | 1.9% | 13 | 1.7% |

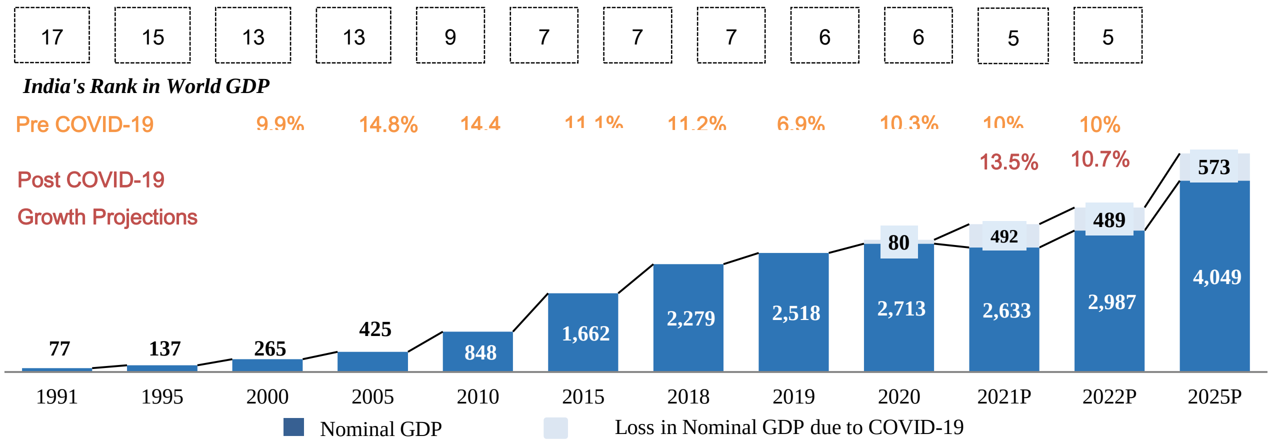
*Source: World Bank Data, RBI, Technopak Analysis*
*India's GDP Growth*

Since FY 2005, the Indian economy's growth rate has been twice that of the world economy and it is expected to sustain this growth momentum in the long term. In the wake of COVID-19, India's nominal GDP has contracted by approximately 3% in FY 2021 and is expected to bounce back and reach USD 4 Tn by FY 2025. It is also expected that the growth trajectory of the Indian economy will enable India to be among the top three global economies by FY 2050.

Several structural factors are likely to contribute to economic growth in the long run. These include favorable demographics, reducing the dependency ratio, rapidly rising education levels, steady urbanization, a growing young working population, the IT revolution, increasing penetration of mobile and internet infrastructure, increasing aspirations and affordability.

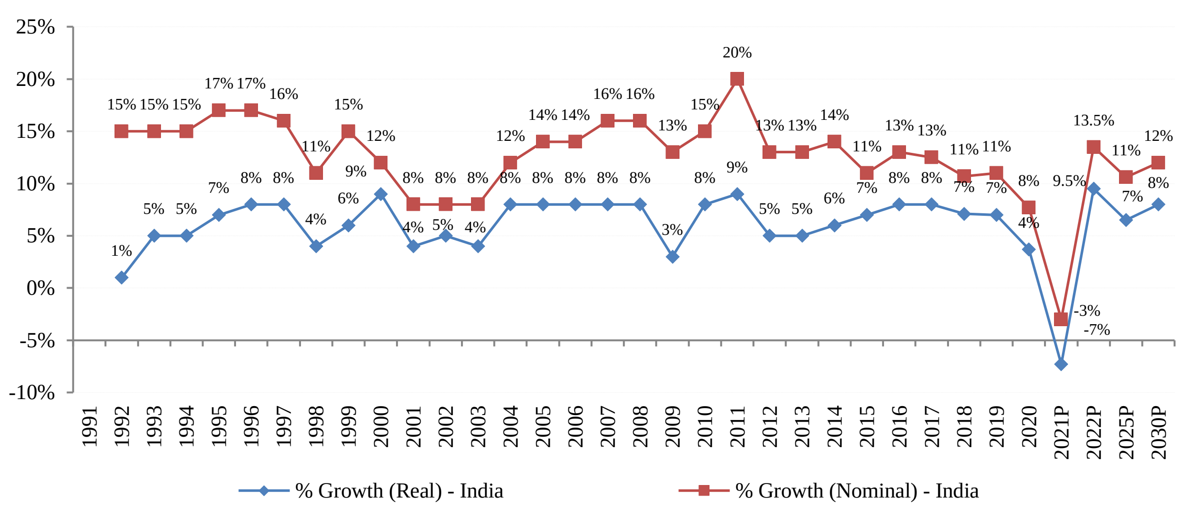
COVID-19 had a massive impact on the Indian economy in FY 2021, with GDP in Q1 FY 2021 contracting by 24% as compared to same period last year. The contraction in Q1 FY 2021 was not uniform; it varied from state to state and sector to sector. The aviation sector was worst hit, followed by tourism, realty, food services etc. But as government eased lockdown restrictions and the economy started to open up, the economic trajectory witnessed a growth revival by te end of Q1 2021. In FY 2022, Indian GDP is expecting a faster recovery and is projected to grow at 14.5-15.0% (in nominal terms). However, given the current surge in the COVID-19 pandemic that has resulted in widespread disruption, and the diversion of attention and resources to mitigate it, the projected growth of Indian GDP in Q1 of FY 2022 appears to be facing head winds and annual growth may be restricted to 13.5%.

*India's Nominal GDP according to fiscal year*




*USD 1 = ₹ 75*
*White boxes at the top refer to India's GDP rank on a global basis*

*Historical GDP Growth (%)*



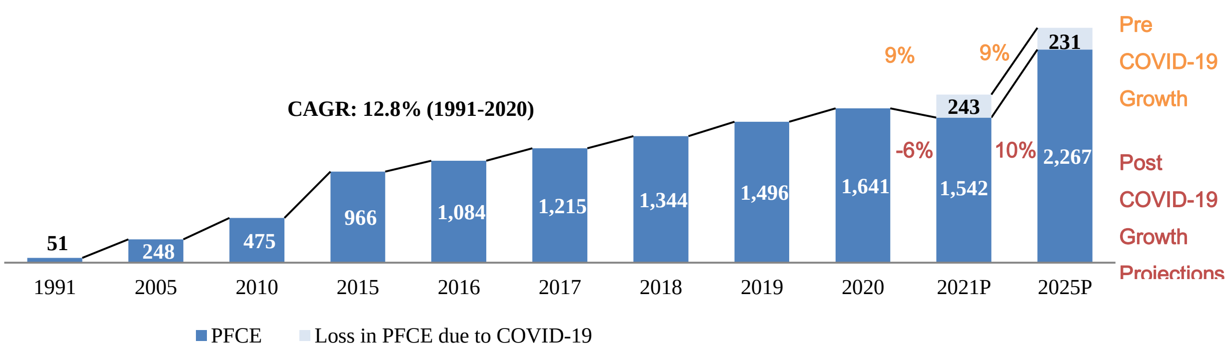

*Source: RBI Data, World Bank, IMF*
**2012 spike in real growth rate due to change of base from 2004-05 to 2011-12, so excluded from decadal growth rate as well*

**DOMESTIC CONSUMPTION**

India's share of domestic consumption, measured as private final consumption expenditure, in its GDP was approximately 60.5% in FY 2020. This private consumption expenditure comprises both goods (food, lifestyle, home, pharmacy etc.) and services (food services, education, healthcare etc.). In comparison, China's domestic consumption share to GDP in 2019 was 36.8%. A high share of private consumption to GDP has the advantage of insulating India from volatility in the global economy. It also implies that sustainable economic growth directly translates into sustained consumer demand for goods and services. India's domestic consumption has grown at a CAGR of 11.1% between FY 2014 and FY 2019, compared to 4.3% and 8.2% in the United States and China, respectively.

However, with the outbreak of COVID-19, there has been a depression in demand with an estimated loss of revenue worth USD 117 billion in merchandise retail in FY 2021. With the economic environment becoming uncertain, not only are consumers more thoughtful about their consumption but also more conscious of their savings and investments. The consumption priorities are also driven by the health and safety concerns and other behavioral changes adopted because of the pandemic. While the discretionary categories like apparel and lifestyle were severely impacted by the pandemic, needs-based categories like food and pharma have witnessed growth in the last year.

*India's Household Final Consumption Expenditure*




*Source: Technopak Analysis, RBI Data; Year indicates FY*

The annual growth rate for FY 1991-2005 was approximately 13% and this increased to approximately 14% for FY 2005-2019. While in the short term consumption will suffer a setback, it is expected to reach to approximately USD 2.27 Tn by FY 2025.

The drop in consumption is mainly because of consumer sentiment being weak due to both health and economic reasons. Structurally, all the other variables remain the same, and the quantum of consumption will not take long to revive. However, the loss suffered during the COVID-19 pandemic manifests itself as loss of growth momentum. The loss in momentum and current fall will recover, bringing the economy back to FY 2019 levels in FY 2022.

In FY 2019, PFCE accounted for approximately 59% of GDP. This is much higher than that in China (approximately 39%) and comparable to that of the United States (approximately 68%).

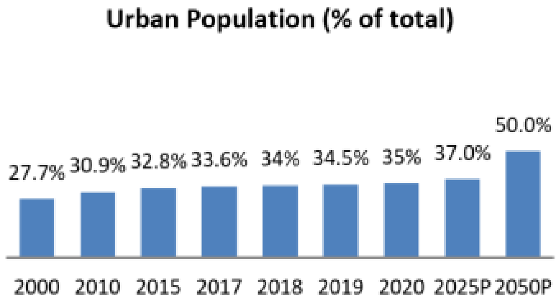
**Growth Drivers**

India’s medium to long term growth and its positive impact on private consumption will be determined by the interplay of demographics, urbanization and policy reforms.

*Women at work*: Numerous factors, including better healthcare and greater media focus are allowing women in India, in both urban and rural areas, to exercise greater influence on their families and society as a whole. The most important factor, however, is educational opportunity. The share of women working in the services sector has increased from 17.5% in CY 2010 to 28% in CY 2019. The overall share of working women increased from approximately 14% in 2000 to approximately 17% in 2010 and to approximately 24% in 2018. This increase of women in the workforce has seen a shift of patterns in terms of household activity, including a downward trend in home cooked meals and an increase in demand for "out of home" consumption and packaged food consumption.

*Urbanization*: India has the second largest urban population in the world in absolute terms at 472 million in FY 2019, second only to China. However, only 34.5% of India's population is classified as urban compared to a global average of 54%. The pace of India's urbanization is a key trend for India's economic growth. Currently, the urban population contributes 63% of India's GDP. Going forward, it is estimated that 37% (541 Mn) of India's population will be living in urban centers by FY 2025. The urban population is expected to contribute 75% of India's GDP in FY 2030. This is expected to continue with approximately 50% of India's population expected to be living in urban centers by FY 2050 and contributing approximately 80% of India's GDP.

*Increasing Urbanization*




*Source: World Bank, Technopak Analysis*

India's urbanization trend will also witness the following sub-trends:

- This growth of urbanization will witness people moving into cities from rural hinterlands, from smaller towns to bigger cities and from one city to another due to nuclearization of the family. These factors are likely to create grow the migrant areas within cities.

- The quality of India's urbanization faces challenges in terms of formal housing, access to utilities and adequacy and capacity of public spaces. Around 100 million of the Indian population live in slums or informal establishments and this is expected to increase to 120 million by FY 2031. Only 35% of urban households are connected to central sewage systems, thereby creating stress on sanitation. Improving these aspects through public infrastructure development programs and upgradation of city infrastructures will witness continued policy focus and that in turn will witness inward movement of people to implement these programs. However, the funding priorities and pace of change may suffer from a lack of urgency and the next decade will witness this uncertainty in India's urbanization trajectory.

- The COVID-19-induced lockdown that India has witnessed twice within 12 months has accelerated trends like 'work from home' for service jobs. Also, job losses in the informal economy within cities has increased unemployment. Both these factors have caused reverse migration for both blue collar workers and the white collar led service economy. While these disruptions will not change the overall trend of urbanization, with approximately 50% of India's population expected to be living in urban centers by FY 2050, these factors may change the contours of urbanization and it may become more distributive (spread out) than concentrated. For instance, owing to the lockdown, companies across sectors have allowed 'work from home' for their employees, which has led to large sections of the working class moving back to their native cities and towns enabling the Tier II and III cities to be the new consumption centers. Post-COVID-19, this trend may sustain the operating cost advantages that 'work from home' has enabled for many organizations. Over time, these cities may become 'micro-consumption clusters' that are predisposed to branded and contemporary choices for merchandise and service categories.

- The intensity of disruptive factors due to the pandemic and quality of urbanization will make urban Indians time poor and constrain their resources. Access to physical retail may become purely a matter of recreation, extended WFH may extend working hours leaving little time for family and recreation, pollution and transport challenges may change their behavior towards convenience over destination. These will impact choices to consume products and services and may turn Indians towards options that offer value, convenience and ease.

*Urban population as a percentage of total population of key economies (CY2019)*

| Country | World | India | China | USA | Singapore | Russia | Malaysia | Vietnam | UK |
|---|---|---|---|---|---|---|---|---|---|
| Urban Population as %age of total population | 55.7% | 34.5% | 60.3% | 82.4% | 100% | 74.5% | 76.6% | 36.6% | 83.6% |

*Source: World Bank, Technopak Analysis*

*Growing Middle Class*: Households with annual earnings of USD 5,000-10,000 have grown at a CAGR of 10% from FY 2012-2020 and their number is projected to further double by FY 2025 from FY 2020 levels. Households with annual earnings of USD 10,000-50,000 have grown at a CAGR of 20% during FY 2012-2020. The increase in the number of households with annual earnings of USD 10,000-50,000 has been leading to an increase in discretionary spending on food and beverages, apparel and accessories, luxury products, consumer durables and other discretionary categories. The consumption pattern has also moved towards higher spend on branded, high quality food products, ready to eat/on the go categories etc.

*Householder Annual Earning Details*

| Year | Total House Holds (in Mn) | HHs with Annual earning US$ 5,000 - 10,000 (Mn) | *% of total HHs* | HHs with Annual earning US$ 10,000 –50,000 (Mn) | *% share of total HHs* |
|---|---|---|---|---|---|
| 2009 | 236 | 36 | *15.2%* | 11 | *4.7%* |
| 2012 | 254 | 60 | *23.8%* | 22 | *8.7%* |
| 2014 | 267 | 71 | *26.5%* | 27 | *10.2%* |
| 2015 | 274 | 85 | *30.9%* | 36 | *13.2%* |
| 2018 | 295 | 121 | *41.2%* | 86 | *29.3%* |
| 2020* | 310 | 132 | *42.5%* | 95 | *30.6%* |

*Source: EIU, *Technopak Estimates, Years in FY*

*Nuclearization*: The growth in the number of households exceeds population growth, which indicates an increase in nuclearization in India. According to the 2011 census, 74% of urban households have five or fewer members, compared to 65% in 2001. It is expected that more smaller households with higher disposable income will lead to greater expenditure in, among others, jewelry, fashion, home and living, packaged food and food services.

*Indian household size and growth trend*

| Year | Total No. of HHs (Mn) | Avg. HH Size | Avg. Urban HH size | Decadal growth rate of HHs | Decadal growth rate population |
|---|---|---|---|---|---|
| 1981 | 119 | 5.5 | 5.4 | 19.2% | 24.7% |
| 1991 | 148 | 5.5 | 5.3 | 24.4% | 24.4% |
| 2001 | 193 | 5.3 | 5.1 | 30.4% | 25.7% |
| 2011 | 248 | 4.8 | 4.6 | 28.5% | 16.4% |
| 2021 Projected | 298 | 4.5 | 4.3 | 20.2% | 9.0% |

*Source: Census*

*Distribution of Households by number of persons (No. of household in million)*

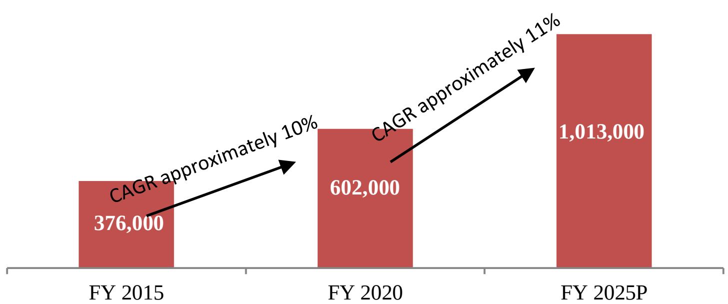
| No. of person | FY 2001 | | | FY 2011 | | |
|---|---|---|---|---|---|---|
| | Total HH (Mn) | Rural HH (Mn) | Urban HH (Mn) | Total HH (Mn) | Rural HH (Mn) | Urban HH (Mn) |
| 1 Person | 8 | 6 | 2 | 10 | 7 | 3 |
| 2 Persons | 16 | 12 | 5 | 25 | 17 | 8 |
| 3-5 Persons | 95 | 65 | 29 | 137 | 88 | 49 |
| 6-10 Persons | 67 | 50 | 17 | 70 | 51 | 19 |
| 11 Persons and above | 7 | 5 | 2 | 6 | 5 | 1 |

**INDIAN PACKAGED FOOD MARKET OVERVIEW**

The Indian packaged food retail market, estimated at approximately ₹ 6,00,000 crore in FY 2020, contributes only 15% to the total food and grocery retail market, estimated at ₹ 39,45,000 crore in FY 2020. While the Indian food retail market remains dominated by unbranded products such as fresh fruits and vegetables, loose staples, fresh unpackaged dairy and meat, the packaged food market is growing at almost double the pace of the overall category and is expected to gain a market share of 17% by FY 2025 from a share of 14% in FY 2015. Health concerns and limitation in movement due to COVID-19 has accelerated the growth of packaged food products which offer consistent and assured quality along with convenience. However, the penetration of packaged food is limited in Indian households. Annual per capita spend on all categories of packaged food in India is estimated to be approximately ₹ 4,650, much less when compared with China at approximately ₹ 16,000, and the United States at more than ₹ 1,12,500.

Demand for packaged foods surged in the first quarter of FY 2021 as people stocked up in panic during the lockdown period. The shutting down of foodservice options also led to a rise in the eating occasions at home. While other sectors in retail are expected to contract by 30-35% during FY 2021 due to the impact of COVID-19, the packaged food segment is expected to grow at an accelerated rate of approximately 14%.

*Packaged Food Retail Market in India (₹ Cr)*

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*Source: Technopak Analysis*

*Packaged Food Retail Categories*

| | Market Size FY2015 (INR Cr) | CAGR (FY2015-FY2020) | Market Size FY2020 (INR Cr) | CAGR (FY2020-FY2025) | Market Size FY2025 (INR Cr) |
|---|---|---|---|---|---|
| Packaged Dairy (Fresh) | 55,000 | 12% | 96,800 | 12% | 1,67,000 |
| Packaged Meat | 12,000 | 5% | 15,000 | 6% | 20,000 |
| Packaged Staples – Edible Oils | 1,11,000 | 7% | 1,56,000 | 7% | 2,14,000 |
| Packaged Staples - Others | 40,000 | 12% | 70,000 | 15% | 1,40,000 |
| Other Processed Packaged Food | 1,28,000 | 11% | 2,16,200 | 13% | 3,95,000 |
| Packaged Beverages | 30,000 | 10% | 48,000 | 10% | 77,000 |
| Total | 3,76,000 | 10% | 6,02,000 | 11% | 10,13,000 |

*Source: Technopak Analysis*

- *Packaged Dairy (Fresh)* is the pouched milk/curd/yoghurt/paneer etc. with a shelf life of 2-3 days marketed by food processing companies and co-operatives.

- *Packaged Meat* comprises of branded animal products such eggs and chilled or frozen meat products. Given the dominance of the fresh cuts in India, packaged meat is a relatively small category.

- *Packaged Staples* primarily include branded staples such as (a) edible oils and (b) others such as wheat flour, rice, pulses, sugar and spices.

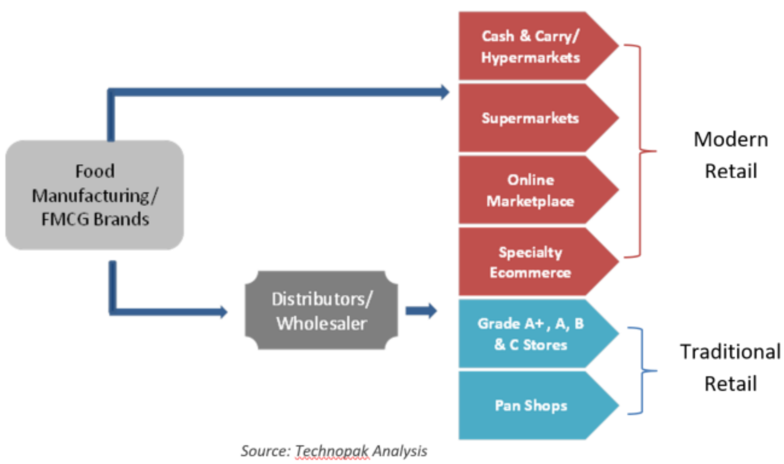
- *Other Processed Packaged Food* includes baked goods such as biscuits and breads, confectionery, savoury snacks, pasta, noodles, sauces, breakfast cereals, value added dairy products, baby food, tea leaves, coffee powder and other categories. Value added dairy products, baked goods including biscuits and breads and savoury snacks dominate this segment.

- *Packaged Beverages include* packaged water, aerated beverages, juices and sports drinks amongst others.

**Key Retail Channels**

Packaged food remains a distributor-led category, with 75% of sales channelized through general trade (*kiranas*). However, modern retail including hypermarkets, supermarkets and e-commerce platforms is a growing channel of sales for this category contributing approximately 25% off-take of packaged food. The key reason behind the dominance of general trade is its robust outreach and coverage. The share of sales from modern retail is higher in value-added products such as biscuits or breakfast cereals, compared to daily-need products such as milk pouches, on-the-go products like aerated beverages and staples like edible oils and wheat flour.

*Retail Channels for Packaged Food*




**Key Growth Drivers**

The shift towards packaged food from unpackaged unbranded products, the premiumization trend and competition among bigger brands leading to a more innovative product offering is fueling growth within packaged food.

Categories such as staples, dairy and processed food and beverages are expected to drive growth in the packaged food segment. Steady interest of large-scale businesses such as Adani Wilmar, Emami, Marico, Tata, Cargill, ITC and Dabur in the food and grocery space and growing organized food retail led by e-commerce is aiding the growth of packaged food.

- <u>Demographic change is powering the transition from unbranded to branded products</u>: A growing number of youths in the workforce, urbanization, and a rise in the middle-class population, as well as an increase in disposable income across the socio-economic spectrum, which is higher among urban residents, have been driving the consumption of packaged food in India.

  Other influencing factors include the number of women entering the workplace and the evolution of the Indian household, from a multi-generational, extended family unit to single occupant or nuclear family households.

These changes mean higher disposable incomes and less time for buying, primary processing and preparation, all of which favor a shift from unbranded to branded products which offer consistent and assured quality along with convenience.

- Gradual expansion of modern retail including e-commerce: While the current share of modern retail in packaged food sales continues to be small, this share has slowly increased over the last few years and will continue to rise going forward. The quality of retail shelves and customer interface of modern retail, both brick and mortar and e-commerce, aid the growth of packaged food due to their ability to introduce new categories of packaged food and to offer more choice to consumers, facilitating changes in shopping habits.

- Increased in-home consumption during COVID-19: Food retail is the only category within overall retail which is expected to register 6-7% growth in the year FY 2021 given the negative impact of COVID-19 on consumption. In-home consumption of food products soared initially during the lockdown period and thereafter, and also remained elevated due to consumers working from home and eating out less frequently due to health and economic reasons. This trend of increased in-home consumption has continued in the first quarter of FY 2022 as the impact of the second COVID-19 wave continues.

- Formalization of the food service industry: The organized food service industry has been growing at a CAGR of 14%, much faster than the overall food service industry. This consistent transition has formalized raw material procurement processes and supplier management systems, with demand shifting in favor of large-scale branded suppliers.

- Introduction of smaller pack size: The introduction of smaller pack sizes at lower prices in various categories such as staples, biscuits and savory snacks encourages trials by new customer segments thereby enrolling them for future purchases.

- Government policies supporting food processing: The food production and processing industry is a high focus and priority sector for the government, and multiple schemes and initiatives have been launched to bolster growth in this sector.

  FDI up to 100%, under the automatic route, is allowed in the food processing industry. Further, 100% FDI under the government route for retail trading, including through e-commerce, is permitted in respect of food products manufactured and/or produced in India. Over the years, India has been able to attract investment from food and beverage companies like Nestlé, Cargill, McCain, Mondelez, Pepsi, Coca Cola and also from retail trade companies like Amazon and Walmart.

  "Production Linked Incentive Scheme for Food Processing Industry (PLISFPI)" has also been approved to support the creation of global food manufacturing champions commensurate with India's natural resource endowment, and supports Indian brands of food products in the international markets with an outlay of ₹ 10,900 Cr. The first component relates to incentivizing manufacturing in four major food product segments viz. Ready to Cook/Ready to Eat (RTC/RTE) foods, including millet-based products, processed fruits and vegetables, marine products, and mozzarella cheese. Innovative/organic products of SMEs, including free-range eggs, poultry meat, and egg products, in these segments are also covered under the above component.

**Indian Packaged Food Market Prospects**

*Rural vs Urban*

Rural areas are set to become increasingly significant in driving growth in the Indian packaged food market during 2020-2025. Brands' efforts to extend their distribution reach in rural markets will increase product availability and drive growth. Also, as a part of their rural market expansion strategy, brands will introduce smaller, lower priced SKUs in rural markets across a wide range of packaged food categories. But its trade-off is on pricing and profitability. Rural markets are pertinent to unlock the next phase of growth for brands.

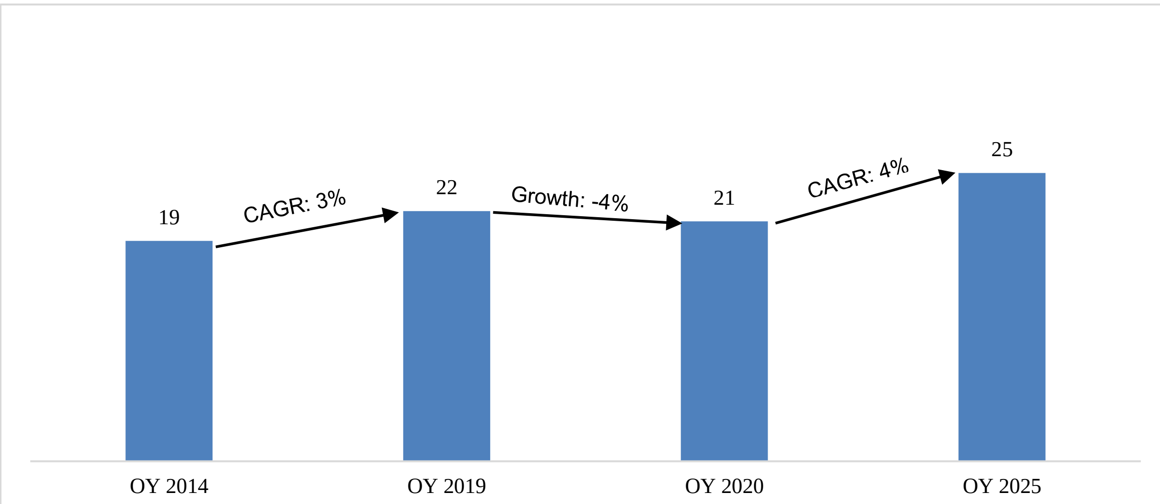
The consumption of packaged food is much higher in urban areas, attracting a lot more companies to launch new types of products and variants. Urban areas account for approximately 65-70% of the demand for all packaged food. Meanwhile, urban markets are expected to see a continuing emphasis on health and wellness. Indeed, as consumer health-awareness becomes more sophisticated, especially among younger demographics, brands' targeting of health issues is expected to become more refined, focusing on particular conditions and nutritional requirements.

## OVERVIEW OF PACKAGED EDIBLE OIL MARKET IN INDIA

### Edible Oil Consumption in India

Edible oils are indispensable to Indian cooking. A growing population, and the changing tastes and preferences of consumers, are shifting consumption patterns towards branded oils, and consistent marketing and distribution initiatives by leading edible oil brands are leading to rising consumption of edible oils in the country. The total consumption of edible oil in India in OY 2019 has been estimated to be approximately 22 million MT. Out of the total requirement, it is estimated that approximately 10 million MT is produced domestically from primary (soyabean, rapeseed and mustard, groundnut, sunflower, safflower and niger) and secondary sources (oil palm, coconut, rice bran, cotton seeds and tree borne oilseeds), and the remaining 60% is met through imports.

*Edible Oil Consumption in India – By volume (Mn MT)*




*Source: Primary Research, Technopak Analysis*
*OY – Oil Year (November to October)*

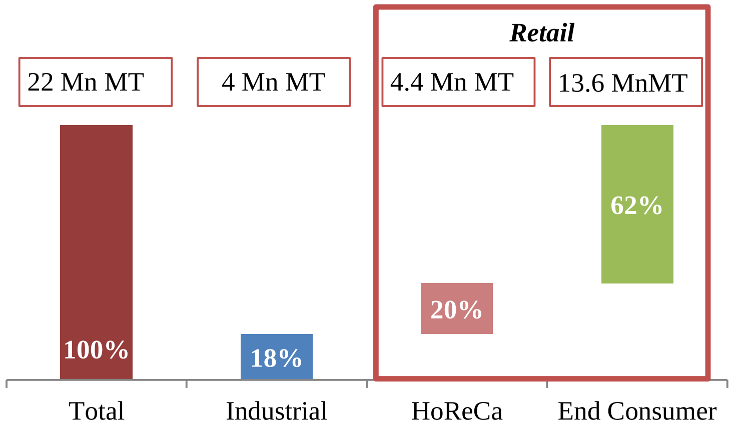
### Edible Oil Retail Market in India

In FY 2020, of the total consumption of edible oils in India, 62% were consumed by the end consumer segment, 20% by the HoReCa segment, and the balance of 18% by large to small food processing enterprises such as savory snacks and bakery goods manufacturers who buy in bulk (in loose form in tankers).

The end consumer and HoReCa segments comprise packaged oils with pack sizes ranging from 200 ml to 15 liters. While the smaller packs are purchased by end consumers, the larger pack sizes are preferred by restaurants and small food processing units.

Over the years, the focus of government and industry bodies has been to increase crop production area and yield, minimize imports, maintain a balance between market price and import duty, and encourage exports.

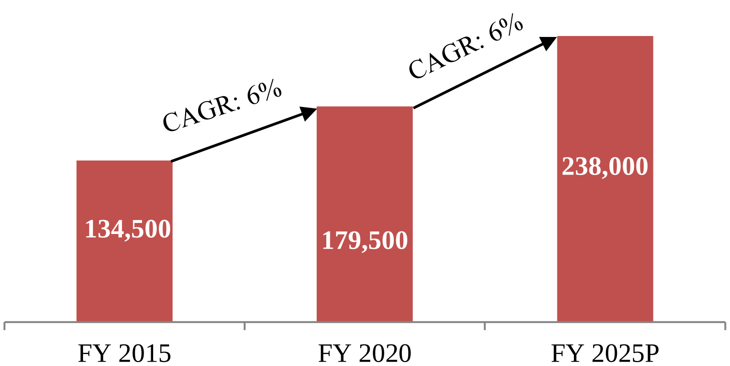
*Consumption of Edible Oils across Customer Segments – By Volume (FY 2020)*




*Source: Primary Research, Technopak Analysis*

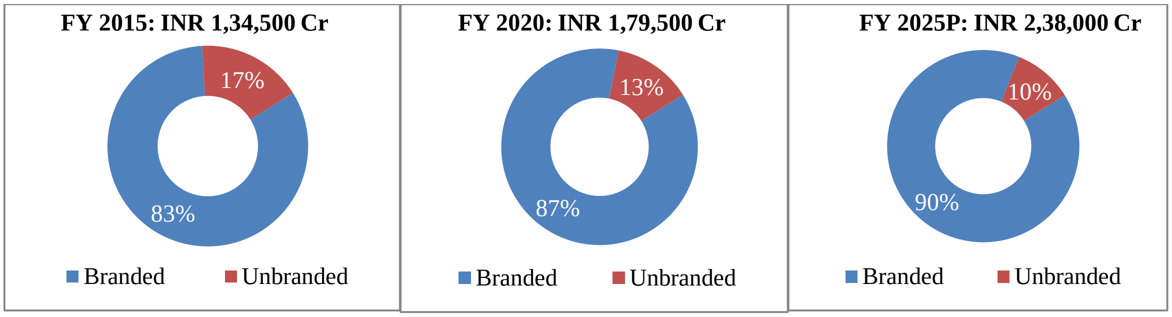
The edible oil retail market was estimated to be approximately ₹ 179,500 crore in FY 2020 and is expected to grow at a CAGR of 6% in the next five years. It has been growing steadily at a CAGR of 6% in the last five years. The share of unbranded play is consistently dropping and it is estimated that this will shrink to approximately 10% by FY 2025. The edible oils retail market includes consumption through the HoReCa segment and end consumers. In FY 2021, while the HoReCa segment has been adversely affected by COVID-19, the consumer segment has witnessed a steady growth. While consumption in terms of volume only marginally decreased in FY 2021, the value growth is a result of price increases in the international markets.

*Edible Oil Retail Market in India (₹ Cr)*




*Source: Technopak Analysis*

*Share of Branded Edible Oil Market in India*




*Source: Technopak Analysis*

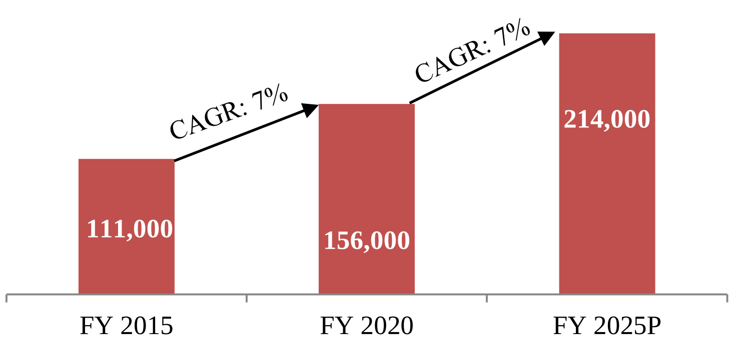
**Branded Edible Oil Retail Market in India**

The branded edible oil market is estimated to be around ₹ 1,56,000 crore and is expected to grow faster than the overall category, gaining the lion's share of close to 90% of the total market in terms of value in the coming five years. It is estimated that close to 75% of the total edible oil available in terms of volume is retailed as a branded product.

The edible oil industry in India is fragmented wherein 13% of oil is sold as loose/unbranded and consumers are shifting to branded oils, which bodes well for the organized players.

Increasing awareness around safe products, the Ministry of Consumer Affairs, Food & Public Distribution restricting the sale of loose products and other policies to curtail unfair trade practices have been aiding this growth. In mid-2020, states were directed by the government to enforce a ban on loose edible oils aimed at curbing adulteration in edible oils.

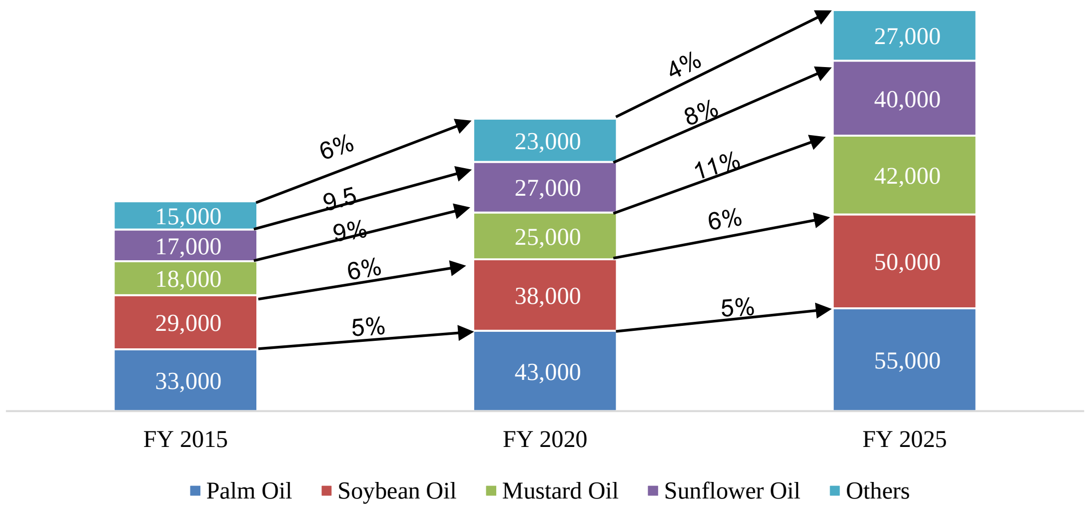
*Branded Edible Oil Retail Market in India (₹ Cr)*




*Source: Technopak Analysis*

**Market Segmentation**

*Branded Edible Oil Retail Market Size (₹ Cr) – By Type*



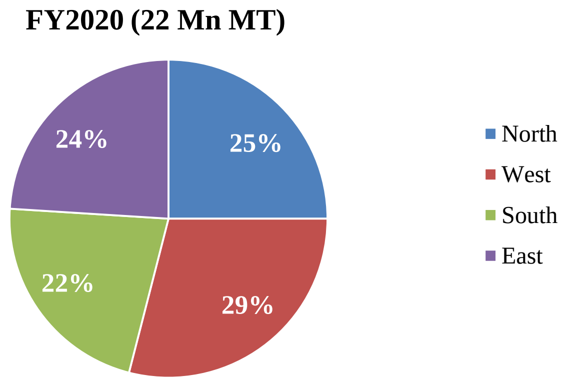

*Source: Technopak Analysis*

The four key edible oils (palm, soya, mustard and sunflower) constitute 85-88% of total consumption in India in terms of volume. Palm oil is primarily used by large-scale food processing enterprises. It is also used in blended oils for domestic consumption. Palm and soyabean are also being used by the HoReCa segment. India imports most of its palm oil consumption.

Soyabean oil, mustard oil and sunflower oil are largely used for domestic consumption. Other oils include sesame oil, coconut oil, groundnut oil, and rice bran oil, among others.

A gradual shift is being witnessed in favor of soft oils such as soyabean oil, sunflower oil, and mustard oil. Palm oil witnessed a marginal decrease in FY 2021 with the pandemic-induced national lockdown shutting the HoReCa segment. HoReCa demand was absorbed by the household segment, which prefers soft oils.

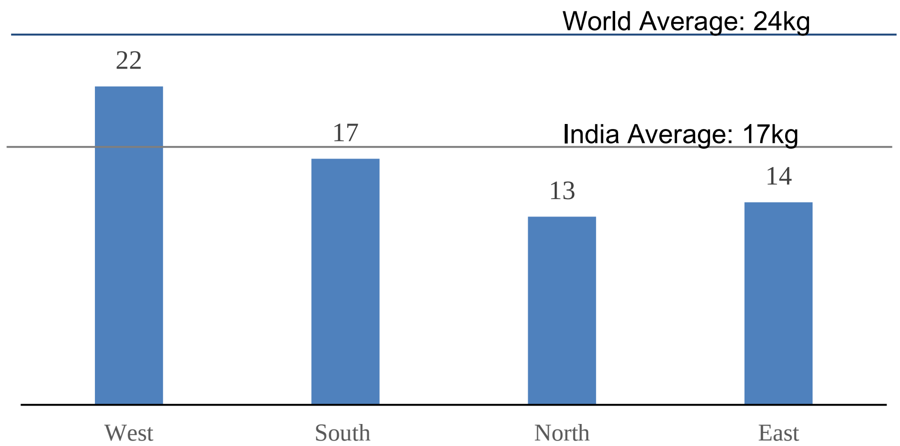
*Regional Consumption of Edible Oil in India (FY 2020)*




*Source: Primary, Secondary Research*

West India dominates the country's edible oil market in terms of volumes and per capita consumption and the region is expected to maintain its dominance during the forecast period. East and North regions also account for a significant market share, followed by the Southern region. Southern India contributes the smallest share by volume if compared with other regions. However, the per capita consumption in the southern states is the second highest after west.

*Regional Per Capita Consumption of Edible Oil in India (FY 2020) (kg/annum)*




*Source: Technopak Analysis*

In the northern region, soyabean oil is preferred, along with mustard oil. Soyabean oil is widely consumed in central India, followed by sunflower oil. Cottonseed, sunflower and groundnut oil are preferred in the western states. In the eastern states, mustard and soyabean oil are preferred, followed by sunflower oil. In the southern states, sunflower and palm oil are the most widely consumed edible oil. Palm oil is widely used in the coastal belt.

Consumption in rural India constitutes almost 50% of total consumption by volume in this category and is growing at a faster rate than in urban areas. The favorable growth of the economy has resulted in a high growth in consumption of packaged staples in rural parts of India. For most national players, growth in Tier II and III cities has been higher than that in the metros.

**Value Segmentation**

Most edible oils players have created brands across premium and popular value segments. The width of the portfolio lends access to various socio-economic classes without disturbing the positioning of other brands, and flexibility to introduce product variants accordingly. The share of sales from premium and popular segments may vary for each player. While palm oil and blends thereof are largely positioned as popular varieties, given its applications in industry, soyabean, mustard and sunflower can be positioned across the two segments.

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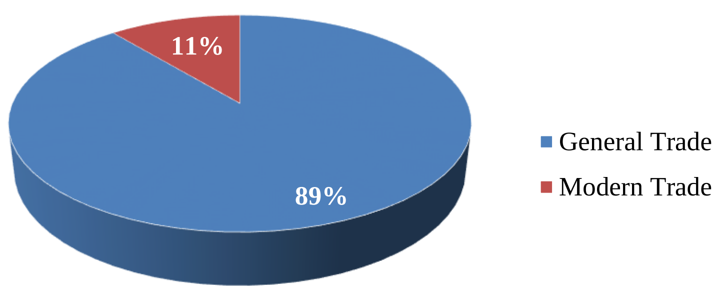
*Value Segments and Key Brands*


*Source: Technopak Analysis, Secondary Research*

**Retail Channels**

Among packaged staples, edible oil is one of the most widely penetrated categories, with branded products present across urban and rural regions. Wider adoption and maturation of the category have resulted in a distribution-led approach with a heavy dependence on general trade channels. The market leaders have been able to establish their footprint in around 1.0 million to 1.5 million retail outlets through a network of close to 5,000 distributors.

*Share of Retail Channels for Branded Edible Oil in India (FY 2020)*

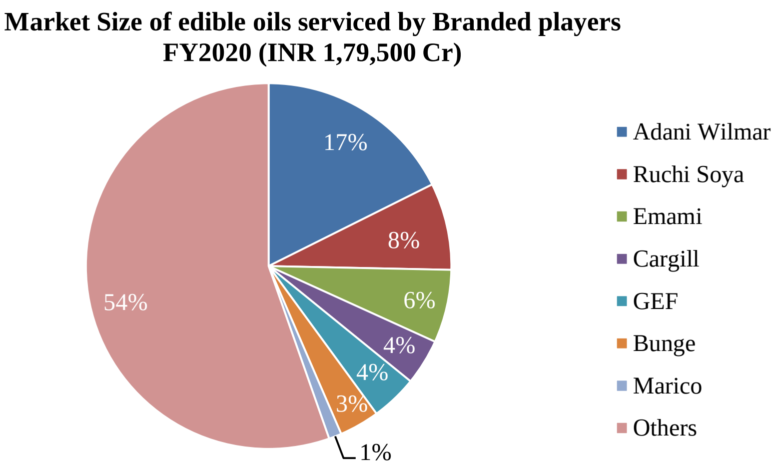



*Source: Technopak Analysis*

**Competitive Landscape**

The combined share of the top seven players in the branded oil business (Adani Wilmar, Ruchi Soya, Emami, Cargill, GEF, Bunge and Marico) has been estimated at approximately 46% in FY 2020. Adani Wilmar and Ruchi Soya are two of the largest suppliers of edible oil with outputs of 2.8 million MT and 1.4 million MT respectively in FY 2020. Adani Wilmar contributed a share of 12% and Ruchi Soya contributed a share of 6% of the total oil consumption of 22 million MT in India. Some other national brands are Sundrop, a sunflower oil brand owned by Conagra and Dhara, a mustard oil brand owned by the National Dairy Development Board of India. Regional players have emerged strongly and cornered a sizeable chunk of the pie for themselves. Key regional players are Gemini Edibles & Fats (GEF), a subsidiary of Golden Agri-Resources (GAR), and Kaleesuwari Oil Mills in the south, Gokul in the East, Liberty Oils Mills in the West and BL Agro and Saloni in the North. It is estimated that there are around 2,000 such brands, among which the top approximately 100 brands are contributing almost 50%. Along with logistics and supply chain capability, the market leaders have a sizeable processing and packaging scale domestically and also have an expansive distribution network.

*Market Share of Key Players in Branded Edible Oil Market (FY 2020)*




*Source: Estimations based on Annual Report, Published Articles*

GEF, Kaleesuwari and Adani Wilmar are the leading players in branded sunflower oil with a combined market share of 40% distributed almost equally among the three.

Ruchi Soya is the largest player in branded palm oil with a share of 12% of the branded palm oil market in terms of value, followed by Adani Wilmar with a share of 11%. Ruchi Soya's 'Ruchi Gold' brand is the market leader in branded palm oil.

Adani Wilmar is the largest player in branded refined soyabean oil with a market share of 28%, followed by Ruchi Soya with a share of 11% by value.

Adani Wilmar is the market leader in mustard oil with a share of almost 10% followed by many other regional brands like Saloni and Bail Kolhu. Adani Wilmar's Fortune is the leading brand in mustard oil.

In its effort to encourage backward integration for sourcing palm oil, the government is promoting palm cultivation in India and allocating zones for palm cultivation to players like Ruchi Soya for this purpose.

**Key Trends and Growth Drivers**

- Low per capita consumption suggests headroom for growth: India's per capita consumption of edible oil is estimated to be 16-17 kg per annum which is relatively low when compared to the world average of 24 kg per annum. While Pakistan, Bangladesh and China stand at 19 kg, 19 kg and 21.5 kg per annum respectively, the western world has an average of 40 kg per person per annum. The growing population and increasing per capita consumption will result in growth in this category.

- Policy push has led to the formalization of the edible oil industry in India: This is reflected in both the rising share of branded sales and of the rising share of regional brands in the overall size of the category. In the pre-GST era, tax avoidance led to a higher share of cash sales and un-recorded sales in the category. Sales of loose oil through this route existed outside the formal system. However, post-GST this has become untenable. Implementation of GST restricted loose and cash sales. This is a positive development for the industry on two counts. Firstly, the cash sales mindset that pushed off-the-books trade has positively changed towards occurring above-board. Secondly, it created an environment for many to aspire to grow the branded B2C business rather than the trading business. It has contributed to the emergence of better trade practices, particularly regarding food adulteration practices which are rampant in the informal oil trade. The rise of branded businesses represents a consumer-demand-induced check on this practice.

- Regional brands gaining share in the branded edible oil space: Formalization of a consumer consumption category is usually accompanied by a growing share for the bigger brands. In the case of edible oils, however, the growth of branded business has been accompanied by both the growth in all brands and a rising share of regional brands in overall branded sales in the last five years. The mindset shift towards branded play, regional supply chains and the cost of distribution, and the ability to cater to regional tastes and preferences have all contributed towards this trend. This bodes well for the sustainable growth of the sector in the long term, because the increasing share of regional brands is indicative of a wider adoption of better practices across the sector, a diffused threat from oligopolies, and a wider ability of the industry to undertake innovation and capacity building in both the oil and contiguous food categories.

- Growing ability to address rural and semi-urban demand: The rising share of branded oil business is also indicative of the ability of the branded oil business to cater to rural and semi-urban demand. Both national and regional brands have done so by introducing a product SKU mix to address price sensitive rural demand and by strengthening retail distribution in rural and semi-urban areas. This is a positive and important development. Rural demand is often catered for through informal routes and accompanied by opaque pricing and adulterated products. A brand's ability to address rural demand is an effective counter against these practices.

**Import of Edible Oil in India**

Out of the total requirement, it is estimated that approximately 10 million MT is produced domestically from primary (soyabean, rapeseed and mustard, groundnut, sunflower, safflower and niger) and secondary sources (oil palm, coconut, rice bran, cotton seeds and tree borne oilseeds), and the remaining 60-65% is met through imports. This trend is expected to continue, especially for import-driven oils like sunflower oil.

*Import of Edible Oil – by value (USD Bn)*

| | 2015 | 2016 | 2017 | 2018 | 2019 | CAGR (2015-19) | Share in 2019 |
|---|---|---|---|---|---|---|---|
| **Crude Palm Oil** | 4.6 | 3.7 | 4.6 | 4.0 | 3.6 | -6% | 38% |
| **Crude Soyabean Oil** | 2.7 | 3.0 | 2.8 | 2.3 | 2.2 | -5% | 23% |
| **Crude Sunflower Oil** | 1.3 | 1.3 | 1.9 | 1.9 | 1.9 | 10% | 20% |
| **Palm Oil and its fractions (Palmolein)** | 1.3 | 2.0 | 2.2 | 1.4 | 1.8 | 8% | 19% |
| ***Total*** | 9.9 | 9.9 | 11.3 | 9.6 | 9.5 | -1% | |

*Source: ITC Trade Map*

*Import of Edible Oil – by volume (million MT)*

| | 2015 | 2016 | 2017 | 2018 | 2019 | CAGR (2015-19) | Share in 2019 |
|---|---|---|---|---|---|---|---|
| **Crude Palm Oil** | 7.4 | 5.4 | 6.2 | 6.5 | 6.6 | -3% | 43% |
| **Crude Soyabean Oil** | 3.5 | 3.9 | 3.3 | 3.0 | 3.1 | -3% | 20% |
| **Crude Sunflower Oil** | 1.5 | 1.5 | 2.3 | 2.4 | 2.4 | 13% | 16% |
| **Palm Oil and its fractions (Palmolein)** | 2.1 | 2.8 | 2.9 | 2.2 | 3.1 | 10% | 20% |
| ***Total*** | 14.5 | 13.7 | 14.7 | 14.1 | 15.3 | 1% | |

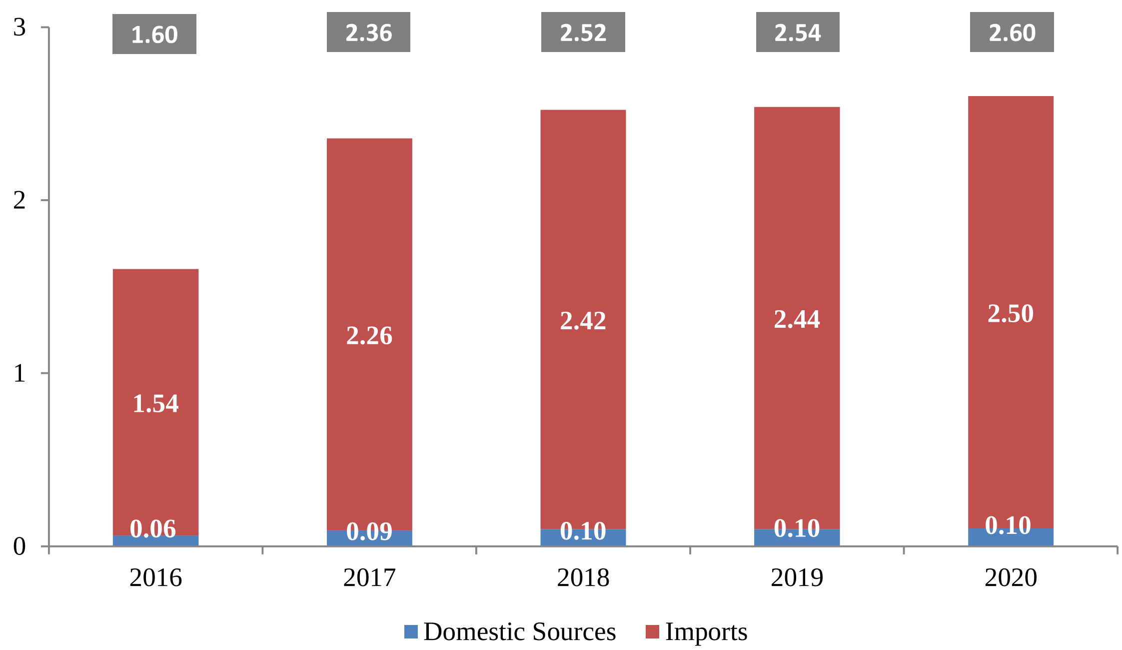
*Source: ITC Trade Map*

## SUNFLOWER OIL MARKET OVERVIEW

### Sunflower Oil Availability in India (Volume)

Sunflower oil is derived from sunflower seeds and currently represents the third most consumed edible oil by volume in India after palm oil and soyabean oil. It often switches its ranking with mustard oil. It contributes a share of close to 10% to the total consumption of edible oils by volume. Currently, almost 70% of demand for sunflower oil comes from the southern states of India. Domestic production of sunflower oil is limited, and most of the demand is met by imports. Ukraine currently represents the largest exporter of sunflower oil to India. The total availability of sunflower oil in India in 2020 has been estimated to be 2.6 million MT. Out of the total requirement, it is estimated that approximately 2.5 million MT is imported and the remaining 0.1 million MT is met through domestic sources, thereby rendering it a largely import-driven category.

*Sunflower Oil Availability in India – By Volume (Mn MT)*

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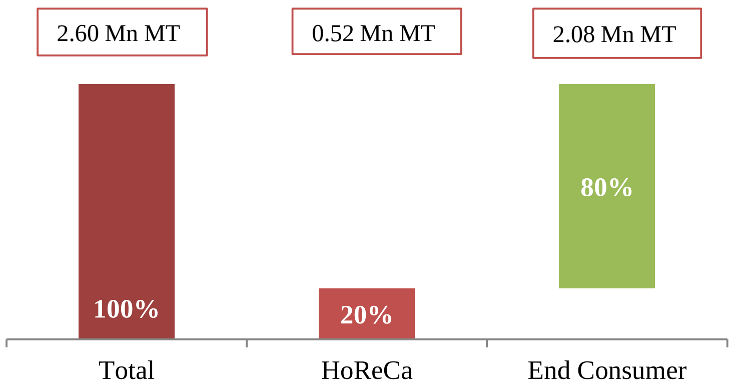
*Source: Ministry of Agriculture & Farmers Welfare, Govt. of India*
**Based on Final Estimates (declared by Ministry of Agriculture on 18.02.2020)*
***Based on 4th Advance Estimates (declared by Ministry of Agriculture on 19.08.2020)*
*ITC Trade Map*
*Years in OY – Oil Year (November to October)*

Sunflower oil is mainly consumed in home cooking. Almost 80% of this volume is consumed by the end consumer segment and 20% of the volume is consumed by the HoReCa segment. Unlike palm oil and soyabean oil, it has no application in the food processing industry. It is largely retailed in the branded and packaged form, with pack sizes ranging from 200 ml to 15 liters. While the smaller size packs are purchased by end consumers, the larger pack sizes are preferred by the HoReCa segment.

*Consumption of Sunflower Oil across Customer Segments – By Volume (FY 2020)*




*Source: Technopak Analysis*

In CY 2019, India imported 15% of total global exports of crude sunflower oil by volume. India imports a major portion of it from two countries, Ukraine and Argentina. Of total India imports of crude sunflower oil, 97% is imported from Ukraine and 3% is imported from Argentina. In terms of value, India imports USD 1,838 million of crude sunflower oil from Ukraine and USD 61 million from Argentina.

*Import partners for crude sunflower oil (CY2019)*

| S. No | Country | Values in USD Mn | Share (Value) | Quantity in MT | Share (Volume) |
|---|---|---|---|---|---|
| 1 | Ukraine | 1,838 | 97% | 2,330,191 | 97% |
| 2 | Argentina | 61 | 3% | 78,432 | 3% |
| 3 | Others | 1 | | 1,641 | |
| | **TOTAL** | 1,900 | | 2,410,264 | |

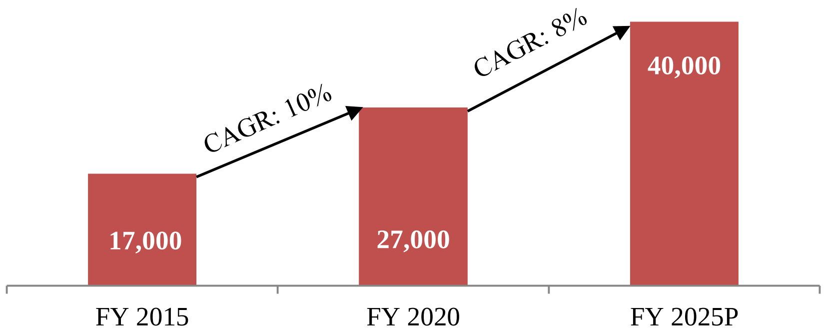
*Source: ITC Trade Map. HS Code – 15121110*

GEF, Adani Wilmar and Kaalesuwari and are the largest importers of crude sunflower oil, accounting for approximately 50% of total imports. Other key players that have a significant share in the import of crude sunflower oil are Cargill, Lohiya Industries, and MK Agrotech etc.

**Branded Sunflower Oil Retail Market in India**

The sunflower oil retail market was estimated to be approximately ₹ 27,000 crore in FY 2020 and is expected to grow at a CAGR of 8% in the next five years. This includes consumption through the HoReCa segment and end consumers. For FY 2021, while the HoReCa segment has been adversely affected by COVID-19, the consumer segment has witnessed a steady growth. As observed in other oils dependent on imports, prices of sunflower oil have risen as much as 60% over the last year, adversely impacting imports and therefore consumption in FY 2021. Sunflower oil prices rose because of drought-like conditions in Ukraine, the largest producer and exporter of the commodity, resulting in the loss of 10% of estimated crop production. Constraint in availability led to high prices and dampened demand. However, the price increase is forecast to be a temporary deviation from the general trend and is likely to be corrected in the near future, clearing the way for growth in this segment.

*Branded Sunflower Oil Retail Market in India (₹ Cr)*

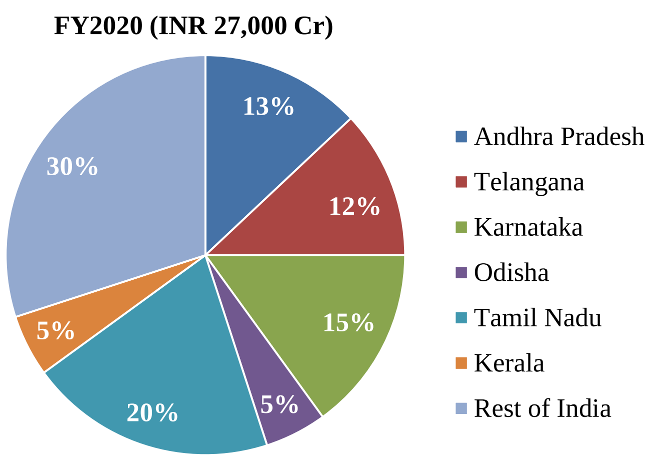



*Source: Technopak Analysis*

**Market Segmentation**

Sunflower oil is the most popular cooking medium in the southern states of India. The five southern states, namely Andhra Pradesh, Telangana, Karnataka, Tamil Nadu and Kerala, along with Odisha, accounted for close to 70% of total sunflower oil consumption by value in FY 2020.

*Regional consumption of sunflower oil in India (FY 2020) – by value*

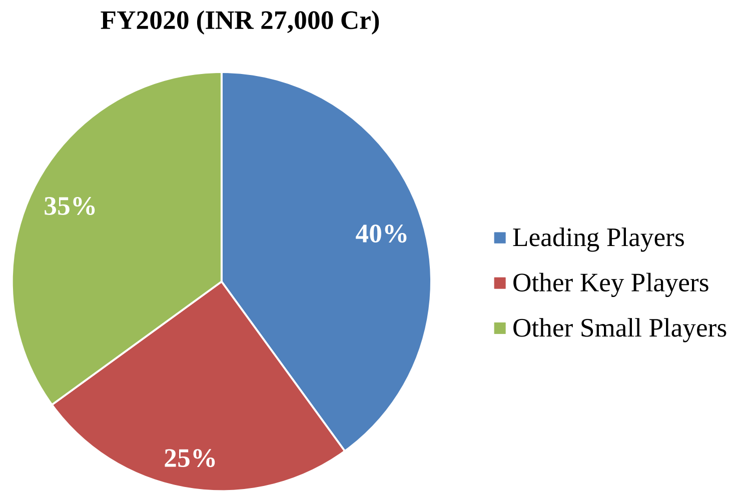



*Source: Primary, Secondary Research*

**Competitive Intensity**

The branded market for sunflower oil is largely fragmented with a strong dominance by regional players. Kaleesuwari, GEF and Adani Wilmar are the leading players in in the overall branded sunflower oil segment, commanding a combined market share of approximately 40% by value distributed equally among the three. According to Nielsen ROCP data, GEF's Freedom brand held second position in FY 2021. Regional players with strong presence in their territories are MK Agrotech, Lohiya Group, and NK Proteins, among others. GEF is the market leader in Andhra Pradesh, Odisha and Telangana with its brand Freedom. Kaleesuwari is the market leader in Tamil Nadu and Kerala with its Gold Winner brand. MK Agrotech dominates Karnataka with its brand Sunpure.

*Market share of key players in branded sunflower oil market (FY 2020)*




*Source: Estimations based on Annual Report, Published Articles*
**Market Size includes consumption by industry, HoReCa segment and end consumer in branded form*
*Others include players such as Agro Tech Foods, Priya Gold, 3F Industries, Emami Agrotech, Patanjali Ayurved etc.*

Key players in sunflower oil are also present in other oil varieties. Brands in sunflower oil such as Freedom, Gold Winner, and Sunpure are positioned as premium brands. Brands like First Klass and Palmpure have been spun-off as separate brands for palm oil.

*Edible Oil Portfolio of Key Brands*

| | Sunflower Oil | Palm Oil | Soyabean Oil | Mustard Oil | Rice Bran Oil | Groundnut Oil |
|---|---|---|---|---|---|---|
| GEF | Freedom | First Klass | Freedom | Freedom | Freedom | Freedom |
| Kaleesuwari | Gold Winner | | | | orysa | |
| Adani Wilmar | fortune, Aadhaar | Raag Gold | fortune | fortune, Bullet | fortune | fortune |
| MK Agrotech | Sunpure | palmpure | | Sunpure | | |
| Ruchi Soya | Sunrich, Nutrela, Mahakosh | Ruchi Gold | Ruchistar, Nutrela, Mahakosh | Ruchi Gold, Nutrela, Mahakosh | | |
| Lohiya Group | Gold Drop | Gold Drop | | | | Gold Drop |

*Source: Secondary Research*

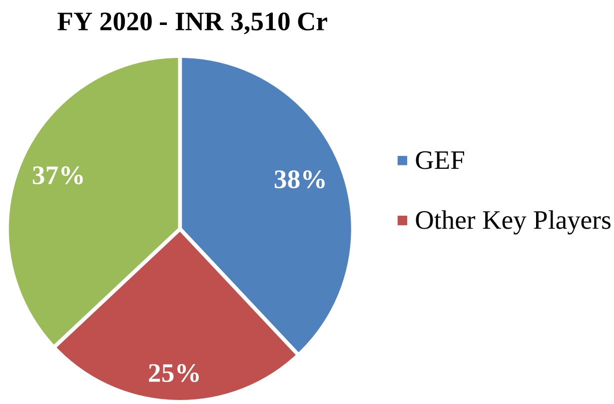
The states of Andhra Pradesh, Telangana, Karnataka, Tamil Nadu, Kerala and Odisha contribute almost 70% to the total sunflower oil market in terms of value. Refineries at ports in these states render a geographic arc which allows the players to cater to a population of approximately 320 million people in these six states.

**Branded Sunflower Oil in South India (Andhra Pradesh, Telangana, Karnataka) and Odisha**

**Andhra Pradesh**

The retail market size of Andhra Pradesh was estimated to be ₹ 3,510 crore in FY 2020. GEF is the market leader with a share of nearly 38% in this market in terms of value in FY 2020. The other players with a significant presence in the market are Adani Wilmar, Lohiya Group, Ruchi Soya and Kaleesuwari. GEF's share grew from 36% in FY 2019 to 47% in FY 2021.

*Market Share of Key Players in Branded Sunflower Oil (By Value) – Andhra Pradesh*

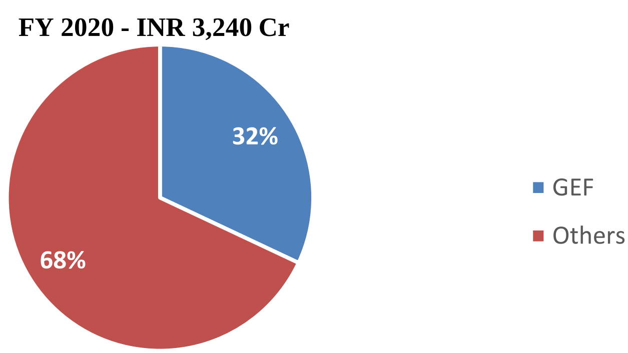



*Source: Technopak Analysis*

**Telangana**

The retail market size for branded sunflower oil in Telangana was estimated to be ₹ 3,240 crore in FY 2020. GEF is the market leader with a share of 32% in FY 2020, with Lohiya Group's Gold Drop as a significant challenger. GEF's share grew from 29% in FY 2019 to 37% in FY 2021.

*Market Share of Key Players in Branded Sunflower Oil (By Value) - Telangana*

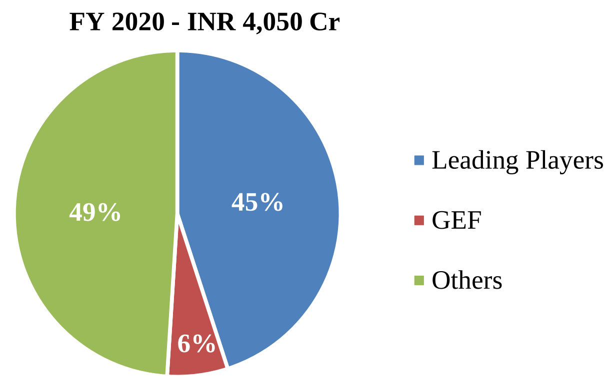



*Source: Technopak Analysis*

**Karnataka**

The retail market size for branded sunflower oil in Karnataka was estimated to be ₹ 4,050 crore in FY 2020. M K Agrotech and Kaleesuwari are the key players in Karnataka, contributing a share of 45% of the total market in terms of value. GEF is an important new entrant with a market share of 6% in FY 2020. Its share grew from 5% in FY 2019 to 9% in FY 2021.

*Market Share of Key Players in Branded Sunflower Oil (by value) – Karnataka*

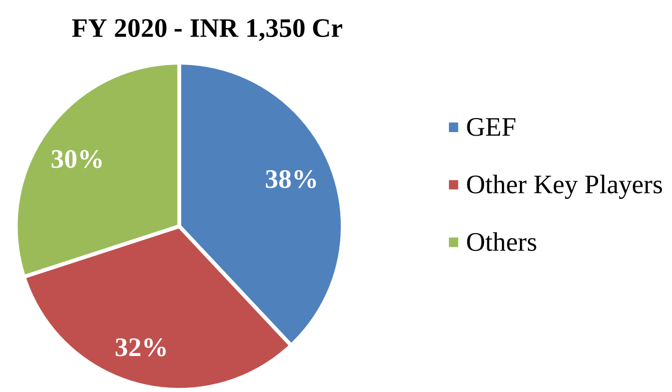



*Source: Technopak Analysis*

**Odisha**

The retail market size for branded sunflower oil in Odisha was estimated to be ₹ 1,350 crore in FY 2020. GEF is the market leader with a share of nearly 38% in this market in terms of value, followed by other key players like Adani Wilmar and Kaleesuwari. GEF's share grew from 37% in FY 2019 to 49% in FY 2021.

*Market Share of Key Players in Branded Sunflower Oil (by value) - Odisha*

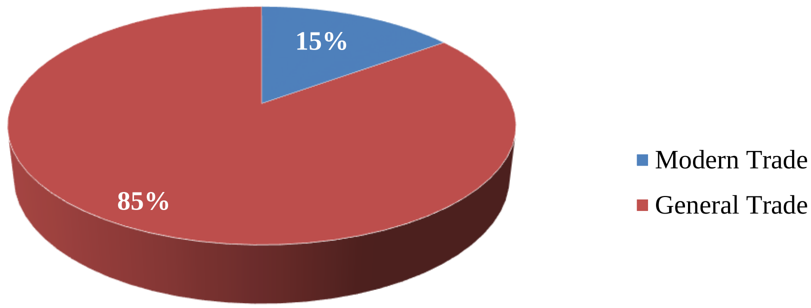



*Source: Technopak Analysis*

**Retail Channels**

Among packaged staples edible oil is one of the most widely penetrated categories, with branded products present across urban and rural regions. Wider adoption and maturation of the category has resulted in a distribution-led approach with a heavy dependence on general trade channels.

*Share of Retail Channels for Branded Sunflower Oil – India (FY 2020)*




*Source: Technopak Analysis*

**Key Growth Drivers for the Branded Segment**

- Concentrated availability of raw material: Import dependency in the case of sunflower oil has resulted in concentrated procurement at the ports which has encouraged the growth of large-scale refineries, thereby aiding formalization in the segment. The large-scale players leverage their ability to order in bulk and save on transportation costs.

- Movement towards perceived 'Healthy Oil': With growing health consciousness, a transition can be witnessed in favor of oils which are positioned as healthy. Soft oil varieties such as sunflower, mustard, groundnut and rice bran are perceived to be healthier than palm oils and its fractions. Sunflower oil consists of a mix of monounsaturated and polyunsaturated fatty acids and has a high smoking point. It is therefore considered suitable for Indian cuisines as it can hold onto its nutritional content at higher temperatures.

- Growth of blended oils: The demand for blended oils is growing for health and economic reasons. Blending of vegetable oils combines the potency of two edible oils and creates specific new products with desirable textural, oxidative and nutritional properties. There are also economic reasons for blending vegetable oils. Palm, soyabean, rice bran, and sunflower oil are the key oil varieties used in blending.

- Presence of national players: National players like Adani Wilmar and Ruchi Soya have leveraged their countrywide distribution of sunflower oil resulting in greater acceptance of it in regions other than the south.

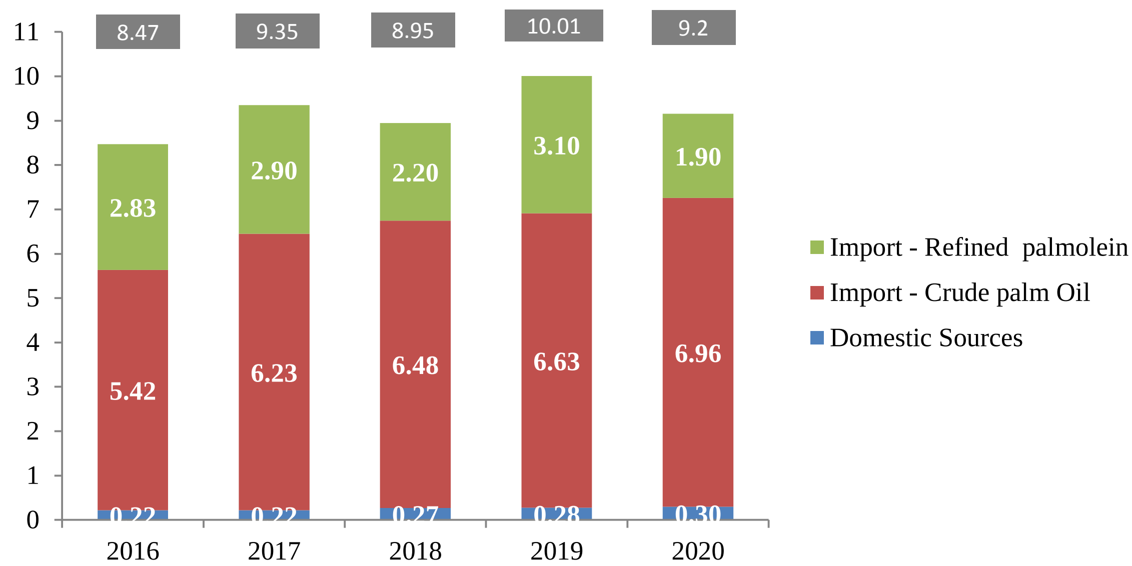
**PALM OIL MARKET OVERVIEW**

**Palm Oil Availability in India (Volume)**

Palm oil is an edible vegetable oil that comes from the fruit of oil palm trees. Two types of oil can be produced: crude palm oil comes from squeezing the fleshy fruit, and palm kernel oil comes from crushing the kernel. The import of palm oils in India started gaining steam as vegetable oils and dairy fat availability fell in the early 1970s and vanaspati made from palm oil gathered momentum. It was advocated as a cheaper and more suitable substitute for ghee.

The total availability of palm oil in India in FY 2020 was estimated to be 9.2 million MT. Out of the total requirement, it is estimated that approximately 8.9 million MT, accounting for close to 97%, is imported, and the remaining 0.3 million MT is met through domestic sources. Palm oil constitutes 63% of India's import volumes and 57% of its import bill of edible oils. India imports palm oil from southeast Asian countries Indonesia and Malaysia. India imported palm oil and its fractions worth USD 5 billion in 2019, accounting for 11% of the total world export in terms of value.

*Palm Oil Availability in India – By Volume (Mn MT)*




*Source: Ministry of Agriculture & Farmers Welfare, Govt. of India*
**Based on Final Estimates (declared by Ministry of Agriculture on 18.02.2020)*
***Based on 4th Advance Estimates (declared by Ministry of Agriculture on 19.08.2020)*
*ITC Trade Map*
*Years in OY – Oil Year (November to October)*

The imports are in the form of crude palm oil and refined bleached deodorized (**RBD**) palmolein. Semi-solid palm oil is used more frequently as a fat in bakery products, whereas liquid palmolein is widely used for frying. Both refined and crude edible oils were under the free category of foreign trade, resulting an unrestricted inflow into the country. However, in 2020, Directorate General of Foreign Trade (**DGFT**) amended the import policy from "free to restricted" for refined bleached deodorized palm oil and refined bleached deodorized palmolein.

*Crude Palm Oil*

India imports 66% and 26% of total crude palm oil imports by volume from Indonesia and Malaysia respectively.

*Import of crude palm oil (CY 2019)*

| S. No | Country | Values in USD Mn | Share (Value) | Quantity in MT | Share (Volume) |
|---|---|---|---|---|---|
| **1** | Indonesia | 2,353 | 66% | 4,379,583 | 66% |
| **2** | Malaysia | 934 | 26% | 1,749,293 | 26% |
| **3** | Others | 274 | | 505,661 | |
| | **TOTAL** | 3,561 | | 6,634,537 | |

*Source: ITC Trade Map. HS Code – 151110*

*RBD Palmolein Oil*

In CY 2019, India imported 9% of the total global exports of refined bleached deodorized palmolein by volume. In CY 2019, India imported 86% of total palmolein imports from Indonesia, followed by 11% from Malaysia.

*Import Partners of Refined Bleached Deodorized Palmolein (CY 2019)*

| S. No | Country | Values in USD Mn | Share (Value) | Quantity in MT | Share (Volume) |
|---|---|---|---|---|---|
| **1** | Indonesia | 1,216 | 86% | 1,909,522 | 86% |

| S. No | Country | Values in USD Mn | Share (Value) | Quantity in MT | Share (Volume) |
|---|---|---|---|---|---|
| **2** | Malaysia | 153 | 11% | 238,305 | 11% |
| **3** | Others | 51 | | 71,486 | |
| | **TOTAL** | 1,420 | | 2,219,313 | |

*Source: ITC Trade Map. HS Code – 151110*

Adani Wilmar, Ruchi Soya, and Emami Agrotech are the key importers of crude palm oil and account for almost 40% of total imports. The other significant players are Gokul Agro and GEF.

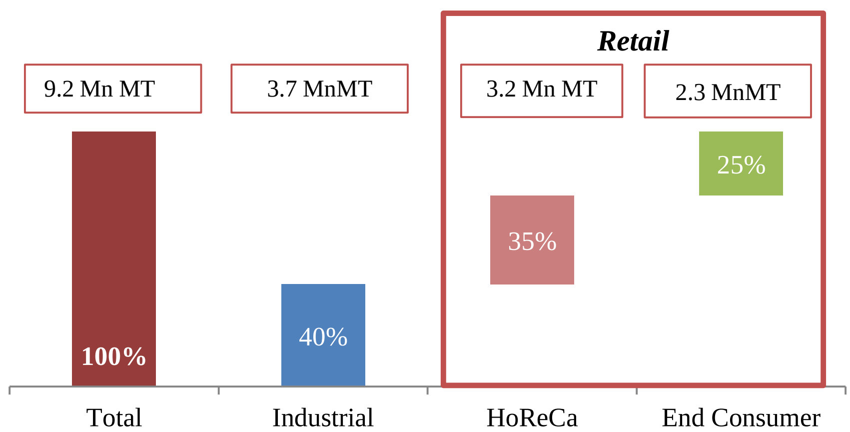
**Palm Oil Consumption in India**

Industry, the largest buyer of palm oil, accounts for 40% of consumption by volume. Primarily it is the large-scale food processing enterprises such as savory snacks and bakery goods manufacturers who buy in bulk from refineries (in loose form in tankers). Furthermore, imported palm oil or its derivatives are also used as ingredients in soaps, shampoos, shaving creams and other cosmetics.

The food service industry is also a significant customer segment. Almost 35% of total palm oil consumption in India by volume goes to institutions or the HoReCa segment. It is well accepted for commercial cooking since it is relatively more cost-effective than its counterparts and also remains stable at high cooking temperatures. The balance of 25% of the total volume is consumed by the end consumer segment. The end consumer and HoReCa segments comprise packaged oils with pack sizes ranging from 200 ml to 15 liters. While the smaller packs are purchased by end consumers, the larger pack sizes are preferred by restaurants and small food processing units.

Over the years, the focus of government and industry bodies has been to increase crop production area and yield, minimize imports, maintain a balance between market price and import duty, and encourage exports.

*Consumption of Palm Oil across Customer Segments – By Volume (FY 2020)*

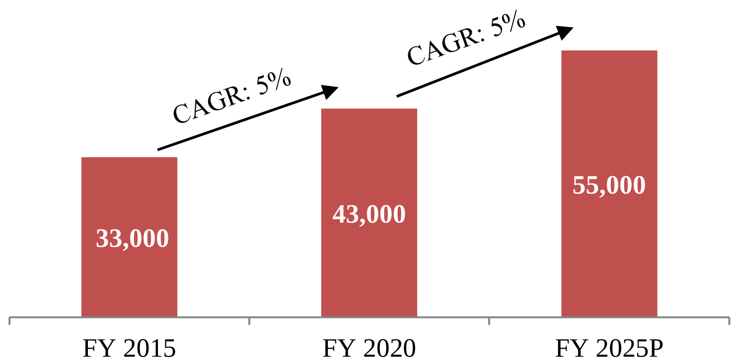



*Source: Technopak Analysis*

**Branded Palm Oil Retail Market in India**

The branded palm oil retail market was estimated to be approximately ₹ 43,000 crore in FY 2020 and is expected to grow at a CAGR of 5% in the next five years. This includes consumption through the HoReCa segment and end consumers. For FY 2021, the HoReCa segment has been adversely affected by COVID-19, while the end consumer segment has witnessed steady growth.

*Palm Oil Retail Market in India (₹ CR)*

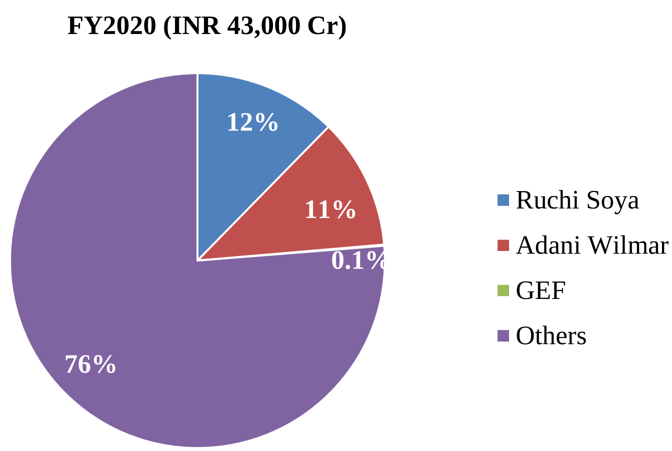



*Source: Technopak Analysis*

**Competitive Intensity**

Ruchi Soya is the largest player in branded palm oil with a share of 12% of the branded palm oil market in terms of value, followed by Adani Wilmar with a share of 11%. Ruchi Soya's Ruchi Gold brand is the market leader in branded palm oil. It is a largely fragmented market, with a long list of players operating their palm oil brands.

*Market Share of Key Players in Branded Palm Oil Market (FY 2020)*

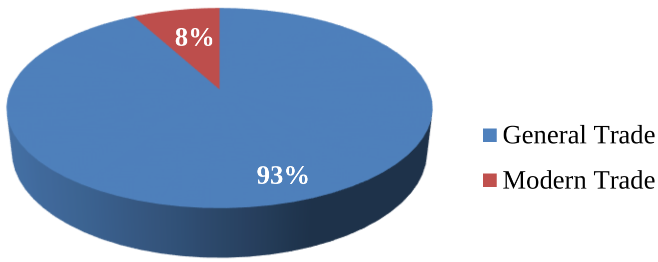



*Source: Annual Report, Published Articles*
**Market Size includes consumption by HoReCa segment and end consumer in branded form*

**Retail Channels**

Palm oil is usually retailed in the range of ₹ 80-120/kg, a price range which is 15%-25% cheaper than the average market price of the other significant oil varieties such as soyabean, mustard, and sunflower oils, and is therefore preferred by the lower income group. The distribution network of branded palm oil is also appropriately established with a heavy dependence on general trade. Additionally, since the product category is catering to a price sensitive customer segment, SKU depth is also limited to the basic variety.

*Share of Retail Channels for Branded Palm Oil in India (FY 2020)*




*Source: Technopak Analysis*

**Key Growth Drivers for the Branded Segment**

- Growth of Food Processing Industry: The applications of palm oil and its derivatives are significant in the packaged food segments, such as bakery goods and savory snacks. These segments not only dominate the packaged food market, but are also projected to grow at a CAGR of 9% and 15% respectively in the next five years, thereby aiding the growth of consumption of palm oil by industry. While biscuits are largely already branded, savory snacks are also rapidly transitioning towards brands, thereby streamlining the procurement of raw materials in favor of large-scale formal players.

- Formalization of the Food Service Industry: The organized food service industry has been growing at a CAGR of 14%, much faster than the overall food service industry. The impact of COVID-19 has also been relatively less severe for the organized players on two counts. Firstly, the ability of the organized players to ensure COVID-19-appropriate norms and manage heightened health and hygiene requirements. Secondly, the advantage for take-outs and delivery which sustained their operations. This consistent transition has formalized raw material procurement processes and supplier management systems, with demand shifting in favor of large-scale branded suppliers.

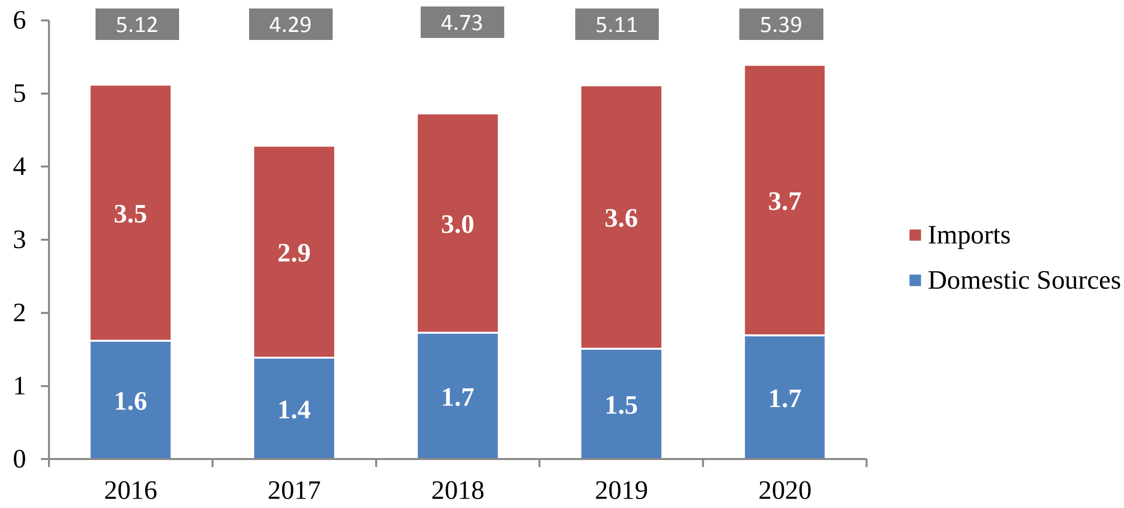
- Demographic Changes for Informal Labor Market: Increasing household incomes and urban migration of informally employed workers has resulted in higher consumption of oils and altered food-buying behavior, causing a gradual shift towards branded and packaged products. Packaged palm oil had aided this conversion by presenting an affordable alternative.

**SOYBEAN OIL**

**Soyabean Oil Availability in India (Volume)**

The total availability of soyabean oil in India in FY 2020 was estimated to be 5.39 million MT. Of the total requirement, approximately 3.7 million MT is met by imports and approximately 1.7 million MT is met through domestic production. Over the last five years, the import dependency of soyabean oil was 70%. India imported almost 35% of the global exports of soyabean oil by volume, making it one of the largest importers of soyabean oil.

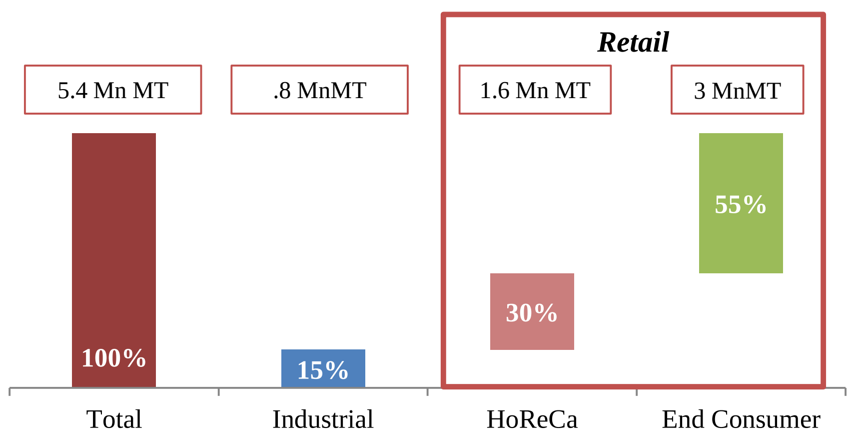
*Soyabean Oil Availability in India – By Volume (Mn MT)*




*Source: Ministry of Agriculture & Farmers Welfare, Govt. of India*
*ITC Trade Map*
*Years in OY – Oil Year (November to October)*

**Soyabean**

*Consumption of Soyabean Oil across Customer Segments - By Volume (FY 2020)*

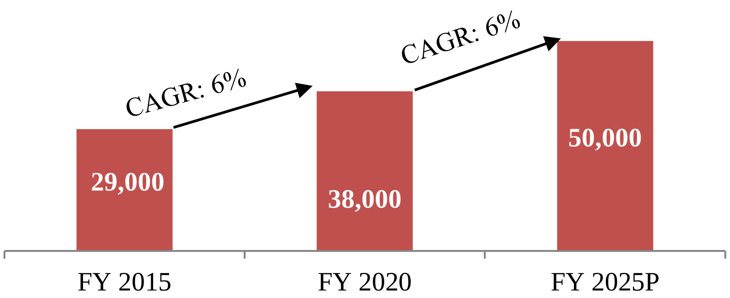



*Source: Technopak Analysis*

**Branded Soyabean Oil Retail Market in India**

The branded soyabean oil retail market was estimated to be approximately ₹ 38,000 crore in FY 2020 and is expected to grow at a CAGR of 6% in the next five years. It is the second largest oil variety consumed, after palm oil. It is largely consumed in northern, central and eastern Indian states.

*Branded Soyabean Oil Retail Market in India (₹ Cr)*




*Source: Technopak Analysis*

**Key Growth Drivers for the Branded Segment**

- In-home Consumption Demand Shift in Favor of Soft Oils: In-home consumption is dominated by soft oils such as soyabean oil, mustard oil, sunflower oil and others. Soyabean oil is widely preferred across India given its price advantage compared to other soft oils which have territorial limitations.

- Formalization of the Food Service Industry: The organized food service industry has been growing at a CAGR of 14%, much faster than the overall food service industry. This consistent transition has formalized raw material procurement processes and supplier management systems, with demand shifting in favor of large-scale branded suppliers.

- Growing Revenue Streams from By-products: Soyabean oil majors have fully integrated their operations from oilseed procurement from domestic and international sources, solvent extraction capabilities, refineries to refine the crude edible oils, processing of de-oiled cake to cater to the feed industry and manufacturing of specialty ingredients and forward integrating to value-added products like soya nuggets and soya flour. Growing export opportunities for de-oiled cakes and rising domestic consumption of value-added products have resulted in additional revenue streams for the soyabean players.

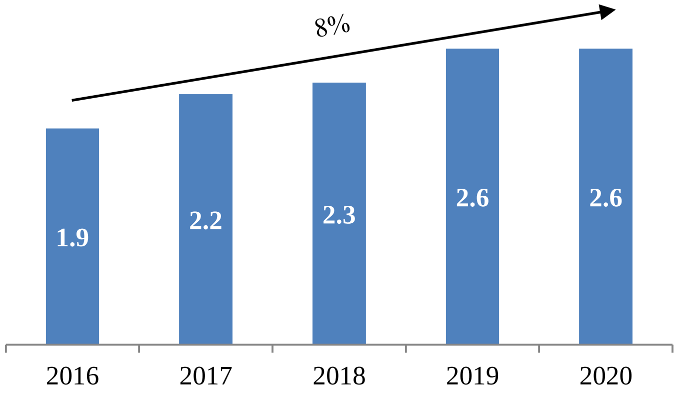
**MUSTARD OIL**

**Mustard Oil Availability in India (Volume)**

India is among the biggest consumers of mustard oil due to its high consumption in various culinary practices such as cooking, frying, poaching, and dressing, etc. Additionally, the expanding agriculture sector contributes to the increasing availability of high-yield mustard seeds, thereby catalyzing mustard oil production.

The total availability of mustard oil in Indian in FY 2020 was estimated to be 2.6 million MT. Of the total requirement, almost all is produced domestically. Rajasthan, Uttar Pradesh, Haryana and Madhya Pradesh are the leading states in terms of mustard oilseed production in India. Rajasthan leads in rapeseed and mustard, followed by Uttar Pradesh, Haryana and Madhya Pradesh. Almost 44% of rapeseed and mustard is produced in Rajasthan alone.

*Mustard Oil Availability in India – By Volume (Mn MT)*



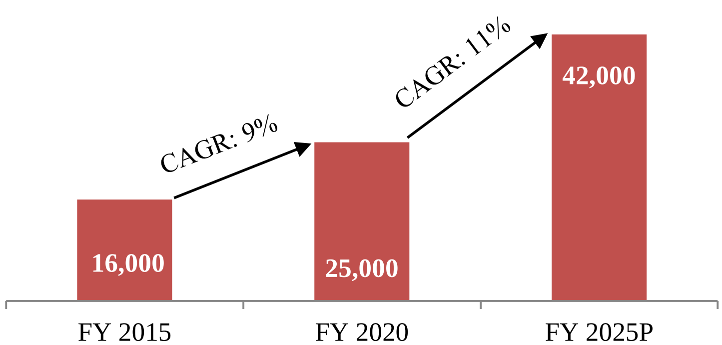

*Source: Ministry of Agriculture & Farmers Welfare, Govt. of India*
*Years in OY – Oil Year (November to October)*

**Branded Mustard Oil Retail Market in India**

The branded mustard oil retail market was estimated to be approximately ₹ 25,000 crore in FY 2020 and is expected to grow at a CAGR of 11% in the next five years, outpacing the growth of all other key oil varieties. The key factors driving the demand for mustard oil in India include the shift towards unrefined oils for their associated health benefits, leading to strongly surging demand from both urban and rural regions.

Among the four major oils, i.e., palm oil, soyabean oil, sunflower oil and mustard oil, mustard is the only oilseed native to India, with mustard oil extracted fully through domestic production of the oilseed. Therefore, there is a strong case for the government to initiate policy changes that encourage farmers to focus on mustard as a cash crop, increase the area under mustard cultivation, reduce the domestic edible oil demand-supply gap by increasing the production of mustard oil, and thus, reduce edible oil imports.

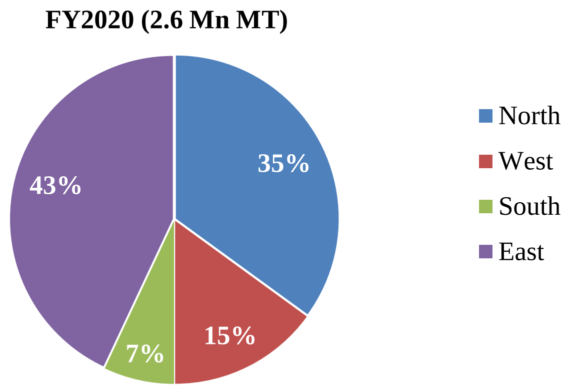
*Branded Mustard Oil Retail Market in India (₹ Cr)*




*Source: Technopak Analysis*

The consumption is driven by Eastern and Northern states where it is used extensively as traditional cooking medium.

*Mustard Oil Consumption – By Regions*




*Source: Technopak Analysis, Primary Research*

**Key Growth Drivers for the Branded Segment**

- Reverse shift towards unrefined oils with health benefits: While mustard oil has historically been an integral part of Indian cooking, its importance from a health standpoint is being reinforced. The fact that it is indigenous to India, and that its extraction does not involve extreme refining or processing and it therefore has associated health benefits, has lent mustard oil a premium positioning, with customer groups gravitating back towards it.

- Ban of other edible oil blending with mustard oil: The food regulatory body (**FSSAI**) recently banned the blending of mustard oil with other edible oils. The ban on blending is expected to encourage the growth in consumption of mustard oil in its pure form. The move is also expected to help farmers in getting better prices for their produce and hence boost domestic production of mustard oil in India.

- Formalization of regional edible oil players: This mustard oil segment is highly fragmented, with many small and regional players operating within their territories often engaging in informal operations. Policy pushes such as strict GST implementation, a ban on the sale of loose oils and a ban on the blending of other edible oils with mustard oil, are expected to bring about the transition of informal players into organized players. Unorganized players have started to recognize the importance of formalization in order to acquire scale and long-term brand equity. This has resulted in the rising share of regional brands in the overall branded sales in the last five years. This bodes well for the sustainable growth of the sector in the long term, because the increasing share of regional brands is indicative of the wider adoption of better practices across the sector.

- Growing ability to address rural and semi-urban demand: Mustard oil enjoys wide acceptance in rural and semi-urban areas where, in the past, it had been catered for through the informal route. The rising share of the branded oil business is also indicative of the ability of the branded oil business to cater to rural and semi-urban demand. Both national and regional brands have done so by introducing a product SKU mix to address price sensitive rural demand, and by strengthening retail distribution in rural and semi-urban areas.

**GROUNDNUT OIL**

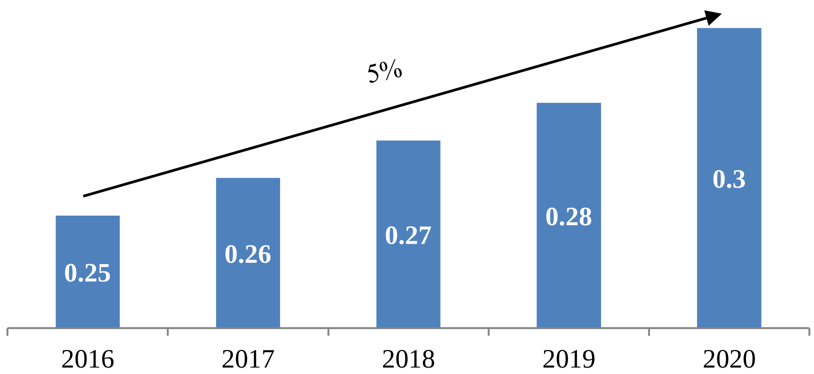
**Groundnut Oil Availability in India (Volume)**

Groundnut oil has been in use for many years in India, with west India being the largest consumer. It is extracted from groundnut kernels which are produced entirely in India. India has surplus produce in terms of groundnut production and therefore, exports primarily to China and many other countries. Groundnut kernels have four major application areas. They are exported to other countries, used for sowing purposes, for direct consumption as nuts in India and for oil extraction. With growth in the domestic consumption of peanuts and exports, the availability for kernels for oil extraction has diminished in previous years, which in turn has increased the price of groundnut oil in India.

Out of the total volume of groundnut shells, nearly 72% by volume is available in the form of groundnut kernels. Of the total of groundnut kernels, 20-22% is used for sowing, 15-16% is exported and 38-40% is consumed, leaving approximately 25% for oil extraction.

The total availability of groundnut oil in Indian in FY 2020 was estimated to be 0.3 million MT. Of the total requirement, almost all is produced domestically. Approximately 90% of groundnut is grown in five states, namely Karnataka, Gujarat, Maharashtra, Andhra Pradesh, and Tamil Nadu. Andhra Pradesh and Gujarat account for more than 50% of the cultivated area in India.

*Groundnut Oil Production in India – By Volume (Mn MT)*

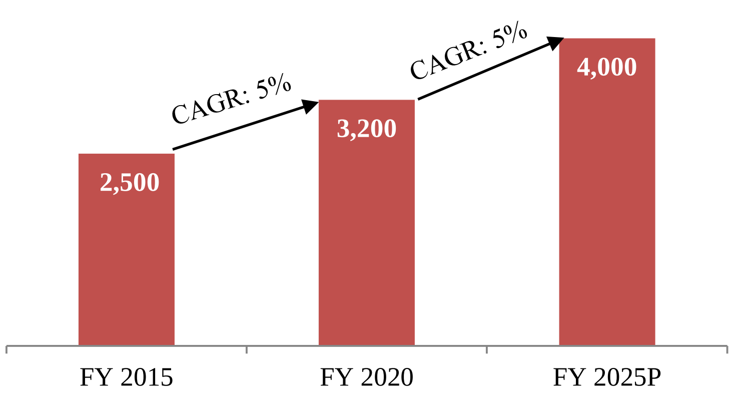



*Source: Technopak Analysis, Ministry of Agriculture & Farmers Welfare, Govt. of India*
*Years in OY – Oil Year (November to October)*

**Branded Groundnut Oil Retail Market in India**

The branded groundnut oil retail market was estimated to be approximately ₹ 3,200 crore in FY 2020 and is expected to grow at a CAGR of 5% in the next five years to reach ₹ 4,000 crore in FY 2025.

*Branded Groundnut Oil Retail Market in India (₹ Cr)*

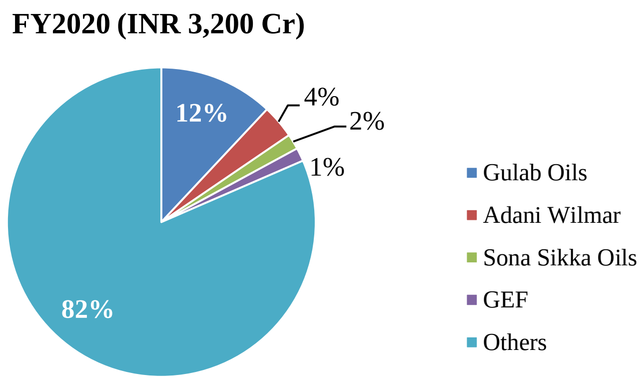



*Source: Technopak Analysis*

**Competitive Intensity**

Groundnut oil is a very fragmented market due to domestic production of oilseeds. While national players do not have any significant presence in the groundnut oil segment, there are regional champions such as Gulab oils and others which have a notable presence in their territories.

*Market share of key players in branded groundnut oil market (FY 2020)*




*Source: Annual Report, Published Articles*
**Market Size includes consumption by industry, HoReCa segment and end consumer in branded form*

**Key Growth Drivers for the Branded Segment**

- Increasing Demand in Various Industries: Increasing demand for groundnut oil in various industries, and especially the skincare industry, is promoting higher production and driving the market for peanut oil.

- Health Benefits: Groundnut oil is perceived to have health benefits, which in turn drives the demand for groundnut oil in the country. The associated health benefits are driving premiumization in this segment, with many brands introducing premium variants such as cold-pressed groundnut oil and organic groundnut oil.

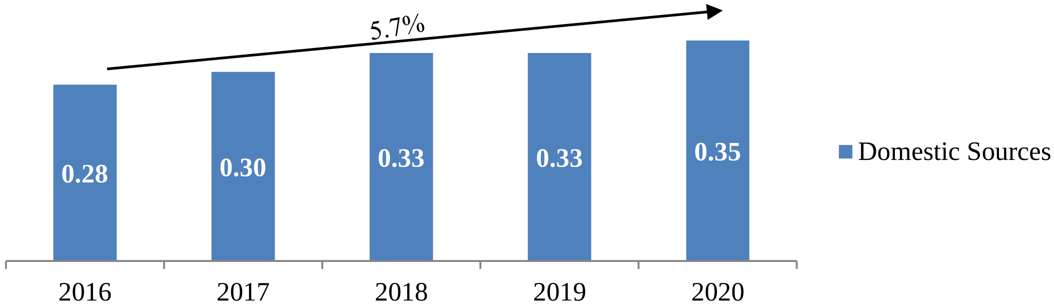
**RICE BRAN OIL**

**Rice Bran Oil Availability in India (Volume)**

Rice bran is a unique vegetable oil produced from the outer brown layer of the rice. Rice bran oil is rich in antioxidants and known for its cholesterol-lowering properties. India produced nearly 40-45 lakh MT of rice bran in 2020, which had the potential to produce nearly 10 lakh MT of rice bran oil. However, for the output to be safe for human consumption, the processing is required to be done within 24 hours. Since the processing capability is not adequately agile to handle the available produce, only a limited quantity is processed. In 2020, 0.35 million MT of rice bran oil was produced in India.

The total availability of rice bran oil in Indian in FY 2020 was estimated to be 0.35 million MT, largely produced domestically. Rice bran is primarily used for home consumption.

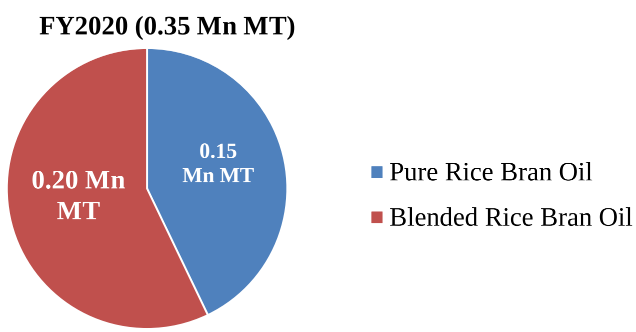
*Rice Bran Oil Availability in India – By Volume (Mn MT)*




*Source: Ministry of Agriculture & Farmers Welfare, Govt. of India*
*Years in OY – Oil Year (November to October)*

Less than 50% of the total rice bran oil is marketed as pure rice bran oil. The balance is used for blending purposes. Adani Wilmar is the market leader in the pure rice bran oil segment.

*Classification of Rice Bran oil market – Pure & Blended*

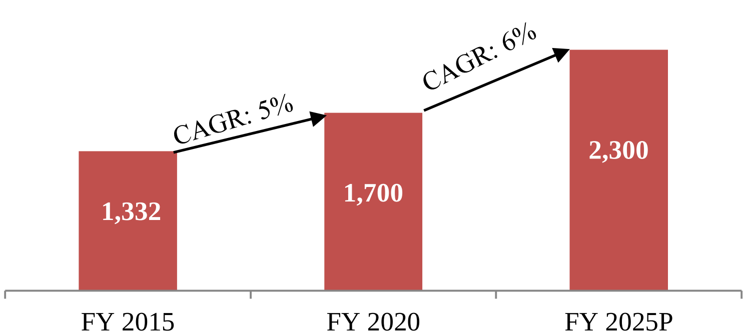



*Source: Annual Report, Published Articles*

**Branded Rice Bran Oil Retail Market in India**

The pure branded rice bran oil retail market was estimated to be ₹ 1,700 crore in FY 2020 and is expected to grow at a CAGR of 6% in the next five years to reach ₹ 2,300 crore in FY 2025.

*Branded Rice Bran Oil Retail Market in India (₹ Cr)*

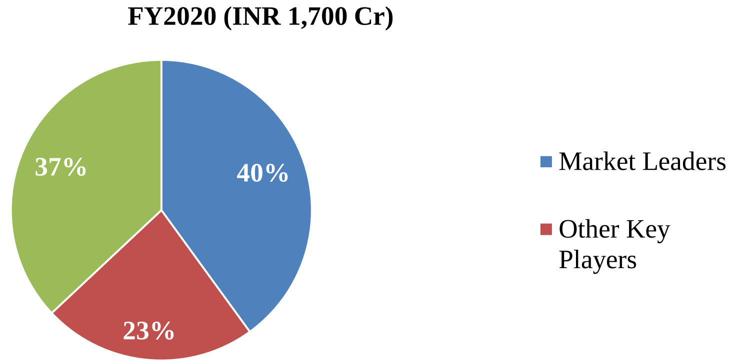



*Source: Technopak Analysis*

**Competitive Intensity**

Positioned on the platform of its health benefits, pure rice bran oil has been commercialized recently, before which rice bran oil was often used as one of the components in blended oils. The top five players in the pure rice bran oil market constitute close to 63% of the entire branded market. Adani Wilmar and RCM Health Guard Oil are the leading brands, with a combined market share of 40% distributed equally between the two. The other significant players are Emami Agrotech, Sita Group and GEF, together contributing a share of 23% of the market.

*Market share of key players in Branded Pure Rice Bran oil market (FY 2020)*




*Source: Annual Report, Published Articles, Technopak Analysis*

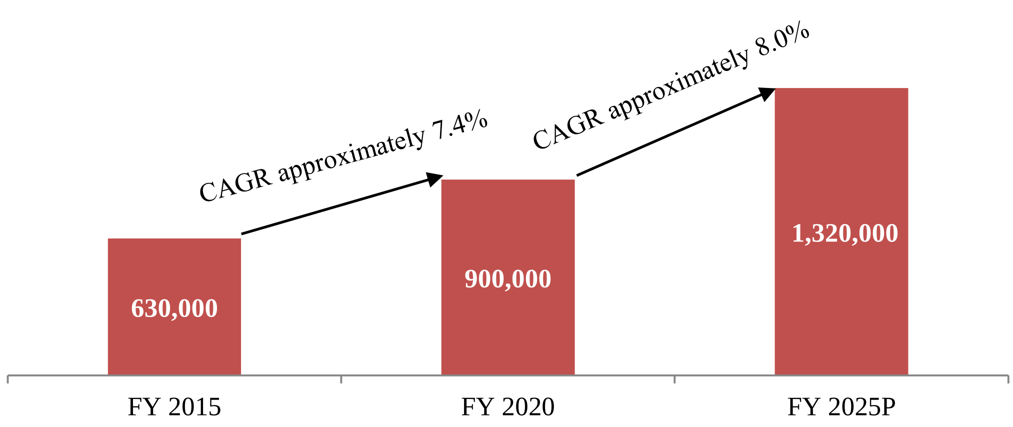
**Key Growth Driver for the Branded Segment**

*Health Benefits*: Rice bran oil is growing, albeit not aggressively, on the back of its promoted health benefits. Given its premium positioning, its off-take from metro and tier I cities has been recording growth. Leveraging this trend, many national and regional edible oil players have introduced rice bran oil into their portfolio, thereby augmenting the distribution and availability of the oil on retail shelves.

**OVERVIEW OF SPECIALTY FATS AND OILS MARKET IN INDIA**

Specialty fats and oils are products with distinct characteristics and functional properties when compared to traditional fats and oils. The category includes margarine and bakery shortenings, lauric fats, interesterified fats, high stability frying oils and CBE (cocoa butter equivalents). The customized properties of specialty oils and fats make them ideal for application in bakeries, biscuits, confectionery and other snacks. In FY 2020, the Indian specialty fats and oil industry size was estimated at 9 lakh MT and growing at a CAGR of 8%.

*Specialty Fats and Oil Market in India (MT per Annum)*



*Source: Technopak Analysis*

**Key Factors Driving Growth**

Demand for high-quality, safe and indulgent bakery and confectionery products is fueling the sales growth of specialty fats and oils. Major confectioners and bakery establishments have become more sensitive towards the health concerns of consumers and the quality of their products. Specialty fats and oils have helped the industry players in launching new processed foods products with superior quality and taste profiles.

The market has witnessed a strong demand for specialty fats like premium bakery fats, frying oils, and confectionery fats. Growth in bakeries and the confectionery market in India and an increasing consumption of packaged food, biscuits and snacks is driving growth in the market.

Indian edible oil players like Adani Wilmar, Bunge, GEF, Emami Agrotech and 3F Industries are seeking to capitalize and innovate on niche application areas in specialty fats and oils. For instance, Adani Wilmar has developed a whole range of frying oils for use by institutions and snacks manufacturers. GEF and Bunge have established themselves as market leaders in premium bakery fats and confectionery fats.

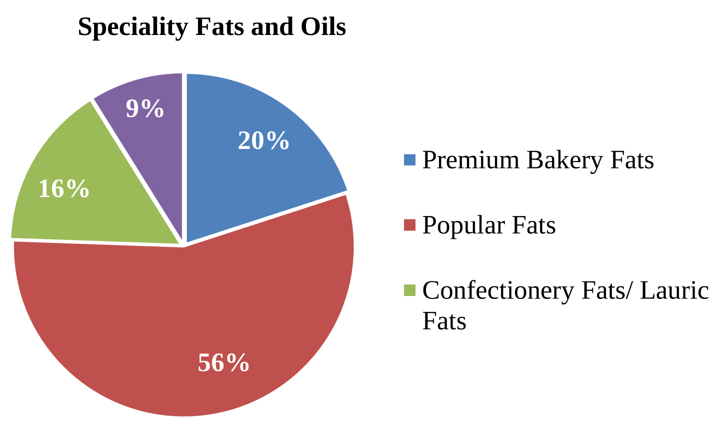
**Key Product Categories in Specialty Fats and Oils**

The Indian specialty fats and oil market is divided into popular fats, premium bakery fats, frying oils and confectionery fats. The specialty fats market is projected to grow at a CAGR of 8% with increasing demand for packaged food. The premium bakery fats segment in specialty fats is projected to grow the fastest, with a CAGR of 8.8% for the next five years.

***Popular Fats***: Popular fats are competitively priced fats and hydrogenated oils sold in Indian markets for the manufacturing of packaged products and bakery food largely consumed by middle- and low-income groups. The majority of the fats sold under popular fats is used in the manufacture of snacks like Matthi, Faan and mass to mid bakery biscuits. The demand for popular fats is projected to grow at a CAGR of 7.5% over the next five years due to increasing use by the industry.

***Premium Bakery Fats:*** Bakery fats are premium-priced products like bakery shortenings, margarine, and interesterified fats. The products are used by regional bakeries, bakery chains and standalone bakeries for manufacture of various mid to premium bakery products. The premium bakery fats market is a highly organized and niche market, with the presence of few players in the industry. The premium bakery fats market is projected to grow at a CAGR of 8.8% over the next five years, led by the increasing preference for packaged food fueled by COVID-19-related concerns.

*Specialty Fats and Oils Market split by Volume (FY 2020)*




*Source: Technopak Analysis*

***Confectionery Fats/Lauric Fats***: Confectionery fats are used by Indian industries and institutional players for manufacturing whipped creams, frozen dessert, confectionery, chocolate and chocolate-based products and fillings in crème biscuits. Products like lauric fats, cocoa butter equivalents (CBE), cocoa butter substitutes (CBS), cocoa butter replacers (CBR) and milk fats replacers (MFR) are categorized as confectionery fats. The confectionary fats market is projected to grow at a CAGR of 8.2% over the next five years.

***Frying Oils***: High stability frying oils are enhanced oil products used by quick service restaurants like and Indian savory and extruded snacks manufacturers for deep frying needs. The demand for frying oils is projected to grow at a CAGR of 8.5% over the next five years, led by the increasing preference for packaged food fueled by COVID-19-related concerns.

**Market Structure**

Specialty fats and oils are specialized products and require technical expertise in the manufacture of the products. Established oil manufacturers like Adani Wilmar, Bunge, GEF and 3F, Emami and others are present in the category.

The market has two major distribution and sales channel viz. institutional sales channel, and intermediary-led sales channel.

The institutional sales channel caters to institutional customers which include:

- Large biscuit and cake companies
- Confectionery manufacturers
- QSR (quick service restaurant) chains
- Snack manufacturers

Institutional customers procure bakery fats, confectionery fats and frying oils for captive consumption. They procure directly from large manufacturers like Adani Wilmar, Bunge, Emami and GEF.

The intermediary-led market caters to small manufacturers, standalone bakeries and the unorganized food services market. Bakeries and small manufacturers of savory snacks, biscuits and namkeen are the end customers in this market. Some companies like Bunge and Adani Wilmar have an established presence in the market, with direct reach to bakeries and other manufacturers, while other players are dependent on industrial demand and intermediaries trading in the market. The market is region-specific due to multiple product categories and the high-level customization requirements of the consuming industry.

Different products under specialty fats and oils behave differently in the sales market, on the basis of demand by customers. Frying oils are largely retailed through institutional channels, while bakery fat is an intermediary-led market. Bakeries and industries are sensitive to changes in the price of fats and oils, as biscuits and other snacks contain as much as 40% fats, thus making it a key input for the manufacturers.

*Specialty Fats and Oils Market Structure*

| Product | Institutional Sales | Intermediary-led Sales |
|---|---|---|
| **Premium Bakery Fats** | 30% | 70% |
| **Popular Fats** | 50% | 50% |
| **Confectionery Fats** | 55% | 45% |
| **Frying Oils** | 60% | 40% |

*Source: Technopak Analysis based on Industry estimates*

**Key Players in Specialty Oils and Fats**

**GEF**: GEF is one of the largest edible oil players in south India and has a strong portfolio in specialty fats. Their key brands GEF Fabula and GEF Smart Fat are used in biscuit manufacturing, while Choco Magik and Coat Magik are cocoa butter equivalents. Fry Magik is the frying oil brand of GEF, while Ice Magik and GEF Fabula are the company's confectionery fat brands.

The company has a strong presence in the market. GEF is one of the largest players in specialty fats in south India, with a market share of approximately 16% in specialty bakery fats like shortenings in the region.

**Adani Wilmar**: Adani Wilmar is a leading player in the confectionery fats and frying oil category. Adani sells popular fats under the brand names Jubilee, Raag and Avsar; frying oil under the brand Fryola; bakery fats under the brands Wilshort, Wilcake, Wilpuff and confectionery fats under the brands Bissice, Wilkrin, Besschoc, Ultrachoco, Wilfil, Willarine, Wilkote, and others. Adani Wilmar is the largest player in specialty fats and oils with a focus on popular fats in the portfolio. The company has a market share of approximately 20% in popular fats. Adani has a market share of approximately 60% in frying oils and a share of approximately 50% in the confectionery fats market in India. The company has a strong distribution presence across India.

**AAK Kamani**: AAK Kamani is one of the leading manufacturers of specialty fats and oils with over 55 years of expertise and a strong presence in the Indian market. AAK Kamani was formed in 2015 as a JV between Sweden-based AAK, a global company focused on specialty oils with a presence in more than 100 countries and a manufacturing base in 20 countries, and India-based Kamani, a player in specialty fats. AAK Kamani has a manufacturing facility situated at Khopoli, 100 kms from Mumbai. AAK Kamani sells popular fats under the brand names K-Cuisine, Jade, Akopuff 20, K-Lite, Sweetjoy, and Karuna; frying oil under the brands Foodlite and Frywell; bakery fats under the brands Jade, Artina, K-Cookiez, K-Meetha, Konica, Cakelite, and Komplete, and confectionery fats under the brands Koolex, DFR, Cocosilver, and Krisp.

**Bunge**: Bunge is the market leader in specialty bakery fats and has a strong presence across India, with a market share of close to 40-50% in bakery fats. Bunge has the brand Lily in specialty bakery fats. Bunge is also present in institutional fats with its products under the brands Ricca and Lotus.

**3F Industries**: 3F Industries is one of the largest players in oleochemicals and specialty fats and oils. The company has a strong presence in edible specialty fats and oils, with a presence in bakery fats and confectionery fats. 3F sells bakery fats under the brand names Bakers Delite, Crème Delite, Bakers Pet, Bakers Mate and Super Delite, and confectionery fats under the brands Supra, Surabhi, Trim, Golden Spread, Frozen Delite, Magic Melts, and Riola. 3F industry is also present in frying oil with its brands Frydelite and Ezyfry.

**Emami Agrotech**: Emami Agrotech is one of the largest edible oil players in India. The company is also present in the bakery fats segment with its brand Bake Magic. The company manufactures specialty fats in its plant near Krishnapatnam port.

**Kaleesuwari**: Kaleesuwari is one of the largest edible oil players in south India with a presence in the bakery fats segment. Cream Gold, Puff King, Masterpiece, So Soft, and Gold Choice are the bakery fats brands of the company. Kaleesuwari has a distribution network and established brand name in the bakery fats market in South India.

*Market Presence of Players in Specialty Fats and Oils*

| Player | Popular Fats | Premium Bakery Fats | Confectionery Fats | Frying Oils |
|---|---|---|---|---|
| **GEF** | | ✓✓✓ | ✓✓ | ✓✓✓ |
| **Adani Wilmar** | ✓✓✓✓ | ✓ | ✓✓✓✓ | ✓✓✓✓ |
| **Bunge** | | ✓✓✓✓ | ✓✓✓ | ✓✓ |
| **Emami** | ✓✓ | ✓✓✓ | | |
| **Kaleesuwari** | ✓ | ✓✓ | | |
| **3 F** | | ✓✓✓ | ✓✓✓ | ✓✓ |
| **AAK Kamani** | ✓✓ | ✓✓✓ | ✓✓✓ | ✓✓ |

*Source: Technopak Analysis*
*✓✓✓✓: Market leader*
*✓✓✓: Strong market presence in the category*
*✓✓: Market presence in the category*
*✓: Presence in category, with very low sales*

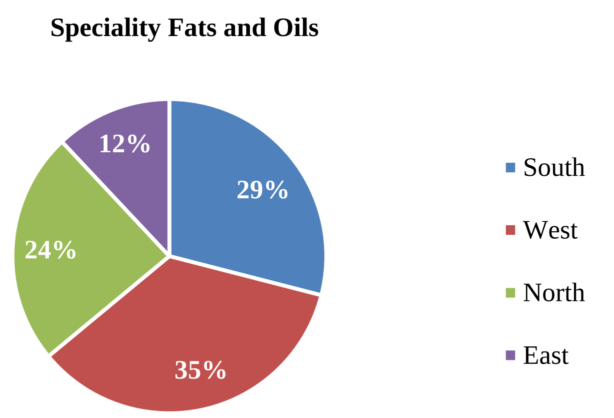
*Presence of Players Across Different Categories in Specialty Fats and Oils*

| Player | Popular Fats | Premium Bakery Fats | Confectionery Fats | Frying Oils |
|---|---|---|---|---|
| **GEF** | - | GEF Fabula, GEF Smart Fat | Choco Magik, Coat Magik, Ice Magik | Fry Magik |
| **Adani Wilmar** | Jubilee, Raag, Avsar | Wilshort, Wilcake, Wilpuff | Bissice, Wilkrin, Besschoc, Ultrachoco, Wilfil, Willarine, Wilkote | Fryola |
| **Bunge** | - | Lily | Ricca, Lotus | - |
| **Emami** | Bake Magic | Bake Magic | - | - |
| **Kaleesuwari** | Puff King | Cream Gold, Masterpiece, So Soft, Gold Choice | - | - |
| **3 F** | - | Bakers Delite, Crème Delite, Bakers Pet, Bakers Mate, Super Delite | Supra, Surabhi, Trim, Golden Spread, Frozen Delite, Magic Melts and Riola | Ezyfry, Frydelite |
| **AAK Kamani** | K-Cuisine, Jade, Akopuff 20, K-Lite, Sweetjoy, Karuna | Jade, Artina, K-Cookiez, K-Meetha, Konica, Cakelite, Komplete | Koolex, DFR, Cocosilver, Krisp | Foodlite, Frywell |

**Regional Market Share**

The specialty fats market is consolidated with large manufacturers having a share of over 95% of the market. There are multiple product categories and products under specialty fats and the market presence of players varies with product demand and regional demand for the fats and oils.

*Regional Market Share in Specialty Fats and Oils FY 2020*




*Source: Technopak Analysis*

The south Indian market is dominated by players that have a strong bakery fats portfolio and established connections with small bakers and savory manufacturers. Bunge, GEF and 3F are the largest players in the south Indian specialty fats and oils market. Kaleesuwari and Emami are also present in the South Indian market, with a small market share.

Adani Wilmar, Emami and Budge-Budge Refinery are the largest players in the east Indian market, with a strong presence in the category.

The west Indian market is the largest market and is dominated by Adani Wilmar, Costco, Cargill, Bunge, Allana, Louis Dreyfus, and Kamani oil industries.

The largest players in North Indian market are Adani Wilmar, Emami, and Kanpur Edibles, with multiple other players also having a presence.

## COMPETITION ANALYSIS

### Overview of Edible Oil Market in India

The Indian edible oil market is a fragmented market with the presence of multiple national and regional players. Players with established brand names and distribution reach across the country have a higher market share. These 'national players' are present in multiple varieties of oils, with a focus on palm and soyabean oil. National players are also present in other consumer products such as staples and packaged foods, on the back of their strong distribution network across the country. Ruchi Soya, Adani Wilmar, Emami, and Bunge are the key national players In India

A large market share in edible oil is dominated by 'regional players' catering to a specific location in India, through strong connections with retailers and an understanding of regional taste preferences. These players are often market leaders in one or two oil categories with a strong presence in between one and four states in a region. These players have enabled growth in the oil market through a focus on key product categories in the oil space. Some dominant regional players are GEF, Kaleesuwari, NK Proteins, and BL Agro, etc.

*Key Refined Oil Players in India*

| Companies | Brands | Focus Markets |
|---|---|---|
| **Ruchi Soya** | Nutrela, Mahamoksh, Sunrich, Ruchi-gold | National |
| **Adani Wilmar** | Fortune, Bullet, Aadhar, Raag | National |
| **Emami Agrotech** | Healthy & Tasty, Himani Best Choice | National |
| **Bunge** | Chambal, Gagan, Dalda, Ginni | National |
| **GEF** | Freedom, First Klass | Regional |
| **BL Agro** | Bail Kolhu, Mohan Dhara, Kamal Jyoti, Balance Lite and Aviral Dhara | Regional |
| **N K Proteins** | Tirupati, Malaya Gold | Regional |
| **Kaleesuwari** | Gold Winner, Cardia, Fedora, Orysa, Pure Plus | Regional |
| **MK Agrotech** | Sunpure | Regional |
| **Lohiya Industries** | Golddrop | Regional |
| **Cargill** | Gemini, Sweekar, Rath, Nature fresh, Sweekar, Sunflower | National/Regional |

*Source: Technopak Analysis*

### Distribution and Production Capacities of Players

Edible oil players have established crushing and oil refining capacities in India. Edible oil players refine multiple varieties of edible oils in their refineries. Ports and SEZ have a seen a large concentration of oil refineries in India, due to easy access to imported raw materials used in oil refining and supportive government regulations. Adani Wilmar, Ruchi Soya, Bunge and GEF have some of the largest oil refining capacities in India.

*Production capabilities of Key Players*

| Player | Sales and Distribution Network | Manufacturing Capacity |
|---|---|---|
| GEF | 32 depots, 1,100 distributors, approximately 2.3 lakh retail outlet | The company has three port-based plants with total refining capacity of 2,615 TPD having the latest Belgian technology. One plant at Krishnapatnam with a refining capacity of 1,100 MT per day and another plant at Kakinada with a refining capacity of 365 MT per day. A new unit at Kakinada has a refining capacity of 1,150 MT per day. |
| Ruchi Soya | Products are available in 11 lakh outlets through 5000 distributors | Refining capacity of over 11,000 MT per day, seed crushing capacity of 11,000 MT per day and packaging capacity of 10,000 MT per day. |

| | | |
|---|---|---|
| | | Five port-based refineries, three standalone crushing plants, eight integrated crushing and refining plants, one refinery and vanaspati plant and two palm fruit processing units. |
| Adani Wilmar | 85 depots and 5000 distributors<br><br>15-16 lakh outlets | Refining capacity of over 16,800 MT per day, seed crushing capacity of 8,800 MT per day. |
| Emami Agrotech | Distribution network of 3.5 - 4 lakh outlets. | Total manufacturing capacity of approximately 6,200 MT per day.<br><br>The Haldia facility unit has a total production capacity of 3,600 MT per day which includes palm oil, soyabean oil, rice bran oil, sunflower oil, and vanaspati.<br><br>The mustard oil manufacturing unit is situated in Jaipur with a production capacity of 125 MT per day.<br><br>The Krishnapatnam unit produces palm oil, sunflower oil, vanaspati, and specialty fats with a production capacity of 2400 MT per day. |
| Bunge | With the retail reach of around 4 lakh retail outlets | 1,200 MT per day. refinery at Kandla |
| BL Agro | Network spread in 200 cities across 13 states of India and Nepal, with 450 distributors of approximately 46,000 retailers | Total refining capacity of 700 MT per day, packaging capacity of 1,500 MT per day.<br><br>One facility at Parsakhera with a capacity of 250 MT per day to refine rice bran oil/crude palm oil, additional features including a 240 MT dewaxing section and a 280 MT winterization section, a 200 MT per day capacity to refine crude degummed rapeseed oil/crude degummed soyabean oil and mustard oil, and 100 MT of distillation capacity<br><br>Another facility at Jauharpur with a refinery unit of 150 MT per day to refine crude sunflower oil/cotton seed oil/crude palm oil, additional capacity of 300 MT per day for fractionation plant to fractionate palmolein oil or refined rice bran oil, and 200 MT per day capacity for fractionation of crude palm oil to palmolein oil. |
| N K Proteins | Company has its own supply chain with 100+ trucks and tankers | Total refining capacity of 1,775 MT per day. Main plant in Gujarat with a capacity of 1,400 MT per day. One facility in Maharashtra with a capacity of 125 MT per day. New plant being established in Gujarat with a capacity 250 MT per day.<br><br>The company has a fractionation plant for palm with a capacity 650 MT per day.<br><br>The company has a filling capacity of 1,200 MT per day, with a tin manufacturing capacity of 55,000 MT/day, jar manufacturing capacity of 40,000 jars/day and bottle manufacturing of 20,000 bottles/day. |
| Kaleesuwari | Kaleesuwari Refinery Private Limited has distribution presence across India | Kaleesuwari Refinery Private Limited has four manufacturing locations within India: Chennai, Palani, Tumkur, and Kakinada, with a combined sunflower refining capacity of 1,000 MT per day, a biodiesel production capacity of 300 MT per day, a solvent extraction plant, a de-oiled cake capacity of 350 MT per day, and a pharma-grade refined capacity of 30 MT per day. |
| MK Agrotech | - | The company has one production facility at Srirangapatna, Karnataka, with a capacity of 200 MT per day. |
| Lohiya Industries | - | The company has two operational units: one at Mankhal (Telangana) and another at Kakinada Port (Andhra Pradesh) with an installed capacity of 900 MT per day. |

| | | |
|---|---|---|
| Cargill | - | Three refineries with a capacity of 3,500 MT per day. |

**Product and Brand presence of Leading Edible Oil Players**

The edible oil market is fragmented and competitivethus, brands play an important role in establishing presence there. Indian players have established multiple brands to target different customer segments.

**Product presence of Key Players**

| Player | Palm Oil | Soybean Oil | Mustard Oil | Sunflower Oil | Cotton seed Oil | Ground-nut Oil | Rice Bran Oil | Coconut Oil | Blended Oils | Vanaspati |
|---|---|---|---|---|---|---|---|---|---|---|
| GEF | ✓ | ✓ | ✓ | ✓ | | ✓ | ✓ | | | |
| Ruchi Soya | ✓ | ✓ | ✓ | ✓ | ✓ | | | | ✓ | ✓ |
| Adani Wilmar | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | ✓ | ✓ |
| Emami Agrotech | ✓ | ✓ | ✓ | ✓ | | | ✓ | | ✓ | |
| Bunge | ✓ | ✓ | ✓ | | ✓ | ✓ | ✓ | | ✓ | ✓ |
| BL Agro | | | ✓ | | | | | | ✓ | |
| N K Proteins | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | ✓ | |
| Kaleesuwari | | | | ✓ | | ✓ | ✓ | ✓ | ✓ | ✓ |
| MK Agrotech | | | | ✓ | | | | | | |
| Lohiya Industries | | | | ✓ | | | | | | |
| Cargill | | ✓ | ✓ | ✓ | | | ✓ | | ✓ | ✓ |

*Product and Brand Portfolio of key players*

| Player | Product Portfolio | Brand Portfolio |
|---|---|---|
| GEF | Sunflower oil, rice bran oil, mustard oil, palmolein oil, specialty fats for bakery products like biscuits, chocolates, and ice creams | Freedom, First Klass |
| Ruchi Soya | Palm oil, soyabean oil, sunflower oil, mustard oil, rice bran oil, groundnut oils, vanaspati oil, bakery fats, and soy food | Mahakosh, Ruchi Gold, Nutrela, Sunrich |
| Adani Wilmar | Soy, sunflower, mustard, rice bran, groundnut, cotton seed and functional oils | Fortune, King's, Bullet, Raag, Avsar |
| Emami Agrotech | Soyabean oil, sunflower oil, mustard oil, rice bran oil, palmolein oil, spices, specialty fats, vanaspati | Healthy & Tasty and Himani Best Choice |
| Bunge | Crude & refined soyabean, crude palm oil, palmolein, mustard & cotton oil | Chambal, Gagan, Dalda, Hudson |
| BL Agro | Palm oil, soyabean oil, sunflower oil, mustard oil, rice bran oil, til oil, atta, pulses, besan, maida, roasted dalia, flax seeds | Bail Kolhu, Mohan Dhara, Kamal Jyoti, Balance Lite and Aviral Dhara |
| N K Proteins | Cottonseed oil, sunflower oil, corn/maize oil, soyabean oil, mustard oil, groundnut oil, palmolein oil, blended vegetable oil | Tirupati, Tirupati Sunpride, Tirupati Active plus, Tirupati Soyalite, Pankaj, Malaya, Arun |
| Kaleesuwari | Sunflower oil, rice bran oil, groundnut oil, sesame oil, olive oil, coconut oil & vanaspati, lamp oil and specialty fats | Gold Winner, Pure Plus, Orysa, Vedhas Gold, Cardia Life, Cardia Life Fit, Cardia Advanced, Dheepam, Gold Winner's Eldia, So Soft, Puff King, Master Piece, Cream Gold |
| MK Agrotech | Sunflower Oil, Rice Bran Oil, Palm Oil, Sugar, Aata | Sunpure |
| Lohiya Industries | Sunflower Oil, Palm Oil | Gold drop |
| Cargill | Olive oil, sunflower oil, soyabean oil, mustard oil, groundnut oil and vanaspati, food ingredients, grain and oilseeds, cotton, animal nutrition | Nature Fresh, Gemini, Sweekar, Leonardo Olive Oil, Rath and Sunflower brand of hydrogenated fats. |

**Regional Preference for Edible Oil in India**

The Indian edible oil market is highly fragmented with the presence of multiple players and various oil categories. However, the consumption of oil varies from one region to another based on taste preferences and regional agriculture.

**North India**: Key states in north India like Punjab, Haryana, Jammu and Kashmir, Delhi and Uttar Pradesh are predominantly soyabean and mustard oil consuming regions. It is estimated that soyabean and mustard account for over 80% of total sales of edible oil in the region.

**South India**: Sunflower oil is the most widely consumed oil in the south Indian states of Andhra Pradesh, Telangana, Karnataka and Kerala and Tamil Nadu. The second most popular oil in South India is palm oil, widely consumed in the coastal belt of the region.

**Central India**: Soyabean oil is the most widely consumed edible oil in the states of Madhya Pradesh, Chhattisgarh, parts of Rajasthan and Vidarbha region of Maharashtra and accounts for over 80% of total edible oil consumption. Sunflower oil is the second most popular oil in the region.

**West India**: Cottonseed oil, sunflower oil and groundnut oil are the most widely consumed edible oil in states like Gujarat and parts of Maharashtra.

**East India**: Mustard and soyabean oil account for 80-85% of total edible oil consumption in the states of West Bengal, Bihar, Jharkhand etc. followed by sunflower oil and other edible oil. Sunflower oil is widely consumed in Odisha.

**Regional Presence of Key Players (WIP)**

| Player | States Present | Market Rank |
|---|---|---|
| **GEF** | Andhra Pradesh, Odisha, Telangana, Chhattisgarh, Karnataka and Tamil Nadu | Market leader of sunflower oil in Andhra Pradesh, Telangana and Odisha,<br>One of the largest sunflower oil players in South India |
| **Ruchi Soya** | Pan India | Largest player in India in refined palmolein oil segment |
| **Adani Wilmar** | Pan India | Largest player in India in soyabean oil segment |
| **Emami Agrotech** | Odisha, West Bengal, Bihar, Jharkhand, Chhattisgarh | Largest player of edible oils in East India |
| **Bunge** | Punjab, Haryana, Uttar Pradesh, Uttarakhand, | One of the largest players in North India |
| **BL Agro** | Haryana, Punjab, Uttarakhand, Uttar Pradesh | Key player in mustard oil in Uttar Pradesh |
| **N K Proteins** | Gujarat, Rajasthan, Madhya Pradesh, Maharashtra | Largest player in Gujarat |
| **Kaleesuwari** | Andhra Pradesh, Odisha, Telangana, Karnataka, Maharashtra and Madhya Pradesh | One of the largest sunflower oil player in South India |
| **MK Agrotech** | Andhra Pradesh, Telangana, Karnataka, Kerala and Maharashtra | Sunflower oil player in South India |
| **Lohiya Industries** | Andhra Pradesh, Odisha, Telangana, Karnataka, Maharashtra and Madhya Pradesh | Sunflower oil player in South India |
| **Cargill** | West Bengal, Odisha, Telangana, Karnataka, Maharashtra and Madhya Pradesh | Significant presence across India |

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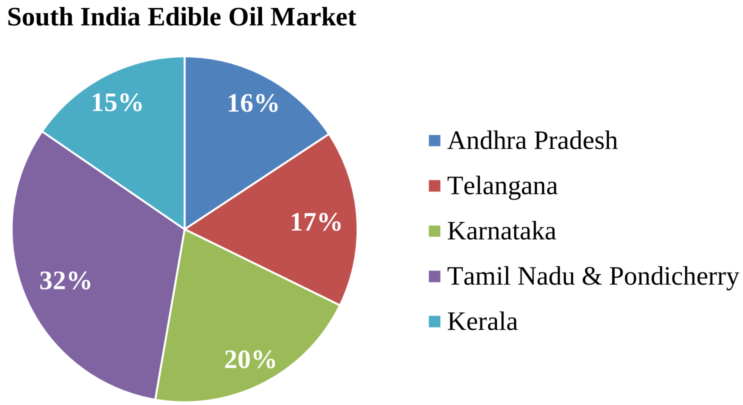
**Edible Oil Market in South India**

*Share of Key States in Edible Oil Market in South India (Volume FY 2020)*




*Source: Primary research, Secondary research, Technopak Analysis*

Tamil Nadu and Karnataka are the largest consumers of edible oil in South India followed by Andhra Pradesh, Telangana and Kerala.

The South Indian Market is dominated by sunflower oil and palmolein oil.

**Edible Oil Market Distribution Reach in South India**

The South Indian oil market has more than 8.5 lakh retail touchpoints for edible oils. Edible oil players have a distribution network to reach out to the retail outlets in the region.

National players dominant in soyabean oil, palm oil and mustard oil have relatively limited reach to retail stores based in the region with a coverage of 10-20% of the total retail outlets present. However, players in the region with focus on sunflower oil have a strong distribution network and higher penetration in the retail market. Key players like GEF and Kaleesuwari with a strong distribution network have a coverage of 25-35% of the total retail outlets present in the region.

**Pricing of Edible Oil**

*Pricing of various edible oils in the market*

| Category | Price Range (INR) (Max-Min) |
|---|---:|
| Palm oil | 75-135 |
| Sunflower oil | 95-180 |
| Soyabean oil | 85-160 |
| Mustard oil | 90-145 |
| Coconut oil | 330-540 |
| Groundnut oil | 158-200 |
| Rice Bran oil | 108-176 |

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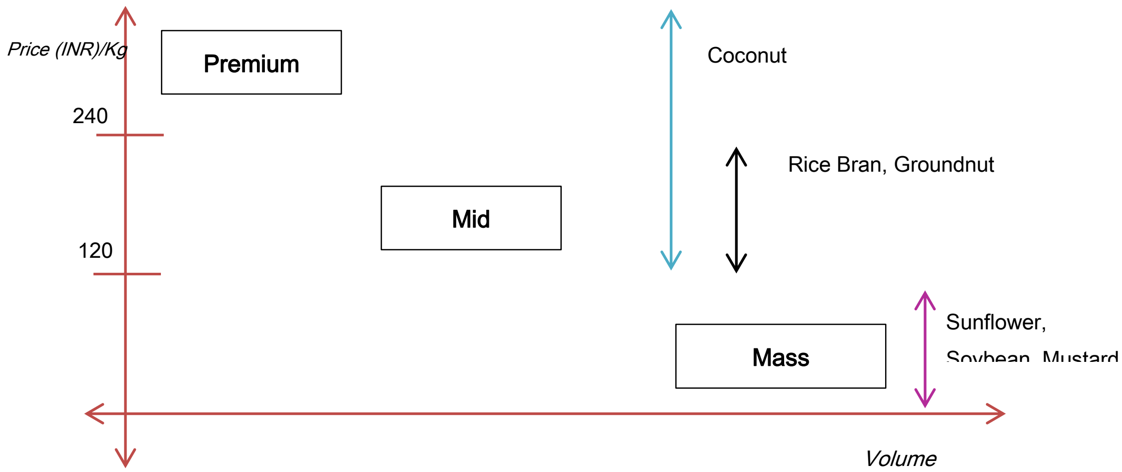


**Review of Financial Performance of Edible Oil Players**

Indian edible oil players have seen stable growth during the past three years due to growing consumption of packaged edible oil. GEF is the fastest growing company with a CAGR growth 28%.

*Sales of the companies (₹ Cr)*

| Player | Revenue (FY 2018) | Revenue (FY 2019) | Revenue (FY 2020) | CAGR |
|---|---|---|---|---|
| **GEF** | 3,981 | 5,423 | 6,500 | 27.8% |
| **Ruchi Soya** | 11,994 | 12,729 | 13,118 | 4.6% |
| **Adani Wilmar** | 26,347 | 28,802 | 29,657 | 6.1% |
| **Emami Agrotech** | 8,760 | 12,215 | 12,552 | 19.7% |
| **Bunge** | 5,063 | 5,419 | - | 7.0% |
| **BL Agro** | 2,360 | 2,119 | - | -10.2% |
| **N K Proteins** | 3,527 | 3,489 | 3,800 | 3.8% |
| **Kaleesuwari** | 2,848 | 3,374 | 3,382 | 9.0% |
| **MK Agrotech** | 1,176 | 1,401 | 1,627 | 17.6% |
| **Lohiya Industries** | 1,513 | 1,639 | 1,325 | -6.4% |
| **Cargill** | 7,039 | 7,607 | - | 8.1% |

*Source: Annual Reports, Company Filings, Technopak Analysis*
*Standalone Financials for the company*

Indian edible oil players have seen low profitability due to strong competition in the industry. While players like MK Agrotech, Adani Wilmar and GEF have high operating margins, players like MK Agrotech and GEF have higher PAT margins among the key edible oil players.

*Profitability Ratios of the companies (FY 2020*)*

| Player | Gross Margin | Inventory Turnover | EBITDA Margin | Operating Margin | PBT Margin | PAT Margin |
|---|---|---|---|---|---|---|
| **GEF** | 9.8% | 7.1 | 4.0% | 3.6% | 3.7% | 2.9% |
| **Ruchi Soya** | 11.8% | 8.9 | 3.1% | 2.0% | 1.6% | 1.6% |
| **Adani Wilmar** | 14.2% | 6.5 | 4.5% | 3.7% | 2.1% | 1.3% |
| **Emami Agrotech** | 6.6% | 8.6 | 1.6% | 1.1% | 0.8% | 1.0% |
| **Bunge** | 11.8% | 8.5 | 3.1% | 2.3% | 2.9% | 1.9% |
| **BL Agro** | 9.3% | 5.5 | 3.2% | 2.5% | 0.1% | 0.1% |
| **N K Proteins** | 5.1% | 35.8 | 0.5% | 0.2% | 0.8% | 0.7% |
| **Kaleesuwari** | 10.3% | 8.1 | 3.1% | 2.6% | 2.8% | 2.4% |
| **MK Agrotech** | 13.0% | 14.3 | 8.4% | 6.7% | 5.5% | 4.1% |
| **Lohiya Industries** | 9.8% | 9.2 | 2.1% | 1.7% | 1.0% | 0.8% |

| Player | Gross Margin | Inventory Turnover | EBITDA Margin | Operating Margin | PBT Margin | PAT Margin |
|---|---|---|---|---|---|---|
| **Cargill** | 14.7% | 4.8 | 0.4% | -0.5% | -2.1% | -2.1% |

*Source: Annual Reports, Company Filings, Technopak Analysis; Standalone Financials for the company*
**Calculations for Bunge, BL Agro and Cargill based on FY 2019*
**Calculations based on Company Filing for FY 2020*

Edible oil refining is a highly competitive and capital-intensive business. Players like Adani Wilmar, GEF and Kaleesuwari and MK Agrotech have maintained healthy return ratios in the industry.

*Return Ratios of the Companies (FY 2020*)*

| Player | Asset Turnover | RoE | RoCE | RoIC | Capital Turnover |
|---|---|---|---|---|---|
| **GEF** | 2.9 | 19.3% | 23.1% | 17.9% | 6.64 |
| **Ruchi Soya** | 1.7 | -36.8% | 28.5% | 4.5% | 2.95 |
| **Adani Wilmar** | 2.6 | 17.8% | 33.2% | 28.5% | 10.36 |
| **Emami Agrotech**** | 1.7 | 27.6% | 6.7% | -13.4% | -16.73 |
| **Bunge** | 2.7 | 7.8% | 8.6% | 6.4% | 3.79 |
| **BL Agro** | 2.6 | 0.4% | 14.2% | 5.3% | 2.85 |
| **N K Proteins** | 7.9 | 14.7% | 4.0% | 6.4% | 47.59 |
| **Kaleesuwari** | 2.7 | 19.6% | 17.2% | 20.0% | 10.21 |
| **MK Agrotech** | 3.0 | 19.3% | 31.6% | 19.8% | 3.93 |
| **Lohiya Industries** | 3.5 | 7.5% | 13.5% | 11.2% | 8.82 |
| **Cargill** | 1.4 | -15.4% | -2.8% | -1.4% | 3.49 |

*Source: Annual Reports, Company Filings, Technopak Analysis*
*Standalone Financials for the company*
**Calculations for Bunge, BL Agro and Cargill based on FY 2019*
**Calculations based on Company Filing for FY 2020*
*The Effective Tax Rate from Calculating RoIC for is taken 25%, standard across the companies*
***Emami Agrotech is cash rich company, here Net debt+ Equity is Negative Its RoIC and Capital Turnover are negative due to its cash rich nature.*

*Leverage Ratios of the Companies (FY 2020*)*

| Player | Net Debt/Asset | Net Debt/Equity | Long Term Debt/Equity |
|---|---|---|---|
| **GEF** | - | - | 0.04 |
| **Ruchi Soya** | 0.40 | 0.93 | 0.88 |
| **Adani Wilmar** | 0.06 | 0.31 | 0.48 |
| **Emami Agrotech** | - | - | 3.60 |
| **Bunge** | - | - | 0.07 |
| **BL Agro** | 0.54 | 1.76 | 0.34 |
| **N K Proteins** | - | - | 0.01 |
| **Kaleesuwari** | - | - | 0.24 |
| **MK Agrotech** | 0.11 | 0.19 | 0 |
| **Lohiya Industries** | 0.01 | 0.03 | 0.23 |
| **Cargill** | 0.19 | 1.12 | 0.37 |

*Source: Annual Reports, Company Filings, Technopak Analysis*
*Standalone Financials for the company*
**Calculations for Bunge, BL Agro and Cargill based on FY 2019*
**Calculations based on Company Filing for FY 2020*
*Net Debt/Assets and Net Debt/Equity not applicable for companies in 'Net cash' position*

*Working Capital Ratio of the Companies (FY 2020*)*

| Player | Working Capital Ratio |
|---|---|
| **GEF** | 1.44 |
| **Ruchi Soya** | 2.13 |
| **Adani Wilmar** | 1.00 |
| **Emami Agrotech** | 1.16 |

| Player | Working Capital Ratio |
|---|---|
| **Bunge** | 1.61 |
| **BL Agro** | 1.15 |
| **N K Proteins** | 1.81 |
| **Kaleesuwari** | 1.25 |
| **MK Agrotech** | 1.54 |
| **Lohiya Industries** | 1.90 |
| **Cargill** | 1.10 |

*Source: Annual Reports, Company Filings, Technopak Analysis*
*Standalone Financials for the company*
**Calculations for Bunge, BL Agro and Cargill based on FY 2019*
**Calculations based on Company Filing for FY 2020*

## OUR BUSINESS

*Some of the information in the following discussion, including information with respect to our business plans and strategies, contains forward-looking statements that involve risks and uncertainties. You should read "Forward- Looking Statements" on page 23 for a discussion of the risks and uncertainties related to those statements and "Risk Factors", "Restated Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 25, 207 and 265, respectively for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our fiscal year ends on March 31 of each year, and references to a particular fiscal year are to the 12 months ended March 31 of that year.*

*Unless otherwise indicated or the context requires otherwise, the financial information included herein is based on our Restated Financial Information for Fiscals 2019, 2020 and 2021 included in this Draft Red Herring Prospectus. For further information, see "Restated Financial Information" beginning on page 207.*

*Unless the context otherwise requires, in this section, references to "we", "us", "our" or "Company" refer to Gemini Edibles and Fats India Limited.*

*Unless otherwise indicated, industry and market data used in this section have been derived from the report titled "Indian Edible Oils & Fats Industry" dated August 4, 2021 prepared and issued by Technopak commissioned, and paid for, by us for the purposes of confirming our understanding of the edible oils industry exclusively in connection with the Offer. Unless otherwise indicated, all financial, operational, industry and other related information is derived from the Technopak Report.*

### Overview

India's edible oil consumption is estimated to be approximately 21 million MT for the OY 2020 (i.e., from November 2019 to October 2020) and is forecasted to grow to 25 million MT by OY 2025. The growth in edible oil consumption in India will primarily be driven by increasing per capita consumption and a growing population. India's per capita consumption of edible oil is estimated to be 16 kgs to 17 kgs per annum versus the world average of 24 kgs per annum, which suggests significant opportunity for growth. In recent years, there has been a shift in consumption in India towards branded edible oils due to increasing health and hygiene consciousness, government policies, convenience and increasing purchasing power. The Indian edible oil retail market comprising of household consumers and hotels, restaurants, caterers ("**HoReCa**") is expected to grow at a CAGR of 6% for the period from Fiscal 2020 to Fiscal 2025. Within this, the branded edible oil retail market is forecasted to grow more rapidly at a CAGR of 7%, gaining a share of close to 90% of the total market share in terms of value. Within the branded edible oil retail market, sunflower oil has been growing at a rate of a CAGR of 10% for the period from Fiscal 2015 to Fiscal 2020, and is expected to grow at a CAGR of 8% for the period from Fiscal 2020 to Fiscal 2025. Other commonly consumed edible oils such as palm oil, soyabean oil and mustard oil are forecasted to grow by 5%, 6% and 11%, respectively, for the same period. (*Source: Technopak Report*)

Our Company is headquartered out of Hyderabad, India and we are one of the leading and the fastest growing edible oils and fats companies in India. (*Source: Technopak Report*). Our Company is engaged in the business of manufacturing, distribution and branding of edible oils and specialty fats in India.

We are the market leaders in the sunflower oil category with our *'Freedom*' brand, in the states of Telangana, Andhra Pradesh, and Odisha, and hold the third largest market share in the state of Karnataka. (*Source: Technopak Report*) Despite being a regional player, we are amongst the top two companies by market share in the branded sunflower oil category on a pan-India basis as of Fiscal 2021. (*Source: Technopak Report*) Our operations are integrated throughout the edible oils and fats value chain, from the importing of crude edible oil to the processing, packaging and distribution of our products. Our range of edible oils and fats are sold to our customers under three verticals, i.e., branded retail consumer, industrial consumer and bulk merchandising.

### Our business verticals

***Branded retail consumer:*** In the branded retail consumer vertical, we manufacture and market oils such as *sunflower oil, rice bran oil, mustard oil, groundnut oil, palm kernel oil and palmolein oil*, under our own brands. Premium oils such as sunflower, rice bran, mustard and groundnut are sold under the '**Freedom**' brand while palm oil is sold under the '**First Klass**' brand. The products in this vertical are sold through an extensive network of distributors and wholesalers to reach retail stores. We also sell our products to regional and national supermarket chains and e-commerce companies in the states in which we operate. Our brand 'Freedom' is marketed under the tagline *'Freedom to Eat. Freedom to Enjoy.'* Our range of premium oils is also marketed under the tagline of *'Freedom Healthy Cooking Oil Range'.*

Sunflower oil is our largest selling product within the branded retail consumer vertical. Our market leadership position and the high degree of market penetration of our products has been possible due to the extensive distribution network that we have built over the years; the advertisement and promotion campaigns we have consistently spent on, to bring in the pull from the consumer and the focus that we have placed on quality, both of the product and of the packaging. A robust distribution network is key to success in the edible oil industry. As of June 30, 2021, we have a distribution network which consists of over 30 depots and over 1,100 distributors and wholesalers through which our products reach retail outlets in approximately 640 towns in the states of Telangana, Andhra Pradesh, Odisha and Karnataka. This extensive network has ensured access to the '**Freedom**' range of products by retail consumers in over 260,000 retail outlets in these states during Fiscal 2021. In the regions where we are present, our sunflower oil brand has achieved relatively higher market penetration vis-à-vis competition (*Source: Technopak Report)*. In Fiscal 2021, we spent ₹734.71 million or 1.6% of our total branded retail consumer revenue on advertising, incentive and trade promotion expenses. We have been consistently increasing our advertisement and promotion expenditure over the years with a strong focus to grow our market share. We focus on the quality of our products which pass through stringent quality checks at the crude, intermediate and refined stages. Our products are processed in facilities with equipment supplied by Desmet Ballestra, a company headquartered out of Belgium. On packaging, we focus both on the design and the quality to make the products look attractive and user friendly for the consumer.

***Industrial consumer:*** In the industrial consumer vertical, we produce and market oils and fats such as high stability frying oils, palm oils, cocoa butter substitutes, inter-esterified vegetable fats and shortenings to companies in the food industry, such as manufacturers of biscuits, snack foods, confectionery, non-dairy whip topping, ready-to-eat, frozen desserts and food ingredients. We have had long standing relationships of over eight years with our key customers which include prominent large fast-moving consumer goods ("**FMCG**") companies. We sell these oils and fats to the above food industries predominantly in south India, while we cater to our customers across India for certain fats such as cocoa butter substitutes. The oils and fats are supplied to our customers in bulk or packaged form under our 'GEF Magik', 'Fabula' and 'Be Rite' brands. We are one of the largest players in specialty fats in south India with a 16% market share in specialty bakery fats. *(Source: Technopak Report)*

***Bulk merchandising:*** In the bulk merchandising vertical, we sell palmolein, palm kernel, sunflower and soyabean oils in bulk form to players operating with their own brands and to those who sell edible oil in unbranded or loose form. Our customers in this vertical are based in the states of Andhra Pradesh, Telangana, Tamil Nadu, Karnataka, Odisha and Kerala. There is also a proportion of oil in the market that eventually gets consumed in bulk form through the wholesale network. We sell to traders and re-packers and the oil ultimately gets sold either in their own brands or gets consumed in bulk form. This vertical adds value to our business by ensuring higher capacity utilization and improving the overall production efficiency and costs.

**Our manufacturing facilities**

We have three port-based manufacturing facilities on the east coast of India, with two in Kakinada and one in Krishnapatnam. These ports are well located to cater to a wide geographic arc including the entire south of India, Odisha and Chhattisgarh. Since 2010, when we commissioned our first refinery, we have grown our refining capacity from 800 MT per day to 2,615 MT per day as of June 30, 2021. In the last decade, to keep up with technological developments and to meet our increasing market demand, we have enhanced the processing and packaging infrastructure at the units in Krishnapatnam and Kakinada. Each of the three manufacturing units have advanced equipment and technology supplied by Desmet Ballestra, a Belgian-headquartered company. We have also enhanced our packaging infrastructure over the years to meet the growing needs of our branded sales and as of June 30, 2021, we have a packaging capacity, for various SKUs, of 3,988 MT per day. The facilities have advanced packaging machinery from suppliers based out of South Korea, Spain, Turkey and India, which have made our packaging highly automated. To capitalize on the increase in consumption of edible oils in India, and with an eye of growing our business, we intend to increase our production either by setting up a new refinery and/or increasing production capacity at our existing facilities over the next few years.

**Our financial numbers at a glance:**

In Fiscals 2019, 2020 and 2021, our revenue from operations (before deduction of incentives and trade promotions expenses*) was ₹54,494.35 million, ₹65,379.74 million and ₹78,004.14 million respectively. It has grown at a CAGR of 19.6% from Fiscal 2019 to Fiscal 2021. Set out below is the contribution by each of our business verticals to our revenue from operations (before deduction of incentives and trade promotion expenses).

| Particulars | March 31, 2019 | | March 31, 2020 | | March 31, 2021 | |
|---|---|---|---|---|---|---|
| | *₹ million* | % | *₹ million* | % | *₹ million* | % |
| Branded retail consumer | 24,211.44 | 44.4 | 29,064.33 | 44.5 | 45,124.57 | 57.8 |
| Industrial consumer | 5,726.19 | 10.5 | 5,197.84 | 7.9 | 6,324.94 | 8.1 |
| Bulk merchandising | 24,556.72 | 45.1 | 31,117.57 | 47.6 | 26,554.63 | 34.0 |

** Incentives and trade promotions expenses was ₹266.81 million, ₹377.25 million and ₹344.52 million for Fiscal 2019, 2020 and 2021, respectively.*

In Fiscals 2019, 2020 and 2021, our gross profit margin was 8.7%, 10.3% and 15.1%, respectively. Set out below is the gross profit margin from each of our business verticals.

| Particulars | March 31, 2019 | | March 31, 2020 | | March 31, 2021 | |
|---|---|---|---|---|---|---|
| | *₹ million* | % | *₹ million* | % | *₹ million* | % |
| Branded retail consumer | 2,552.28 | 10.5 | 3,494.03 | 12.0 | 7,238.08 | 16.0 |
| Industrial consumer | 734.34 | 12.8 | 706.04 | 13.6 | 1,246.92 | 19.7 |
| Bulk merchandising | 1,480.87 | 6.2 | 2,540.90 | 8.5 | 3,279.17 | 13.4 |

** Gross profit margin is calculated as (revenue from operations before deduction of incentives and trade promotions expenses - cost of materials consumed - purchases of stock-in-trade - changes in inventories of finished goods, stock-in-trade and work-in-progress) / revenue from operations before deduction of incentives and trade promotion expenses.*

In Fiscals 2019, 2020 and 2021, our EBITDA^ was ₹2,048.54 million, ₹2,788.82 million and ₹7,636.68 million, respectively.

Set out below are certain key financial and operational metrics in relation to our business.

| Particulars | March 31, 2019 | March 31, 2020 | March 31, 2021 |
|---|---|---|---|
| EBITDA^ (*₹ million*) | ₹2,048.54 | ₹2,788.82 | ₹7,636.68 |
| EBITDA margin^^(%) | 3.7% | 4.2% | 9.7% |
| Profit after tax (*₹ million*) | 1,093.46 | 1,858.50 | 5,707.69 |
| Profit after tax margin* (%) | 2.0% | 2.8% | 7.3% |
| Return on equity^^ (RoE) (%) | 18.4% | 19.3% | 42.6% |
| Return on capital employed^^ (RoCE) (%) | 28.9% | 24.7% | 53.7% |
| Working capital days | 39 | 34 | 36 |

*^ EBITDA is adjusted with inclusion of trade finance income of ₹9.80 million, ₹184.04 million and ₹325.16 million for Fiscals 2019, 2020 and 2021 respectively.*
** Profit after Tax margin represents profit after tax as percentage of total revenue*
*^^ For details on reconciliation of RoE, RoCE, EBITDA and EBITDA Margin, please refer to "Management's Discussion and Analysis of Financial Condition and Results of Operations – Non-GAAP Measures" on page 281.*

**Corporate governance and management best practices:**

We have implemented high standards in the areas of risks management, operations management and sustainability with the support of our strong management and investor base. We have implemented hedging guidelines, including limits of exposure towards edible oil price volatility and exposure towards foreign currencies. We monitor our costs very closely through every step of our operations. Our efficiency in managing our costs can be gauged from our financials through the efficient conversion of our gross profit margins to healthy profit-before-tax margins, as compared with our competitors (*Source: Technopak Report*) We strive to be sustainable in our business and have a goal to achieve environmental excellence through our initiatives such as operating our effluent treatment plants under 'zero liquid discharge' policy, installing energy efficient machinery and equipment and safely disposing our wastage. We have risk management policies, credit policies, procurement policies and IT policies which govern the core aspects of our business. We have in place a vigil mechanism / whistle-blower's policy and prevention of sexual harassment guidelines. Since inception of the business we have been using SAP's ERP software which provides effective controls over various aspects of finance and operations. We have engaged independent internal auditors to review our operations on a quarterly basis, and ever since commencing business, our books of accounts have been audited by global audit firms. Our board of directors consists of executive, non-executive and independent directors, all of whom have strong professional track records and have worked with leading companies in India and overseas.

**Impact of COVID-19 on our business operations**

COVID-19 pandemic has adversely affected the global economy. The World Health Organization declared the outbreak of COVID-19 as a public health emergency of international concern on January 30, 2020, and a pandemic on March 11, 2020. The Government of India had announced a nation-wide lockdown on March 24, 2020 which required us to halt operations from March 25, 2020. All of our refineries resumed operations within a week, as an essential food business, we were allowed to operate our factories and warehouses, in accordance with guidelines released by the Government of India and the respective State Governments.

Edible oils and fats are essential food items, therefore demand for our products did not get impacted materially. Changes in eating patterns, i.e., eating-at-home versus out-of-home also did not affect overall demand for our products materially as we cater to the both branded retail household vertical as well as the HoReCa vertical. During severe lockdowns in Fiscal 2021, household demand for cooking oils grew, while HoReCa demand fell. As the lockdowns were lifted, HoReCa demand recovered and household demand returned to normal levels. Similarly, the industrial consumer vertical and the bulk merchandizing vertical followed the same sales patterns. In addition, neither our supply chains nor our manufacturing processes have been significantly affected due to the COVID-19 pandemic.

Our financial performance in fiscal year 2021 has been well-sustained, with our total revenue from operations (before deduction of incentives and trade promotions expenses) in Fiscal 2021 being ₹78,004.14 million, as compared with Fiscal 2020, i.e., prior to the COVID-19 pandemic, was ₹65,379.74 million. For further details on the impact of COVID-19 on our results of operations, see "*Management's Discussion and Analysis of Financial Condition and Results of Operation – Significant Factors Affecting our Financial Condition and Results of Operations – Impact of COVID-19*" on page 274.

**Our Competitive Strengths**

***Leading and reputable brands in both the retail consumer edible oil and the industrial consumer speciality fats and oils sector.***

*Branded retail edible oil*

Our branded retail consumer products are marketed under our own brand, **'Freedom'**, for premium oils such as sunflower oil, rice bran oil, mustard oil and groundnut oil, and under **'First Klass'** for palm oils.

As of March 31, 2021, in the sunflower segment of the ROCP category, our market share was 17.6%, ranking us as #2 in India (*Source: Nielsen Retail Index – MAT March 2021*). As of March 31, 2021, 'Freedom' had the highest market share in the sunflower oil sector in Andhra Pradesh, Odisha and Telangana at 47%, 49%, and 37%, respectively, and the third-highest market share in Karnataka at 9% (*Source: Technopak Report*).

Set out below is the market share of 'Freedom' sunflower oil in these states as of March 31, 2019, 2020 and 2021.

| Sunflower Oil | | | | |
|---|---|---|---|---|
| **Particulars** | **March 31, 2019** | **March 31, 2020** | **March 31, 2021** | **Year Of Introduction** |
| Andhra Pradesh | 36% | 38% | 47% | 2010 |
| Telangana | 29% | 32% | 37% | 2010 |
| Odisha | 37% | 38% | 49% | 2010 |
| Karnataka | 5% | 6% | 9% | 2015 |

*(Source: Technopak Report)*.

Our range of oils under the 'Freedom' brand contributed to 99.6%, 97.9% and 96.2% of branded retail consumer revenue in Fiscals 2019, 2020 and 2021, respectively, with the remaining contributed by sales of 'First Klass'.

'Freedom' was ranked among the top five cooking oil brands in India according to the India Today 'Ipsos Urban Consumer Sentiment Survey 2020'. Through the 'Freedom' brand, we strive to provide quality products at an affordable price to consumers. The strength of our brand can be determined by the consistent growth in market share in each of the key geographies in which we sell our products and our ability to maintain a leadership position consistently. Over the years, there has been a consumption shift towards branded edible oil consumption due to various factors such as increasing health and hygiene consciousness, growth in the number of the retail stores and increasing purchasing power. Branded sunflower oil in India has seen increasing demand at a CAGR of 10% for the period Fiscal 2015 and Fiscal 2020 and has outperformed the growth rate in other edible oil categories. (*Source*: *Technopak Report*) As the second highest selling sunflower oil brand across India as of March 31, 2021 (according to Nielsen), we are well positioned to take advantage of this increase in demand.

We believe that it is essential that we occupy shelf space and are a preferred choice in the consumers' minds, to aid their buying decisions on cooking oils. We offer a quality product at an affordable price to the consumer. We use the 'push and pull' strategy to increase sales. We 'push' products through our extensive distribution network, and 'pull' consumers in through advertising and promotional activities. Through these activities, we have developed a brand with strong consumer recognition. Due to our significant market share and brand recognition, the penetration in terms of number of stores which sell our products have been increasing every year. Our advertising and promotion activities include television, print, radio and outdoor advertisements, consumer offers, event sponsorships, distributor incentive schemes and online advertising. Our advertising agency since inception of the company has been RK Swamy – BBDO.

*Industrial consumer's specialty fats and oils*

We are one of the largest players in speciality fats in south India with approximately 16% market share in specialty bakery fats in the region. (*Source: Technopak Report)* We produce a wide range of specialty fats for various food and non-food applications which are marketed to industrial consumers. Sales to our industrial consumers are largely in bulk form. A portion of our industrial consumer demand is in packaged form, which we supply under our 'GEF Magik', 'Fabula' and 'Be Rite' brands. Many of our industrial customers have been associated with us for more than eight years. Our customers in this vertical include prominent large fast-moving consumer goods companies. We have long standing business relationships with these companies and provide them with consistent product quality, timely service, competitive pricing, low counterparty risk and a range of oils and fats. The specialty fats and oil market in India is forecasted to grow by a CAGR of 8.0% for period from Fiscal 2020 to Fiscal 2025 (*Source: Technopak Report*). Our industrial consumer vertical accounted for 8.1% of our total revenue from operations in Fiscal 2021.

***Modern and strategically located manufacturing facilities.***

Our processing facilities are large-scale integrated facilities and are strategically located at the ports of Krishnapatnam and Kakinada in the south-eastern part of India, which is a high consumption region for edible oils. Our total refining capacity as at June 30, 2021 was 2,615 MT per day or 862,950 MT per year. Each of our processing units have advanced equipment and technology supplied by Desmet Ballestra, a Belgian-headquartered company. Technological developments are key in maintaining process efficiencies in refining and we have consistently invested in enhancing our refining and packaging infrastructure at all three refineries. We have invested in a high level of automation at our facilities, which gives us an edge in production and packaging efficiencies, as well as ensuring consistent quality.

The geographic arc from the ports of Kakinada and Krishnapatnam allows us to cater to a population of about 320 million people (including the states of Andhra Pradesh, Telangana, Odisha, Karnataka, Tamil Nadu and Kerala) according to *Technopak*. Approximately, 96% of India's crude sunflower oil and 96% of its crude palm oil requirements are imported. Crude sunflower oil is imported substantially from Ukraine, Argentina and Russia, while crude palm oil is largely imported from Indonesia and Malaysia (*Source: Technopak Report*). Location and access to ports are therefore important for our business and reduce logistics costs, especially given the high volumes that we import. The incoming cargoes are discharged through pipelines directly from the vessels berthed at the port jetties into our own storage tanks.

We adopt stringent quality control measures for our products. Given the high level of automation at our plants, we can produce the desired quality consistently. The oil is tested at various stages from the crude to intermediate to refined form. Only if the refined oil passes the stringent quality parameters, it is packaged. Post-packaging, each batch of oil is tested to ascertain if the batch is fit for dispatch to our customers. Our laboratories at our refineries run round-the-clock to perform the tests to ensure high quality outputs.

Our industrial customers themselves have stringent quality control requirements and perform regular audits of our facilities. Apart from the requisite FSSAI and Government certifications, we have obtained Foundation Food Safety System Certification 22000 ("**FSSC 22000**") certification for our facility at Krishnapatnam and are in the process of obtaining the same for our third refinery that is located at Kakinada. Our facility at Krishnapatnam has Roundtable on Sustainable Palm Oil ("**RSPO**") certification, as well as Kosher and Halal certification for our products.

We have a strong focus on innovation in processes to improve yields and reduce costs. These innovations have been possible due to the collective knowledge of many years of our senior production team in edible oils and fats technology.

***Extensive and well-established sales and distribution network***

As of June 30, 2021, our branded retail consumer products are sold in approximately 640 towns in Andhra Pradesh, Karnataka, Odisha and Telangana through a network of over 1,100 distributors and traders, serviced by 130 sales personnel and over 30 depots. Our 'Freedom' brand of sunflower oil was sold to more than 260,000 retail outlets across these states during Fiscal 2021. We have consistently added distributors to our network to further the reach and penetration of our brand. As of Fiscal 2019, our distribution network comprised over 800 distributors and has now increased to over 1,100, as of June 30, 2021.

We have developed strong relationship with our distributors. In our key markets, such as Andhra Pradesh, Telangana and Odisha, more than 30.0% of our distributors have been distributing our goods for more than nine years and more than 50.0% have been with us for more than five years. Where as in Karnataka, where we commenced our business in Fiscal 2016, we have average relationship of approximately three years with our distributors. We consistently support our distributors with trade promotion schemes and rewards, such as target schemes at regular intervals and secondary sales promotion schemes. We have an extensive salesforce which work alongside our distributors. They regularly visit retail outlets and assess market requirements. Timely servicing of the distributors' requirements, consistent quality of our supply and our ability to spend on advertising and consumer promotions to attract customers are the other key ingredients to maintaining our distributor relationships.

In addition to retail outlets, our 'Freedom' brand of products are sold to major regional and national supermarket chain in the states that we operate in. We have long term relationships with most of these supermarket chains. In addition to brick and mortar stores, our products are also distributed through online platforms to cater to e-commerce consumers.

Set out below are tabular representations of our distribution reach, in terms of: (i) our distribution network (i.e., distributors and wholesalers); (ii) the towns in which we have a presence; and (iii) the number of retail outlets, in the states in which we have a presence.

*Distribution network*

| Particulars | March 31, 2019 | March 31, 2020 | March 31, 2021 |
|---|---|---|---|
| Andhra Pradesh | 279 | 301 | 320 |
| Telangana | 223 | 249 | 289 |

| Particulars | March 31, 2019 | March 31, 2020 | March 31, 2021 |
|---|---|---|---|
| Odisha | 192 | 231 | 273 |
| Karnataka | 140 | 180 | 273 |

*Penetration of towns*

| Particulars | March 31, 2019 | March 31, 2020 | March 31, 2021 |
|---|---|---|---|
| Andhra Pradesh | 194 | 187 | 190 |
| Telangana | 126 | 128 | 130 |
| Odisha | 136 | 141 | 168 |
| Karnataka | 113 | 116 | 157 |

*Number of retail outlets*

| Particulars | March 31, 2019 | March 31, 2020 | March 31, 2021 |
|---|---|---|---|
| Andhra Pradesh | 85,600 | 84,725 | 89,529 |
| Telangana | 73,146 | 77,572 | 79,413 |
| Odisha | 59,748 | 65,702 | 74,840 |
| Karnataka | 9,365 | 6,997 | 18,545 |

*Technology-enabled distribution capability*

We augment the physical distribution network with technology to enable our sales force and distributors to make timely and better decisions. We have various processes running on our SAP's ERP platform which provide information on banking, sales, dispatches and accounts to our distributors, to help smoothen the sales and dispatch process. We also use BIZOM, which is a sales force and a distribution management software. The software enables the sales force to record the sales for each retail outlet and our stock at a distributors' warehouse and other parameters, through a mobile application. This helps us to capture valuable data such as the order flow of each retail outlet, the stock position at the distributor's warehouse and provides us with significant market insights. It helps us forecast the demand for a period, which can then enable us to make decisions on production planning and decisions on our advertisement and sales promotion strategies. As of March 31, 2021, 136 sales personnel were connected through the mobile application, and 440 distributors were using the distribution management software. These distributors account for 57.0% of our total branded sales.

***We have an experienced and professional senior management team along with diversified board.***

Several members of our senior management team have many years of experience in the edible oils and fats industry, with in-depth experience and knowledge in the sourcing, production, pricing, sale and distribution of edible oils and fats products, finance and risk management and have close relationships with our customers and suppliers. The senior management team has experience working at some of the top food companies in India, such as ITC Agro Tech Limited, Cargill India Private Limited, Britannia Industries Limited and Louis Dreyfus Commodities Asia Pte Ltd., among others. Our senior management team has a comprehensive understanding of the local conditions of the regions in which we operate and has the financial and commercial skills, operational knowledge and experience required to continue to develop and expand our business.

Our Company was founded by Pradeep Kumar Chowdhry who has over 40 years of industry experience, of which over 30 years has been in the edible oil industry. He is also the Managing Director of our Company and is responsible for the day-to-day business operations. He is supported by a team of highly experienced professionals in production, marketing, branding, sales and finance, with many years of experience cumulatively. We believe that the combination of an experienced senior management team and robust corporate governance from our shareholders has significantly contributed to our growth. Most of our key managerial personnel have been with us for over 10 years.

Our Company's board of directors (the "**Board**") comprises of three independent directors, two executive directors (one of them is the managing director) and four non-executive directors. Our Board is chaired by an independent director. Our Board supervises our operations through committees designed to manage and oversee key aspects of our business. We have an audit committee, finance committee, risk management committee, nomination and remuneration committee and stakeholders' relationship committee. Such committees, composed of a combination of independent directors and non-independent directors, ensure good corporate governance.

We focus extensively on our recruiting and hiring processes as we believe that our employees are our key assets. Our new employees go through a rigorous interview process and are put through a training regime to familiarize themselves with our Company, our operations, the work profile and our culture. We have a relatively flat organization structure. Employees are encouraged to have access to senior management. We also have various initiatives for skill and personality development and regularly conduct such workshops in our company for the employees. We believe in compensating our employees well, and distribute an extra bonus over and above the statutory bonus, especially if our Company has had a strong financial performance.

***We enjoy certain benefits from the experience and expertise of our Shareholders***

We benefit from the expertise of GAR and our shareholders, namely, Black River and Pradeep Chowdhry. We have undertaken a number of initiatives, such as further strengthening our corporate governance and improving risk management systems.

Listed on the Singapore Exchange since 1999, GAR is one of the leading integrated palm oil plantation companies in the world that focuses on sustainable palm oil production. GAR's primary activities include the cultivation of approximately 536,000 hectares of oil palm plantations in Indonesia, including plasma smallholders; harvesting and extracting fresh fruit bunches into crude palm oil and palm kernel; to processing it into a broad range of industrial and consumer products such as cooking oil, margarine, shortening, biodiesel and oleo-chemicals; as well as selling and distributing soyabean-based products and sugar. GAR's products are marketed globally to a diversified customer base by leveraging its extensive distribution network, strong merchandising, branding and destination marketing. GAR also has shipping and logistics capabilities that are bolstered by its ownership of vessels, seaports, jetties, warehouses and bulking facilities in strategic locations. GAR handled more than 10 million MT of edible oils annually, during its financial year from 2018 to 2020.

Black River is a food sector focused private equity fund. The fund is managed by Proterra Investment Partners.

Our promoter-founder and managing director, Pradeep Chowdhry, has over 40 years of experience, 30 years of which have been in the edible oils and fats industry. Prior to joining our Board, he was the managing director of Acalmar Oils & Fats Limited. He has in the past worked also with companies such as Indian Explosives Limited, ITC Agro Tech Limited and Britannia Industries Limited. He has been instrumental in our Company's rapid growth since founding the business.

***We have a strong financial position.***

We have a strong balance sheet with consistent improvements in our net worth. Our long-term borrowings have remained significantly low from ₹565.00 million as of March 31, 2019, ₹434.00 million as of March 31, 2020 and nil as of March 31, 2021. Between Fiscal 2019 and 2021, the ratio of our current assets to current liabilities increased from 1.6x as of March 31, 2019 to 1.7x as of March 31, 2021. Our RoE was at 18.4%, 19.3% and 42.6% in Fiscal 2019, 2020 and 2021, respectively. We have generated operating cash flow after working capital changes of ₹2,212.58 million and ₹5,883.96 million in Fiscal 2020 and 2021, respectively.

| Particulars | March 31, 2019 | March 31, 2020 | March 31, 2021 |
|---|---|---|---|
| Long-term borrowings (in ₹ million) | 565.00 | 434.00 | - |
| Current ratio^ | 1.6x | 1.4x | 1.7x |
| Net Assets Value`` (in ₹ million) | 8,700.66 | 10,550.96 | 16,245.64 |
| Inventory turnover ratio* | 8.1x | 7.1x | 6.2x |
| Asset turnover# | 2.3x | 2.9x | 2.7x |
| RoCE^^ | 28.9% | 24.7% | 53.7% |
| RoE^^ | 18.4% | 19.3% | 42.6% |
| Capex outflow (in ₹ million) | (1,761.69) | (1,295.17) | (355.01) |

| Particulars | March 31, 2019 | March 31, 2020 | March 31, 2021 |
|---|---|---|---|
| Operating cash flow after working capital change (in ₹ million) | (210.83) | 2,212.58 | 5,883.96 |

*^ Current ratio is defined as current assets / current liabilities. Please also see "Restated Financial Information" on page 207.*
** Inventory turnover ratio is defined as (sum of Cost of raw materials consumed, purchases of stock in trade and changes in inventories of finished goods, stock – in – trade and work –in – progress) / average inventory, where average inventory is simple average of closing and opening inventory of each Fiscals and opening inventory of Fiscal 2019 being ₹6,278.63 million*
*# Asset turnover is computed by dividing revenue from operations with average total assets for the year. Average total assets is calculated as simple average of opening and closing total assets for the year with opening total assets for Fiscal 2019 being 28,131.60*
*`` Net Assets Value represents net worth which includes paid up share capital and all reserves and surplus and securities premium account as per the Restated Financial Information.*
*^^ For details on reconciliation of RoE and RoCE, please refer to "Management's Discussion and Analysis of Financial Condition and Results of Operations – Non-GAAP Measures" on page 281.*

As of June 30, 2021, we have a credit rating from India Ratings (a subsidiary of the Fitch Group) of Ind A+ for fund-based limits and Ind A1+ for non-fund-based limits (we have zero long-term debt as of June 30, 2021). This financial strength permits us to carry a sufficient inventory of raw materials. Our strong balance sheet also gives us the ability to mobilize our capital expenditure plans at a fast pace, as we can fund these either through our internal sources or if required, through term loans.

Due to our reputation in the edible oil industry and our financial strength, we have been able to attract some of the top global agri-merchandising companies in supplying to us, such as Avere Commodities S.A., Bunge Asia Pte. Ltd., Cargill International S.A. and COFCO Resources S.A., among others. We believe that we are able to procure at competitive market prices due to a combination of our volumes, our payment track record and our reputation.

**Our Strategies**

Our key objectives are to continue the demand-driven expansion of our business and operations by expanding our market presence to neighboring states, increasing our production capacity and further strengthening our market position. Our key strategies to achieve these objectives are as follows:

***Strengthen our market presence in our existing markets in India.***

Currently, India's consumption of edible oils per capita is low in comparison to the world average. With increasing per capita income, both at home and out-of-home food consumption are set to increase and edible oils is one of the first segments that will attract more expenditure from households. Within the edible oils segment, branded edible oil retail market is forecasted to grow at a CAGR of 7% for the period from Fiscal 2020 to Fiscal 2025. Within it, the sunflower oil category is forecasted to grow at a CAGR of 8% for the same period. (*Source*: *Technopak Report*) We intend to leverage our strong 'Freedom' brand and established distribution network to grow our market presence in the states we currently operate in.

Since our entry in 2010 in Andhra Pradesh, Telangana and Odisha, we have grown our market share and we intend to continue with efforts to maintain our leadership position in these states. From 2015 onwards, we focused on increasing our brand awareness and establishing a strong distribution network in Karnataka. As at March 31, 2021, 'Freedom' brand is the third-largest sunflower oil brand in Karnataka, with a market share of approximately 9% (*Source*: *Technopak Report*). Our growth in market share in Karnataka from 6% as of March 31, 2020 to where we are today, puts us in a better position to attract more distributors and increase our sales volumes. Our expenditure on advertising and promotion activities in Karnataka (including incentives and trades promotion expenses) in Fiscal 2021 was ₹159.59 million, which represented 4.5% of our branded retail consumer revenue amounting to ₹ 3,565.86 million from Karnataka. This compares with a corresponding figure of 1.6% for the Company as a whole, as of the same period. Our aim is to achieve a market leadership position and improve our margin profile in Karnataka over the next few years. Our success thus far in Karnataka will also give us the confidence to expand our market to other states.

***Expand our market presence to other states in India and increase distribution reach.***

We intend to further expand our reach in the next three years to enter other southern states such as Tamil Nadu and Kerala which have high volumes of sunflower oil consumption. Within the next five years, we aim to expand our presence to the northern and eastern states of India such as Chhattisgarh, Jharkhand, Uttar Pradesh and West Bengal.

According to Technopak, during Fiscal 2020, the per capita consumption of edible oils in the northern and eastern states were 13 kgs and 14 kgs per annum, respectively, which is lower than the India average of 17 kgs per annum (during the same period), and we believe it will provide more opportunity for growth in these states. We will focus on providing not only sunflower oil, but also soyabean and mustard oils, which are preferred by households in these states. We commenced our entry into Chhattisgarh in Fiscal 2020.

We also intend to continue to expand the reach of our 'Freedom' products in supermarkets and e-commerce. We have long-standing relationships with major national and regional supermarket chains and are building our customer base across online platforms. The modern retail segment is a growing sales channel for branded edible oils. We have sales personnel dedicated to servicing the requirements of supermarkets as well as e-commerce companies. The online platform is an important part of our distribution network as retail consumers are becoming more tech-savvy and are opting for the convenience of online purchases for their grocery needs. Our retail sales volume from modern retail channel increased from 33,833 MT, which was 12.5% of the total 'branded retail consumer' sales volume in Fiscal 2019 to 45,243 MT which was 11.7% of total 'branded retail consumer' sales volume in Fiscal 2021.

We are keen to explore and continue to evaluate any opportunities, which may arise from time to time, to expand our businesses through partnerships or the acquisition of another company or brand. Our expansion will be driven by opportunities to grow our revenues and profitability by tapping into new opportunities in our existing markets as well as in new markets.

***Increase our production capacity with modern and highly automated process***

We aim to capitalize on the increasing consumption of edible oils in India. By increasing our production through setting up new refineries and/or expansion in existing facilities, we will be able to meet the growing demand for edible oils, especially sunflower oil. To meet the increasing demand, we are evaluating proposals to set up another refinery at Krishnapatnam. We already have land of approximately 33.82 acres available at Krishnapatnam to set up this refinery and we have recently purchased 1.61 acres of land parcel at Kakinada to set up additional tank farm capacities.

Technological developments have increased efficiencies in the refining process, with a decrease in dependence on human involvement, resulting in less human error, while at the same time increasing productivity. We have a high level of automation in our existing refineries. All of our refineries are programmable logic controlled which manage the cycle times, temperatures, oil flow and provide safeguards. We have invested in an even higher level of automation in the second Kakinada refinery, which has given us an edge in production and packaging efficiencies and costs, as well as on quality. The packaging machinery at the Kakinada facility include robotic pouch pick-and-place, robotic carton filling lines, high speed oil filling lines and automatic tin and jar manufacturing plants. We will continue to adopt the same strategy of investment in automation in the future.

***Further increase our brand awareness***

We intend to continue to dedicate substantial resources to strengthen the 'Freedom' brand as a preferred cooking oil in India. We believe that our expertise in differentiating our brand and products from competitors through our marketing activities is an important factor in attracting consumers. Over the years, the marketing initiatives that we have undertaken to increase visibility of the 'Freedom' brand include television commercials, print publication, radio, digital media, consumer offers and roadshows. Third-party endorsements are also strategically used. For instance, in December 2020, we engaged a well-known celebrity to strengthen our brand image in Karnataka. We intend to continue to increase our brand visibility through a well-thought out and focused marketing strategy, including providing the best quality product and attractively designed packaging. This strategy will enable us to strengthen market share in our existing markets and increase market share in other states.

***We intend to continue improving efficiencies throughout all business operations and our risk management practices.***

As an organization, we intend to continue on improving efficiencies in different functions in the business such as manufacturing, packaging, sales, marketing, logistics, merchandising and finance. Efficiencies resulting from these functions will add value to the company, whether in increasing the output, improving service levels, reducing costs (such as raw material costs, finance costs) or raising sales realization. In addition, as we have experienced in previous financial years and is reflected in our improving profitability, the increasing scale of our operations can enable us to enjoy better margins.

**Description of our Business**

**Our business verticals**

Our business comprises the following three verticals:

(1) *Branded retail consumer vertical:* in this vertical, we sell sunflower oil, rice bran oil, mustard oil, groundnut oil and palm oil to retail consumers in packaged form;

(2) *Industrial consumer vertical:* in this vertical, we sell high stability frying oils, palm oils, cocoa butter substitutes, inter-esterified vegetable fats and shortenings to industrial customers in bulk or packaged form for various applications such as biscuits, snack foods, confectionery, non-dairy whip topping, ready-to-eat, frozen desserts and food ingredients; and

(3) *Bulk merchandising vertical:* in this vertical we sell crude and refined palm, palm kernel, sunflower and soyabean oils in bulk to traders and re-packers.

In Fiscals 2019, 2020 and 2021, our total revenue from operations (before deducting incentives and trade promotion expenses) was ₹54,494.35 million, ₹65,379.74 million and ₹78,004.14 million, respectively and our profit after tax was ₹1,093.46 million, ₹1,858.50 million and ₹5,707.69 million, respectively.

Set out below are the total sales volumes for each of our principal business verticals for the years indicated.

**(*in metric tons*)**

| Particulars | Fiscal 2019 | Fiscal 2020 | Fiscal 2021 |
|---|---|---|---|
| Branded retail consumer | 269,899 | 312,232 | 385,619 |
| Industrial consumer | 78,452 | 75,761 | 74,421 |
| Bulk merchandising | 398,669 | 497,154 | 318,554 |

**Branded retail consumer vertical**

Our retail products are marketed under our own brand, namely 'Freedom' for sunflower oil, rice bran oil, mustard oil and groundnut oil. Set out below is the revenue for products in our branded retail consumer vertical for the years indicated.

**(*in ₹ million*)**

| Particulars | Fiscal 2019 | Fiscal 2020 | Fiscal 2021 |
|---|---|---|---|
| **Branded Retail Consumer** | | | |
| Sunflower oil | 23,320.89 | 27,351.09 | 41,831.69 |
| Rice bran oil | 382.55 | 417.44 | 664.52 |
| Mustard oil | 180.99 | 275.69 | 474.67 |
| Groundnut oil | 235.24 | 388.12 | 410.52 |
| Palm olein | 87.08 | 621.17 | 1,721.30 |
| Others | 4.68 | 10.82 | 21.86 |

Set out below are sales volumes for the products in our branded retails consumer vertical for the years indicated.

**(*in metric tons*)**

| Particulars | Fiscal 2019 | Fiscal 2020 | Fiscal 2021 |
|---|---|---|---|
| **Branded Retail Consumer** | | | |
| Sunflower oil | 260,088 | 293,862 | 355,369 |
| Rice Bran oil | 4,324 | 4,530 | 5,774 |
| Mustard oil | 1,889 | 2,712 | 3,613 |
| Groundnut oil | 2,351 | 3,486 | 2,842 |
| Palm oil | 1,193 | 7,595 | 17,863 |
| Others | 54 | 47 | 158 |

The raw materials are primarily crude sunflower oil and palm oil that are sourced from Ukraine, Russia, Argentina, Indonesia and Malaysia. These oils are processed and packaged at our refineries in Krishnapatnam and Kakinada, in Andhra Pradesh. Rice bran oil, mustard oil and groundnut oil are packaged at our own facilities in Krishnapatnam and Kakinada, as well as at third-party facilities - one each in Telangana and Odisha.

The following sets out the detailed SKUs of our branded retail vertical products:

| Products | SKU | |
|---|---|---|
| Sunflower oil | Pouch: 200ml, 500ml, 1ltr<br>Pet : 500ml, 1ltr, 2ltrs<br>Jar : 5ltrs, 15ltrs<br>Tin: 15ltrs, 15kgs |   |
| Rice Bran oil | Pouch: 1ltr<br>Tin: 15ltrs, 15kgs |   |
| Mustard oil | Pouch: 500ml, 1ltr<br>Pet : 200ml, 500ml, 1ltr |   |
| Groundnut oil | Pouch: 1ltr<br>TIN: 15ltrs, 15kgs |   |

| Products | SKU | |
|---|---|---|
| Soyabean Oil | TIN: 15ltrs, 15kgs |  |
| Palm olein | Pouch: 500ml, 1ltr<br>TIN: 15ltrs, 15kgs |  |

**Industrial consumer vertical**

Our industrial consumer products are sold either in bulk form or packaged form under the 'GEF Magik', 'Fabula' and 'Be Rite' brands. The oils and fats we supply are used for application in biscuits, snack foods, confectionery, non-dairy whip topping, ready-to-eat, frozen desserts and food ingredients. Our specialty oils and fats are produced from palm oil and palm kernel oils.

Set out below is the revenue for products in our industrial consumer vertical for the years indicated.

(*in ₹ million*)

| Particulars | Fiscal 2019 | Fiscal 2020 | Fiscal 2021 |
|---|---|---|---|
| **Industrial Consumer** | | | |
| Specialty Fats | 1,600.38 | 1,324.20 | 1,590.35 |
| Palm Olein | 4,125.81 | 3,873.65 | 4,734.60 |

Set out below are sales volumes for the products in our industrial consumer vertical for the years indicated.

(*in metric tons*)

| Particulars | Fiscal 2019 | Fiscal 2020 | Fiscal 2021 |
|---|---|---|---|
| **Industrial Consumer** | | | |
| Specialty Fats | 17,657 | 15,402 | 14,871 |
| Palm Oil | 60,795 | 60,359 | 59,551 |

Set out below are the detailed SKUs of our branded institutional vertical products.

| Products | Brand | SKU | |
|---|---|---|---|
| Specialty fats | Coat Magik | 15 Kgs BIBS |   |
| | Choco Magik | 15 Kgs BIBS |     |
| | Fabula | 15 Kgs BIBS |           |
| | Smart Fat | 15 Kgs BIBS |     |

| Products | Brand | SKU | |
|---|---|---|---|
| | Be Rite | 15 Kgs BIBS |  |
| Palm olein | Fry Magik | 15 Kgs TIN |  |

**Bulk merchandising vertical**

Our bulk merchandising vertical refines and sells crude and refined edible oils that are sold to refiners, re-packers and wholesalers.

Set out below are our revenue and sales volumes from the products in our bulk vertical for the years indicated.

| Particulars | March 31, 2019 | | March 31, 2020 | | March 31, 2021 | |
|---|---|---|---|---|---|---|
| | Revenue *(in ₹ million)* | Volume *(in ₹ MT)* | Revenue *(in ₹ million)* | Volume *(in ₹ MT)* | Revenue *(in ₹ million)* | Volume *(in ₹ MT)* |
| **Bulk vertical** | | | | | | |
| Palm Oil and Palm Kernel Oil – Processed | 52,56.92 | 77,978 | 71,62.59 | 103,196 | 13,398.08 | 148,638 |
| Imported RBD Palmolein | 13,861.01 | 216,351 | 14,839.32 | 230,623 | 2,203.00 | 26,570 |
| Palm Oil and Palm Kernel Oil – Unprocessed | 573.38 | 14,542 | 1,155.47 | 25,559 | 2,272.79 | 32,022 |
| Sunflower Oil – Processed | 1,067.11 | 13,855 | 1,771.31 | 21,454 | 2,040.30 | 19,771 |
| Sunflower Oil – Unprocessed | 2,149.52 | 29,948 | 2,614.28 | 33,511 | 3,196.16 | 35,795 |
| Others | 1,648.77 | 45,995 | 3,574.60 | 82,811 | 3,444.30 | 55,759 |

We source crude sunflower oil from Ukraine, Argentina and Russia; palm and palm kernel oils are largely imported from Indonesia and Malaysia, while soyabean oil is imported from Argentina.

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## Manufacturing Process

### *Palm and Lauric Oil Refining Process*

*Soft Oils*

Traditionally, crude degummed soft oils are chemically refined due to their higher residual content of phosphatides and mucilaginous gums as compared to crude palm oil. We process degummed soft oils by first pre-treating the oils with edible grade phosphoric acid to condition the content to facilitate their removal in the subsequent neutralization process. During the neutralization process, caustic alkali solution is added into the pre-treated oil. In the resulting chemical reaction, alkali combines with free fatty acids to form soaps, while the gums absorb the alkali and coagulates. Meanwhile many other pigments and others impurities are degraded, absorbed by the coagulated gums or made water-soluble by the alkali. These undesired chemical substances are subsequently removed by centrifugal separators and washed away, leaving behind the neutralized oil. The neutralized oil will be cleansed using hot water with traces of citric acid to further remove traces of soap and then dried. Thereafter, the neutralized oil will undergo the normal bleaching, dewaxing and deodorization processes at the end of which, in the fully refined product, neutralized, bleached, dewaxed and deodorized ("**NBD**") soft oils are produced.

*RBD Palm Oil and RBD Palm Kernel Oil*

To produce refined palm oil and palm kernel oil, crude palm oil ("**CPO**") and crude palm kernel oil ("**CPKO**") are processed through several refining stages. The first step is degumming, in which CPO and CPKO are pre-treated with food-grade phosphoric acid (for CPO) and citric acid (for CPKO). The next step is bleaching, where impurities, some color pigments and trace metals are removed through adsorptive cleansing using activated bleaching earth. Effective bleaching improves and significantly influences the aesthetic value and overall oxidative stability in the final refined oil. To remove the undesirable odor and taste of free fatty acids, the bleached oil is then sparged with steam at high temperatures of between 240ºC to 260ºC in a vacuum. These volatiles are evaporated and removed during the deodorization stage. These processes produce refined, bleached and deodorized ("**RBD**") palm oil and RBD palm kernel oil, which is light yellow in color and bland in taste. The free fatty acids that were removed during the deodorizing stage are condensed into palm fatty acid distillate, a by-product of the refining process.

*RBD Palm Olein/Palm Kernel Olein (liquid) and RBD Palm Stearin/Palm Kernel Stearin (solid)*

To cater for a wider range of applications and markets for palm oil, RBD palm oil can be further processed to olein and crude palm kernel oil can be cooled to fractionate into crude palm kernel olein and crude palm kernel stearin, followed by refining to generate RBD palm kernel olein, a low-melting liquid fraction and stearin, a higher-melting solid fraction. This fractionation process is also known as the crystallization of oils, where RBD palm oil and RBD palm kernel oil are cooled until higher-melting fat crystals are formed. The mixture of liquid and solid crystallized oil in the crystallizer is then separated, using a membrane filter press, into olein and stearin. RBD palm olein is widely used as cooking oil. RBD palm olein can be further fractionated. RBD palm stearin and RBD palm kernel olein are used as feed material for oleochemical plants, in addition to being a raw material in the manufacture of bakery and confectionery fats. RBD palm kernel stearin can be further hydrogenated into various types of specialty fats.

### *Consumer Pack Product Manufacturing Process*

Consumer pack products are available in non-texturized and texturized form, and packed in various packaging and sizes. For non-texturized products, the freshly produced oils are directly packed into the desired packaging, whereas texturized products are subjected to texturization and tempering processes. Normally, a specific mixture of oils and required food additives will be homogenized in a blending tank before being passed through and worked in a texturizer. Texturization involves super-cooling and crystallizing homogenized oils in a unit operation of scraped surface heat exchangers with pin rotors. During this process, the oils are constantly "super-cooled" into fine crystals. The layer of crystallized fats that forms on the cooling surface is removed continuously, while pin rotors knead the mixture of crystals repeatedly resulting in a smooth, homogenous and stable texture of crystallized fats of the required consistency, plasticity, creaming properties, baking performance and other applications. These texturized fats are packed and retained for a short period of time in selected storage temperatures prior to being packed.

### *Specialty Fats Manufacturing Process*

We produce a wide range of specialty fats for various food and non-food applications. Our refined oils from palm and palm kernel oil, as described above, are subject to further value-added processes such as the selective combination of hydrogenation, fractionation, interesterification and texturization. Both hydrogenation and interesterification alter the composition of refined oils, providing the desired rheological properties, solid fats profiles and other special physical features such as sharp melting, good "mouth-feel" and flavor-release, as well as other aesthetic values. Various combinations of processing techniques integrated with a choice of suitable oil types enable us to produce a wide range of quality specialty fats to accommodate the needs of our customers.

## Manufacturing Facilities and Capacity

### *Refineries*

In 2010, we acquired an existing edible oil refinery in Kakinada and we commissioned a greenfield unit in Krishnapatnam for processing, packaging and storage of sunflower oil, palm oil, palm kernel oil and specialty fats and oils. In the last decade, we have enhanced the processing and packaging infrastructure at both these units in Krishnapatnam and Kakinada to meet the increasing market demand and our growing requirements. In 2019, we commissioned our third manufacturing facility, which is located at Kakinada. Our manufacturing facilities in Krishnapatnam and Kakinada have a refining capacity of 1,100 MT a day and 1,515 MT a day, respectively, as of June 30, 2021. In addition, we have 125 MT a day of interesterification and 100 MT a day of hydrogenation facilities in Krishnapatnam. Due to the strategic location of our refineries, we are well placed to cater to the markets in south and east India for our edible oil business.

Our facility at Krishnapatnam has received the FSSC 22000.

### *Capacity and Capacity Utilization*

The table below sets out certain information with respect to the capacity and utilization rate of our facilities.

| | **Fiscal 2019** | | | **Fiscal 2020** | | | **Fiscal 2021** | | |
|---|---|---|---|---|---|---|---|---|---|
| | **Annual Production** | | **(%) Utili-zation Rate** | **Annual Production** | | **(%) Utili-zation Rate** | **Annual Production** | | **(%) Utili-zation Rate** |
| | **Capacity*** | **Output** | | **Capacity*** | **Output** | | **Capacity*** | **Output** | |
| **Krishnapatnam** | | | | | | | | | |
| Refinery of Palm Oil | 148,500 | 143,918 | 96.9 | 148,500 | 112,192 | 75.6 | 148,500 | 131,680 | 88.7 |
| Refinery of Soft Oil | 82,500 | 112,863 | 136.8 | 82,500 | 115,409 | 139.9 | 82,500 | 108,309 | 131.3 |
| Refinery of Laurics | 33,000 | 15,802 | 47.9 | 33,000 | 17,600 | 53.3 | 33,000 | 16,157 | 49.0 |
| **Kakinada, Unit 1** | | | | | | | | | |
| Refinery of Soft oil | 82,500 | 119,617 | 145.0 | 117,288 | 82,544 | 70.4 | 120,450 | 65,019 | 54.0 |
| **Kakinada, Unit 2** | | | | | | | | | |
| Refinery of Palm Oil | - | - | 0.0 | 121,000 | 40,153 | 33.2 | 181,500 | 80,533 | 44.4 |
| Refinery of Soft Oil | - | - | 0.0 | 132,000 | 106,396 | 80.6 | 198,000 | 212,276 | 107.2 |

**Annual production capacity has been calculated by multiplying per day capacity with 330 days considering non-production days mainly attributable to monthly maintenance, annual maintenance, and national holidays.*

### *Raw materials*

The main raw materials used in the manufacture of our products are crude edible oils.

Materials and related costs amounted to ₹49,726.87 million, ₹58,638.80 million and ₹66,239.97 million, representing 92.7%, 92.7% and 93.3% of our total expenses, for Fiscals 2019, 2020 and 2021. We import crude sunflower oil primarily from Ukraine, Argentina and Russia. For palm and palm kernel oils, we import both crude and refined oils primarily from Indonesia and Malaysia. While we import soyabean oils, we import from Argentina.

Depending upon market conditions and our requirement of crude edible oils based on our estimated sales, we try to keep our raw material costs low by timing our purchases and delivery months. We typically do not enter into long term supply arrangements for procurement of our raw materials. We enter into short term contracts for procurement of crude edible oil, two to three months prior to the date of delivery. Crude edible oils being commodities are subject to price fluctuations as a result of seasonality, weather, demand in local and international markets and other factors.

***Packaging***

For various SKUs, our total packaging capacity at our three manufacturing facilities is 3,988 MT per day.

For our branded retail consumer vertical, we use several types of primary packaging materials, such as flexible multilayer films for SKUs of 500ml and 1 ltr and high-density polyethylene ("**HDPE**") for our SKUs of 5 ltr and 15 ltr, as well as aluminium tins for SKUs of 15kg and 15 ltr. In 2018, we introduced a newly designed polyethylene terephthalate ("**PET**") bottles for 500ml and 1 ltr SKU. We source the preforms and produce our own PET bottles. We also source HDPE granules and produce our own 5 ltr and 15 ltr jars for a substantial portion of this requirement. At our third refinery at Kakinada, we also have our own tin manufacturing facility.

For our industrial consumer vertical, we use low-density polyethylene ("**LDPE**") liners as primary packaging materials and corrugated boxes with higher GSM as secondary packaging materials.

For the secondary packaging for both our branded retail consumer and industrial consumer products, we use corrugated carton boxes to protect the primary packaging in different stages of sales and distribution.

We focus on and ensure the attractiveness and ergonomics of our packaging of our products for retail consumers.

**Sales, Marketing and Distribution**

We have built a geographically dispersed and effective sales and distribution network. We sell our products directly and by expanding our reach through an extensive domestic distribution network that consists of, as of June 30, 2021, over 1,100 distributors. We have increased our reach significantly since March 31, 2019, when our distribution network comprised over 800 distributors. Our branded packaged products are sold across 640 towns in Andhra Pradesh, Karnataka, Odisha and Telangana. 'Freedom' sunflower oil is sold to more than 260,000 retail outlets across these states. In addition to brick and mortar stores, our products are also distributed through online platforms to cater to e-commerce consumers.

We monitor the market and adopt technologies that would help in increasing the efficiency of our sales and distribution operation. For example, we adopted Artificial Intelligence ("**AI**")-linked processes, for contract booking, sales order creation, invoice booking, invoice clearing, credit management and credit creation. We also use Application Programming Interface ("**API**") to integrate most of our bank servers with our core enterprise resource planning ("**SAP**") database, to record banking payments in our SAP system seamlessly. With such information, this enables us to analyze and assign real time credit limits to our customers. We also use BIZOM, which is a sales force and a distribution management software. The software enables the sales force to record the sales for each retail outlet, our stock at a distributors' warehouse and other parameters, through a mobile app. This helps us to capture valuable data such as the order flow of each retail outlet, the stock position at the distributor's warehouse and provides us with significant market insights.

Certain marketing initiatives that we have undertaken to increase visibility of the 'Freedom' brand include television commercials, print publication, radio, digital media, public relations, consumer offers and roadshows, among others. Third-party endorsements are also strategically used from time to time. We advertise on regional channels in the states in which we have a presence, to ensure greater brand visibility. Print media is typically used at the time of launch of a campaign and is primarily used to reach the non-regional language of the relevant state. Consumer offers such as promotional schemes provide us with an opportunity to test new products with various demographics. As of March 31, 2021, we had 130 employees in our sales and marketing team who actively engage with key distributors to review sales figures and discuss their concerns and expectations. We also have a dedicated sales and marketing team of employees, which handles marketing, business development and relationship management for our products.

### Competition

We compete with several regional and local companies, as well as large multi-national companies. Our competitors in the branded retail consumer vertical are Adani Wilmar, Kaleesuwari, MK Agrotech and Lohiya Industries, among others. While in industrial consumer vertical, our competitors include Adani Wilmar, Bunge, 3F Industries, AAK Kamani and Emami Agrotech, among others (*Source: Technopak Report*).

Our position in relation to our competitors will depend upon our ability to anticipate and respond to various competitive factors facing the industry, including pricing strategies by competitors, our ability to source raw materials cost effectively, make required investments to improve our distribution network, eliminate redundancies and increase production at low-cost, high-quality supply sources. For further details, see section titled "*Risk Factors*" on page 25.

### Risk Management

Risk management is an integral part of our operations. Leveraging our shareholders' experience, we have created and implemented effective risk management practices. It is essential for us to identify and manage risks in order to reduce uncertainties and ensure continuity of business.

Our business model with sale to the different sets of end consumers – households, HoReCa and industrials allows us to better manage cyclicality in our industry. Our raw material is a commodity and is subject to volatility in prices. We have developed effective hedging strategies and risk management policies over the years that have enabled us to effectively manage the price risks associated with the underlying raw material. We have a robust risk management policy in place, which sets out clear and practical guidelines for supply and market risk, and credit risk. Senior management regularly evaluates the risks mentioned.

We also undertake regular inspection of our machineries and periodic preventive maintenance checks on other equipment in order to ensure they meet safety requirements.

### Employees

As of March 31, 2021, we had 672 permanent employees. We focus on providing proper and adequate training to our new employees. After gaining sufficient experience and skills, our staff members are promoted internally on to more senior roles with greater responsibilities. We have various types of training sessions for skills and personality development and we regularly conduct such workshops in our company.

Set out below are employee details as of March 31, 2021.

| Employee function or department | Number of employees |
|---|---|
| *Production* | |
| Refinery | 240 |
| Fractionation | 2 |
| Packing | 112 |
| *Sales and Marketing* | |
| Sales | 69 |
| Marketing | 4 |
| Distribution | 3 |
| *General and Administrative* | |
| Management | 2 |
| Quality Control and Research and Development | 39 |
| Information Technology | 10 |
| Procurement | 7 |
| Internal Audit | 1 |
| Finance and Business Control | 24 |
| Human Resources/ Administration | 8 |

| Employee function or department | Number of employees |
| --- | --- |
| Execution | 110 |
| Assistants | 19 |
| Security | 15 |
| Tax and Legal | 7 |
| **Total** | **672** |

We conduct periodic reviews of our employees' job performance and determine salaries and discretionary bonuses based on such reviews and general market conditions.

**Quality Control**

We consider quality control important to our business and we have implemented quality control measures at various stages of our production and operation processes. These measures seek to ensure that the quality of our products satisfy the expectations of our customers and achieve industry standards.

Our quality control starts at the commencement of the supply chain. The crude edible oils received at our refineries are subject to stringent quality checks. We have invested in laboratory equipment to measure various parameters of crude and refined edible oils, and are able to carry out quality control tests quickly at high levels of accuracy and reliability. We have written procedures and working instructions for the quality checks that we undertake on the supplies we receive, the raw materials we process, the storage of raw materials and finished products, and the distribution of our products, which our quality control staff must comply with.

We have obtained FSSC 22000 certification for our edible oil processing unit at Krishnapatnam and are in the process of obtaining the same for our refinery at Kakinada. Our facility at Krishnapatnam has RSPO certification, as well as Kosher and Halal certification for our products. For further details, see "*Government and Other Approvals*" beginning on page 299.

**Environment, Health and Safety Matters**

We are committed towards protecting the environment while doing our business. We strive to achieve our goal for environment excellence by implementing systems and procedures such as operating the effluent treatment plant with "zero liquid discharge" policy which is at par with international standards; maintaining clean air by effective management of air pollution control equipment like mechanical dust collectors and bag filters; increasing the operating efficiencies by adopting the advanced technologies in the process resulting into less energy consumption and advocating green activities through the use of natural resources and reduction of wastages by leveraging the "3R" principle - reduction, recycle and reuse. We comply strictly to the statutory environmental norms through online monitoring of air and water pollution, and safe disposal norms by regular disposal of waste materials using government-authorized vendors only.

We aim to comply with applicable health and safety regulations and other requirements in our operations and have adopted a health and safety policy that is aimed at complying with legislative requirements, requirements of our licenses, approvals, various certifications and ensuring the safety of our employees and the people working at our facilities or under our management. We are in compliance, in material respects, with applicable health and safety laws and regulations.

Our facility at Krishnapatnam has RSPO certification for the purchase and processing of crude palm oil and crude palm kernel oil. There is an expectation that commodities are produced without causing harm to the environment or society. RSPO is an internationally recognized standard for assuring sustainable production of palm oil and palm kernel oil across the supply chain. We endeavour to procure sustainable palm oil, including through the RSPO certification obtained by our Krishnapatnam facility.

We believe that accidents and occupational health hazards can be significantly reduced through a systematic analysis and control of risks and by providing appropriate training to our management and our employees. All our facilities possess adequate effluent treatment processes and minimize any contamination of the surrounding environment or pollution, in material respects. See also "*Risk Factors – 10. Our operations are subject to evolving health, safety and environmental laws and regulatory standards.*" on page 31.

## Research and Development ("R&D")

R&D is a key function of our business that strengthens our competitive advantages. We have a team of five employees in our R&D department at our Kakinada facility and six employees at our Krishnapatnam facility. Our R&D team has experience ranging between 10 and 26 years in the oil and fats technology sector. Our team has been involved in the development of new products and formulations in bakery shortenings, cocoa butter substitutes and other specialty fat products. We make consistent efforts to improve the quality of the various oils we produce to make edible oils safe and compliant.

R&D is also important in developing new products to meet market and customer requirements in the specialty fats vertical. Most of our industrial customers require a certain degree of customization for the specialty fats we supply. We collaborate closely with our customers to produce the fats according to their formulations, which we believe is one of the reasons that we have long-lasting relationships with our industrial consumers. We also use advanced technology and processes to perform a number of tests on our new products to ensure usability, including the use of nuclear magnetic resonance analyzer to estimate the solid fat content at different temperatures of our products and gas chromatography to estimate the composition of fatty acid in the edible oil or fats.

R&D in our production processes is an integral part of our work culture. We continually focus on R&D in process improvements to help improve our yields and quality, and reduce processing costs. This has been an important part of our strategy over the years.

## Information Technology

Information Technology ("**IT**") plays a vital role in the success of our business. We have invested in and adopted advanced technologies to facilitate the growth of our business. The key functions of our IT team include maintaining and monitoring a secured network for our business transactions.

We have an agreement with IAITS, one of our Group Companies, to whom we pay annual fees for the use of SAP software. SAP's ERP software that we have implemented, is seamlessly integrated within all business functions and highly scalable and secure to support the growth of our business. We have also started adopting AI-linked processes in contract booking, sale order creation, invoice booking, invoice clearing, credit management and customer creation to increase efficiencies and optimize processes. Additionally, we have adopted other technologies such as API for integrating most of our bank servers within our SAP database. This helps us to record seamless banking payments in our SAP with all the relevant details, which helps us to analyze and assign real time credit limits to our customers.

Customer satisfaction is an integral part our organization. Once a customer has been on-boarded on our ERP system, an auto-generated welcome note to the customer is sent by email followed by transaction information such as contract creation, sale order creation, truck placement and invoice generation. We also keep our customers updated daily with their pending contracts and monthly with a customer ledger.

We use multiple systems to capture various information which is then interfaced to SAP. We also use a distribution management system for our branded retail consumer business. This provides significant value addition by capturing details of inventory in secondary markets, planning of sales and market information, which cannot be managed through SAP. While we invest in improving our business processes, we also invest in the digitalization of various other processes for compliance management, leave management and attendance recording. We also have surveillance systems to monitor our plants and sales point locations.

## Insurance

We maintain insurance coverage that we consider is necessary for our business. We maintain insurance policies for our refineries, offices, buildings, machinery, equipment, products, directors and officers liability insurance, burglary insurance, standard fire and special perils policy, fire floater policy, marine cargo annual turnover policy, industrial all risks insurance policy, group health insurance policy, group personal accident policy, marine open inland declaration insurance policy, fidelity guarantee insurance policy, motor car policies, marine open import declaration insurance policy, employee dishonesty policy, terrorism insurance policy, business package insurance policy and comprehensive general liability insurance. We also maintain a mediclaim policy and personal accident insurance for our employees.

**Intellectual Property**

We have registered or have applied for registration for several trademarks, copyrights and designs in connection with our business in India.

Our "Freedom" trademark was carefully thought of in its creation so as to have a variety and flexibility towards its usage in describing our products, such as, "*Freedom to Eat*" and "*Freedom to Enjoy*". We have also obtained and registered trademarks for other products such as, *"GEF Munch Magik", "GEF Kern Magik", "GEF Center Magik", "GEF Ice Magik", "GEF Fry Magik", "GEF Cream Magik", "GEF Choco Magik", "GEF Magik Food Services", "GEF Puff Magik", "First Klass"*. For further details, see *"Government and Other Approvals—Intellectual Property"* on page 302.

**Properties**

Our registered and corporate office is located at "Freedom House" (Opposite SBI Executive Enclave), 8-2-334/70 and 71, Road No. 5, Banjara Hills, Hyderabad – 500 034, Telangana, India and is leased to our Company pursuant to the lease deed dated September 25, 2020, until September 30, 2021.

We own the land on which our refining facilities are located in Krishnapatnam, Andhra Pradesh and Kakinada, Andhra Pradesh.

As of March 31, 2021, all of our depots are operated on land held on a leasehold basis by the Company.

**Corporate Social Responsibility**

Corporate social responsibility is an important part of our operations. Under our CSR policy, our major areas of focus are eradication of poverty and hunger, providing safe drinking water, empowerment of women, and promoting education and vigilance against COVID-19.

We partnered with the Telangana Police Department to implement various schemes and programs for the safety and empowerment of women in the neighborhood. These include providing shelter for poor and vulnerable women by establishing the Bharosa Centre. We also established "SHE" teams in operations, pursuant to which any women anticipating a threat to her safety can dial a specified number for help.

We undertook projects in the villages surrounding our manufacturing locations at Kakinada and Krishnapatnam, in Andhra Pradesh, such as providing safe drinking water by installing Reverse Osmosis Purifiers at strategic locations, and medical aid by providing X-Ray machines in various hospitals (in consultation with the local administration).

We promote education by providing required infrastructure such as school furniture and electronic equipment, as well as renovated old school buildings in villages, close to our manufacturing facilities at the Port of Krishnapatnam and Kakinada.

During the COVID-19 pandemic, we contributed to the PM CARES FUND and also to the funds of various Chief Ministers of the states where we operate.

Our CSR activities are monitored by the CSR committee of our Board. We spent ₹5.7 million, ₹51.9 million and ₹38.3 million on CSR activities during Fiscals 2019, 2020 and 2021, respectively.

**Certifications and Awards**

For details of our awards, see "*History and Certain Corporate Matters—Key awards, accreditations, certifications and recognitions received by our Company*" on page 170.

# KEY REGULATIONS AND POLICIES

*The following description is a summary of certain sector specific key regulations and policies in India which are applicable to the business and operations of our Company. The information detailed in this section has been obtained from publications available in the public domain. The description of the laws and regulations disclosed below may not be exhaustive, and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice. The information in this section is based on the current provisions of applicable laws in India that are subject to change or modification by subsequent legislative, regulatory, administrative quasi-judicial or judicial decisions. For details of material regulatory approvals obtained by us, see "Government and Other Approvals" beginning on page 299.*

**Key Laws Applicable to our Business**

***The Food Safety and Standards Act, 2006***

The Food Safety and Standards Act, 2006 (the "**FSS Act**") consolidates laws relating to food and establishes the Food Safety and Standards Authority of India ("**FSSAI**"), lays down science based standards for food articles and regulates their manufacture, storage, distribution, sale and import, to ensure availability of safe and wholesome food for human consumption.

The FSS Act also sets out, among other things, the requirements for licensing and registration of food businesses, general principles of food safety and responsibilities of a food business operator and liability of manufacturers and sellers. The FSS Act also lays out procedure for adjudication by the Food Safety Appellate Tribunal. For enforcement, the 'commissioner of food safety', the 'food safety officer' and the 'food analyst' have been granted with powers of seizure, sampling, taking extracts and analysis under the FSS Act. Penalties can be levied for defaults such as for selling food not of the nature or substance or quality demanded, sub-standard food, misbranded food, misleading advertisement, food containing extraneous matter, for failure to comply with the directions of the food safety officer, for unhygienic or unsanitary processing or manufacturing of food and for possessing adulterant. In addition to the penalties, punishments can be prescribed for selling, storing, distributing or importing unsafe food, for interfering with seized items, for providing false information, for obstructing or impersonating a food safety officer, for carrying out a food business without a license, for committing the same offence a person has been previously convicted of, and for other related offences.

The Food Safety and Standards Rules, 2011 ("**FSSR**"), provide, among other things, the qualifications mandatory for the posts of the commissioner of food safety, the food safety officer and the food analyst, their respective duties, and the procedure for taking extracts of documents, sampling and analysis. In order to address certain specific aspects of the FSS Act, FSSAI has framed regulations, such as the following:

(a) Food Safety and Standards (Licensing and Registration of Food Businesses) Regulations, 2011;

(b) Food Safety and Standards (Packaging and Labelling) Regulations, 2011;

(c) Food Safety and Standards (Food Product Standards and Food Additives) Regulations, 2011;

(d) Food Safety and Standards (Prohibition and Restriction on Sales) Regulations, 2011;

(e) Food Safety and Standards (Contaminates, Toxins and Residues) Regulations, 2011;

(f) Food Safety and Standards (Laboratory and Sampling Analysis) Regulations, 2011;

(g) Food Safety and Standards (Import) Regulations, 2017;

(h) Food Safety and Standards (Organic Foods) Regulations, 2017;

(i) Food Safety and Standards (Advertising and Claims) Regulations, 2018; and

(j) Food Safety and Standards (Fortification of Foods) Regulations, 2018.

Further, FSSAI has issued a guidance note on 'Food Hygiene and Safety Guidelines for Food Businesses during Coronavirus Disease (COVID-19) Pandemic' (the "**COVID-19 Guidance Note**") with an intent to provide guidance to food businesses, including their personnel involved in handling of food and other employees, to prevent spread of COVID-19 in the work environment and any incidental contamination of food or food packages. Additionally, it also provides guidance in relation to operating mechanism such as establishment of an in-house emergency response team within large food businesses to deal with suspected infections effectively. It mandates that employers should have a COVID-19 screening protocol in place to screen all personnel entering the premises. All the employees or visitors should be screened at entry point for the symptoms of COVID-19 such as, among others, temperature (using a non-contact thermometer), cough and cold. The entrance of the premises should mandatorily have measures installed for hand hygiene. Employees and food handlers should be encouraged to self-declare any symptoms of any respiratory illness before visiting the premises. To spread awareness and contain the spread of the disease, employers should employ and ensure compliance with measures such as display of posters, standees or audio visuals on preventive measures for COVID-19, frequent usage of alcohol-based sanitizers, avoidance of close contact with symptomatic personnel, usage of face masks and frequent cleaning and disinfection. The COVID-19 Guidance Note requires food businesses to ensure that food handlers involved in food packaging should maintain a high level of personal hygiene and social distancing. It also requires that all measures be adopted to ensure that food packaging is kept clean and away from sources of contamination.

The Guidance Note mandates strict adherence to general hygiene practices specified under Schedule 4 of Food Safety and Standards (Licensing and Registration of Food Businesses) Regulation, 2011 (the "**Food Safety Schedule**"). The Food Safety Schedule enumerates multiple compulsory measures to be adopted by food business operators in the interest of human nutrition, safety and hygiene. The Food Safety Schedule also mandates that the premises of food businesses should be clean, adequately lighted and ventilated, and provide for sufficient free space for movement. In relation to packaging of the food products, the Food Safety Schedule requires that no vessel, container or other equipment, the use of which is likely to cause metallic contamination injurious to health shall be employed in the preparation, packing or storage of food. If required, finished products should be refrigerated with proper labels indicating their date of expiry. In relation to personal hygiene, the Food Safety Schedule requires all employees to wash their hands properly and that they should be made aware of measures to avoid cross-contamination. Further, the Food Safety Schedule prohibits, among other things, eating, chewing, smoking, spitting and nose blowing within the premises, especially while handling food, and persons suffering from infectious diseases should not be permitted to work. Any cuts or wounds should remain covered at all times and the injured person should not be allowed to come in direct contact with food.

***The Legal Metrology Act, 2009***

The Legal Metrology Act, 2009 (the "**Legal Metrology Act**") came into effect on April 1, 2011 and replaced the Standards of Weights and Measures Act, 1976 and the Standards of Weights and Measures (Enforcement) Act, 1985. The Legal Metrology Act was enacted with the objectives to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and related matters. The Legal Metrology Act provides that no person shall manufacture, repair or sell, or offer, expose or possess for repair or sale, any weight or measure unless he holds a license issued by the controller. The Legal Metrology Act contains provisions for verification of prescribed weight or measure by a government approved test center. Qualifications are prescribed for legal metrology officers appointed by the Government of India (the "**GoI**") or the relevant state government. It also provides for exemption from regulations of weight or measure norms for goods manufactured exclusively for export. Fee is levied under the Legal Metrology Act for various services. A director may be nominated by a company who will be responsible for compliance with the provisions of the Legal Metrology Act. There are penalties for offences and provisions for compounding of offences under the Legal Metrology Act. Further, it provides for appeal against the decision of various authorities and empowers the GoI to make rules in connection with enforcement.

***The Legal Metrology (Packaged Commodities) Rules, 2011***

The Legal Metrology (Packaged Commodities) Rules, 2011 (the "**Packaged Commodities Rules**") were framed under Section 52(1) read with Section 52(2) (j) and (q) of the Legal Metrology Act. The Packaged Commodities Rules lay down specific provisions applicable to packages intended for retail sale, wholesale and for export or import and also regulate pre-packaged commodities in India, among others, by mandating certain labelling requirements prior to sale of such commodities. The Legal Metrology (Packaged Commodities) (Amendment) Rules (the "**Packaged**

**Commodity Amendment Rules**"), issued on June 23, 2017 have introduced important amendments to the Packaged Commodity Rules, especially in relation to e-commerce entities. The Packaged Commodity Amendment Rules came into force from January 1, 2018. The key provisions of the Packaged Commodity Amendment Rules are in connection with the size of declarations on the label, declaration on ecommerce platforms, declaration of name and address of the manufacturer and penalties for contravention.

***The Essential Commodities Act, 1955***

The Essential Commodities Act, 1955, as amended (the "**ECA**") gives powers to the GoI to control production, supply and distribution of, and trade and commerce in, certain essential commodities for maintaining or increasing supplies and for securing their equitable distribution and availability at fair prices, for securing any essential commodity for the defence of India or for the efficient conduct of military operations, among other things. The GoI can delegate its powers under the ECA to the state governments to control production, supply and distribution of essential commodities. Contravention of provisions of the ECA could result in fines or imprisonment.

***The Consumer Protection Act, 2019***

The Consumer Protection Act, 2019 ("**COPRA 2019**") came into force on August 9, 2019, replacing the Consumer Protection Act, 1986. It has been enacted with an intent to protect the interests of consumers and to establish competent authorities in order to timely and effectively administer and settle consumer disputes. COPRA 2019 provides for establishment of a Central Consumer Protection Authority to regulate, among other things, matters relating to violation of rights of consumers, unfair trade practices and false or misleading advertisements which are prejudicial to the interests of the public and the consumers. It provides a three tier consumer disputes' redress mechanism (consumer redress mechanism at national, state and district levels) for the consumers to file a complaint against a trader or service provider. COPRA 2019 provides penalty for, among others, publishing false or misleading advertisements and manufacturing for sale or storing, selling or distributing or importing products containing adulterants. The scope of the punitive restraint measures employed by COPRA 2019 range from monetary penalties for amounts up to ₹5.00 million to imprisonment which may extend up to a life sentence for distinct offences under COPRA 2019.

***The Sale of Goods Act, 1930***

The Sale of Goods Act, 1930 (the "**Sale of Goods Act**") governs contracts relating to sale of goods. The contracts for sale of goods are subject to the general principles of the law relating to contracts in India, i.e., the Indian Contact Act, 1872. A contract for sale of goods has, however, certain peculiar features such as, transfer of ownership of the goods, delivery of goods, rights and duties of the buyer and seller, remedies for breach of contract, conditions and warranties implied under a contract for sale of goods, which are the subject matter of the provisions of the Sale of Goods Act.

***The Customs Act, 1962 and the Private Warehouse Licensing Regulations, 2016***

The provisions of the Customs Act, 1962, as amended (the "**Customs Act**") apply at the time of import or export of goods. The Private Warehouse Licensing Regulations, 2016 (the "**Warehouse Licensing Regulations**") provides for the licensing of private warehouses by the principal commissioner of customs or the commissioner of customs. The Warehouse Licensing Regulations lay down the conditions to be fulfilled for an applicant to be granted a license and also provide for the term of the license, its non-transferable nature and the procedure for its surrender.

***The Industries (Development and Regulation) Act, 1951***

The Industries (Development and Regulation) Act, 1951 (the "**IDRA**") establishes a central advisory council to advise the GoI on matters concerning the development and regulation of certain identified industries, among others. The IDRA also provides for the registration of existing industrial undertakings as well as licensing and investigation of identified industries and industrial undertakings.

***The Explosives Act, 1884***

The Explosives Act, 1884 (the "**Explosives Act**") regulates the manufacture, possession, use, sale, transport, import and export of explosives and empowers the GoI to make rules for the regulation and prohibition of these activities in relation to any specified class of explosives. Persons involved in these activities are required to obtain a license in accordance with the provisions of the Explosives Act. Extensive penalty provisions have been provided for manufacture, import or export, possession, usage, selling or transportation of explosives in contravention of the Explosives Act.

***The Petroleum Act, 1934***

The Petroleum Act, 1934 (the "**Petroleum Act**") regulates the import, transport, storage, production, refining and blending of petroleum. It prohibits import, transport or storage of any petroleum without obtaining a license. Contravention of the Petroleum Act could result in criminal penalties and confiscation of the petroleum products. Under the Petroleum Rules, 2002, any person intending to store furnace oil/petroleum, of such class and in such quantities, otherwise than under a license shall take the approval of the chief controller before commencing storage.

***The Indian Boilers Act, 1923***

The Indian Boilers Act, 1923 (the "**Boilers Act**") regulates the possession of steam boilers, prescribes the procedure to apply for the registration of a boiler and the conditions for manufacturing of boilers or boiler components. It also sets out the procedure for inspection and the requirements for reporting of accidents. Illegal or improper usage of boilers could result in penalties, and in certain cases, imprisonment as well.

***The Foreign Trade (Development and Regulation) Act, 1992***

The Foreign Trade (Development and Regulation) Act, 1992 (the "**FTDR Act**") repealed the erstwhile Imports and Exports (Control) Act, 1947. The FTDR Act confers powers on the Central Government to formulate and announce import and export policy for the country. This includes powers to make provisions for development and regulation of foreign trade by facilitating imports and exports, as well as to restrict, prohibit, or otherwise regulate imports and exports. The FTDR Act provides for the appointment of a Director General of foreign trade, who shall advise the Central Government on the formulation of such policies. The FTDR Act also provides that no person shall make any import or export except under an importer-exporter code number granted by the Director General, which may be suspended or cancelled in the instance the person contravenes any operative laws or trades in a manner gravely prejudicial to Indian trade relations.

**Environment Protection Laws**

We are subject to various Indian environment protection laws and regulations, which have been enacted to control, abate and prevent pollution. In order to achieve these objectives, Pollution Control Boards ("**PCB**"), which are vested with diverse powers to deal with water and air pollution, have been set up in each Indian state. The PCBs are responsible for setting the standards for maintenance of clean air and water, directing the installation of pollution control devices in industries and undertaking inspection to ensure that industries are functioning in compliance with the prescribed standards. The PCBs also have the power of search, seizure and investigation. Many industries are required to obtain consent orders from the PCBs which are required to be renewed regularly.

***The Environment Protection Act, 1986***

The Environment Protection Act, 1986, as amended (the "**EP Act**") has been enacted for the protection and improvement of the environment. The EP Act empowers the GoI to take measures to protect and improve the environment by, among other things, laying down standards for emission and discharge of pollutants, providing for restrictions regarding areas where industries may operate. The Environment Protection Rules, 1986, as amended, lay down the standards for emission or discharge of environmental pollutants from industries for the purpose of protecting and improving the quality of environment and preventing and abating environmental pollution. For contravention of any of the provisions of the EP Act or the rules framed thereunder, the punishment includes either imprisonment or fine or both. Additionally, under the Environmental Impact Assessment Notification, 2006 and its subsequent amendments, projects are required to mandatorily obtain environmental clearance from the concerned authorities depending on the potential impact on human health and resources.

### *The Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016*

The Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 (the "**Hazardous Waste Rules**"), read with the EP Act, ensure resource recovery and disposal of hazardous waste in an environmentally-sound manner. A categorical list of hazardous wastes have been provided in the schedules in the Hazardous Waste Rules. Any person who has, control over the affairs of the factory or the premises or any person in possession of the hazardous waste has been defined as an "occupier". Under the Hazardous Waste Rules, an occupier has been made responsible for safe and environmentally-sound handling of hazardous wastes generated in its establishment and shall require license or authorization for handling, generation, collection, storage, packaging, transportation, use, treatment, processing, recycling, recovery, pre-processing, co-processing, utilization, offering for sale, transfer or disposal of hazardous waste from the concerned state PCB.

### *The Water (Prevention and Control of Pollution) Act, 1974*

The Water (Prevention and Control of Pollution) Act, 1974, as amended (the "**Water Act**") was enacted to control and prevent water pollution, and for maintaining or restoring the wholesomeness of water in the country. In order to achieve these objectives, PCBs at central and state levels were created to establish and enforce standards for factories discharging pollutants into water bodies. The Water Act prohibits the discharge of noxious and poisonous matter in the rivers and streams without treating the pollutants in accordance with the standard laid down by the PCBs. A person intending to establish or take any steps to establish any industry, operation or process, or any treatment and disposal system, which is likely to discharge sewage or trade effluent into a stream or well or sewer or on land must obtain prior consent of the PCBs constituted under the Water Act.

### *The Air (Prevention and Control of Pollution) Act, 1981*

The Air (Prevention and Control of Pollution) Act, 1981, as amended (the "**Air Act**") was enacted to provide for the prevention, control and abatement of air pollution in India. It is a specialized piece of legislation which was enacted to take appropriate steps for the preservation of the quality of air and control of air pollution. The Air Act stipulates that no person should, without prior written consent of the relevant state PCB, establish or operate any industrial plant in an air pollution control area, as notified by the state PCB. Further, such an industrial plant shall not be permitted to emit air pollutants in excess of the standards laid down by the state PCB.

## Intellectual Property Laws

In India, intellectual property is protected under both common law as well as statutes. The key legislations in relation to intellectual property in India that apply to our Company include the Copyright Act, 1957 and the Trademarks Act, 1999, which govern and provide protection for copyrights and trademarks, respectively. In addition, the Designs Act, 2000 and the Semi-Conductor Integrated Circuits Layout Design Act, 2000 also provide for protection of different kinds of intellectual property in India. India is also party to several international treaties in relation to intellectual property and is a member of the World Trade Organization and the World Intellectual Property Organization. India is also a signatory to the Agreement on Trade Related aspects of Intellectual Property Rights.

## Shops and Establishment Legislations

Commercial establishments are required to be registered under local shops and establishment legislations. Such legislations regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments, and provide for fixation of working hours, rest intervals, overtime, holidays and leave. They also regulate other rights and obligations of employers and employees in relation to, among other things, maintenance of shops and establishments and termination of service. In certain states where the local shops and establishments legislations are applicable, we are required to obtain registrations.

## Employment and Labor Laws

India has extensive labor laws. Certain labor laws that may be applicable to us include, among others, the Industrial Disputes Act, 1947, the Employee's Compensation Act, 1923, the Employee State Insurance Act, 1948, the Minimum

Wages Act, 1948, the Payment of Wages Act, 1936, the Payment of Bonus Act, 1965, the Payment of Gratuity Act, 1972, the Equal Remuneration Act, 1976, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, the Contract Labor (Regulation and Abolition) Act, 1970, the Child Labour (Prohibition and Regulation) Act, 1986, Bonded Labour System (Abolition) Act, 1976 and the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, each as amended from time to time. This list is indicative and does not cover all provisions of the law specified or cover other applicable labor laws.

**Labor Codes**

With a view to reform the labor laws, the GoI decided to consolidate 29 central labor laws into four labor codes, namely, the Code on Wages, 2019, the Code on Social Security, 2020, the Occupational Safety, Health and Working Conditions Code, 2020 and the Industrial Relations Code, 2020. These labor codes had not come into force as of the date of this Draft Red Herring Prospectus, except for Section 142 of the Code on Social Security, 2020 ("**SS Code**") which has been notified by the Ministry of Labour and Employment and is effective from May 3, 2021. As per Section 142 of the SS Code, any employee, unorganized worker or any other person shall establish their identity or identity of their family members / dependents, through Aadhaar number for registration and availing the benefits under the SS Code.

***The Code on Wages, 2019***

The Code on Wages, 2019 (the "**Wage Code**") seeks to consolidate and amend four existing labor laws relating to wages, namely, the Equal Remuneration Act, 1976, the Minimum Wages Act, 1948, the Payment of Wages Act, 1936 and the Payment of Bonus Act, 1965. The Wage Code received the assent of the President of India on August 8, 2019 and will be brought into force on a date to be notified by the GoI. The Wage Code proposes to extend the benefits and make the requirements prescribed with respect to payment of wages and minimum wages applicable to all types of establishments irrespective of their nature of business or activities. The Wage Code proposes a common definition of the term "wages" as opposed to the separate definitions in the erstwhile laws. This will enable employers to take a consistent and uniform approach and avoid multiple interpretations. The Wage Code prescribes the time-limit for payment of wages in relation to wages on a daily basis, weekly basis, fortnightly basis and monthly basis. The Wage Code introduces stringent penalties in cases of contravention. It introduces the concept of "floor wages", which will be fixed by the GoI taking into account the minimum living standards of a worker. Once the Wage Code comes into force, the minimum rates of wages fixed by the state government cannot be less than floor wages as determined by the GoI.

***The Code on Social Security, 2020***

The Code on Social Security, 2020 (the "**Social Security Code**") amends and consolidates nine existing labor laws, namely the Employees' Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961 and the Payment of Gratuity Act, 1972. It proposes to universalize social security and extend it to all workers, including gig workers. The Social Security Code received the assent of the President of India on September 28, 2020 and will be brought into force on a date to be notified by the GoI. The Social Security Code proposes the creation of the following social security organizations namely, the Central Board of Trustees for the Employees Provident Fund, the Employees State Insurance Corporation, the National Social Security Board for unorganized workers, the State Unorganised Workers' Social Security Board, and the State Building Workers' Welfare Boards to administer the various social security schemes included in the Social Security Code. The benefits of the schemes are proposed to be paid out of funds comprising employer and employee contribution and may also include funds from the GoI or the relevant state government or from the corporate social responsibility fund. The Social Security Code empowers the GoI to exempt an establishment or class of establishments, from any or all provisions of the Social Security Code.

***The Occupational Safety, Health and Working Conditions Code, 2020***

The Occupational Safety, Health and Working Conditions Code, 2020 (the "S**afety, Health and Working Conditions Code**") aims to regulate the occupational safety, health and working conditions of workers employed in establishments and subsumes 13 labor laws relating to safety, health and working conditions, namely, the Factories Act, 1948, the Contract Labor (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979, the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996, the Mines Act, 1952, the Dock Workers (Safety, Health and Welfare) Act, 1986, the Plantations Labor Act, 1951, the Working Journalists and Other Newspaper Employees (Conditions of Service) and Miscellaneous Provisions Act, 1955, the Working Journalists (Fixation of Rates of Wages) Act, 1958, the Motor Transport Workers Act, 1961, the Sales Promotion Employees (Conditions of Service) Act, 1976, the Beedi and Cigar Workers (Conditions of Employment) Act, 1966 and the Cine-Workers and Cinema Theatre Workers (Regulation of Employment) Act, 1981. The Occupational Safety, Health and Working Conditions Code seeks to widen its applicability to different types of workers such as audio-visual workers, inter-state migrants or sales promotion employees. It also attempts to promote gender equality by allowing women workers to work at night subject to obtaining their consent. The Occupational Safety, Health and Working Conditions Code further introduces the concept of deemed registration of establishments to circumvent the prolonged delays in administrative processes. The Occupational Safety, Health and Working Conditions Code received the assent of the President of India on September 28, 2020 and will be brought into force on a date to be notified by the GoI.

***The Industrial Relations Code, 2020***

The Industrial Relations Code, 2020 (the "**Industrial Relations Code**") seeks to replace three existing labor laws, namely the Industrial Disputes Act, 1947, the Trade Unions Act, 1926, and the Industrial Employment (Standing Orders) Act, 1946. The Industrial Relations Code received the assent of the President of India on September 28, 2020 and will be brought into force on a date to be notified by the GoI. The amalgamation of these laws will help to consolidate and amend the laws relating to trade unions, conditions of employment in industrial establishment or undertaking, investigation and settlement of industrial disputes and for related matters. For the benefit of the employers, the Industrial Relations Code has introduced various aspects such as increasing the threshold of workers to 300 for obtaining the consent of the GoI or the concerned state government in case of lay off, retrenchment or closure of the establishment, not requiring a notice of change to be given subject to the conditions stipulated in the Industrial Relations Code, increasing the wage threshold to ₹18,000 for exclusion from the definition of worker. At the same time, it protects workers by proposing to create a worker re-skilling fund, which is to be utilized for crediting to workers in the prescribed manner. In addition, the Industrial Relations Code provides a definition for fixed term employment of any duration across sectors which does not entail requirement of notice or retrenchment compensation; however, it makes provision for accrual of all statutory benefits such as social security and wages to such employees at par with regular employees.

**Tax Laws**

In addition to the aforementioned material laws which are applicable to us, some of the tax legislations that may be applicable to our operations include:

- the Income-tax Act, the Income-tax Rules, 1962, as amended by the Finance Act in respective years;

- the Central Goods and Service Tax Act, 2017, the Central Goods and Service Tax Rules, 2017 and various state-wise legislations made thereunder;

- the Integrated Goods and Service Tax Act, 2017 and rules thereof;

- state-wise legislations governing professional tax; and

- the Indian Stamp Act, 1899 and various state-wise legislations made thereunder.

# HISTORY AND CERTAIN CORPORATE MATTERS

## Brief History of Our Company

Our Company was incorporated on April 17, 2008 at Hyderabad, Andhra Pradesh, India as “Gemini Edibles & Fats India Private Limited”, a private limited company under the Companies Act, 1956 pursuant to a certificate of incorporation granted by the Assistant Registrar of Companies, Andhra Pradesh at Hyderabad. Our Company was then converted into a public limited company under the Companies Act, 2013, as approved by our Shareholders pursuant to a resolution dated June 23, 2021, and consequently, the name of our Company was changed to “Gemini Edibles & Fats India Limited” and a fresh certificate of incorporation dated July 8, 2021 was issued by the RoC.

## Business and management

For a description of our activities, capacity and facility creation, location of our refineries, technology, market segments, the growth of our Company, major suppliers, customers, environmental issues, geographical markets we operate in, standing of our Company with reference to prominent competitors, managerial competence, see “*Our Business*”, “*Industry Overview*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” beginning on pages 139, 92 and 265, respectively. For details of the managerial competence of our Company, see “*Our Management*” beginning on page 174. For the details of key products or services launched by our Company, entry into new geographies or exit from existing markets, capacity or facility creation, to the extent applicable, see “*Our Business*” beginning on page 139.

## Changes in Registered Office

The Registered and Corporate Office of our Company is currently situated at “Freedom House”, 8-2-334/70 & 71, opposite SBI Executive Enclave, Road No.5, Banjara Hills, Hyderabad 500 034, Telangana, India.

There has been no change in the registered office of our Company since its incorporation, other than as disclosed below.

| Date of Change of Registered Office | Address of Registered Office | Reasons for Change |
|---|---|---|
| November 14, 2011 | Change of registered office from #203, Diamond House, behind Topaz Building, Panjagutta, Hyderabad 500 082, Andhra Pradesh, India to “Freedom House”, 8-2-334/70 & 71, opposite SBI Executive Enclave, Road No.5, Banjara Hills, Hyderabad 500 034, Telangana, India | For operational convenience |

## Main Objects of our Company

The main objects of our Company contained in its Memorandum of Association are as disclosed below.

1. *“To construct, assemble, equip, erect, establish, purchase, acquire or lease, hire or otherwise, Oil Refinery and Vanaspati Plant or factory or factories, or mill or mills, for extracting, manufacturing, processing, and /or refining edible and non-edible oils of all varieties, including that of sunflower, rape seed oil, mustard, soya, palm and their derivatives, de-oiled extractions vegetable oil, fats, vegetable ghee, ghee substitute, solvent extraction plant to extract oil from oil seeds, oil cakes, rice bran, palm kernels , and other oil containing media, de-oiled meals for human and animal consumption.*

2. *To Carry on the business of Traders, Importers, Exporters, Manufactures, Buyers, Sellers, dealers, Distributors, Exchangers, Hirers, and otherwise deal in and turn to account, as principal, agent or in any other capacity whatsoever, Promoters of export and other related activities, enter in to barter arrangements and compensation business of all kinds of goods and articles, whether raw, semi-finished, finished or in any form, of edible oils, fats, vegetable oils, medicinal oils, edible and non-edible oils of all varieties including that of sunflower, groundnut, rape seed oil, mustard, soya, palm and their derivatives, de-oiled extractions, vegetable ghee, ghee substitute, in their prepared, manufactured, semi-manufactured and raw state, articles,*

*merchandise, chattel produce, things and commodities including grains, produce, branding products, food and beverages, canned provisions, food products, dairy products, agricultural products, consume items, of all kinds.*

3. *To plant, produce, manufacture, process, grind, blend, flavor, convert, extract, prepare, preserve, can, pickle, freeze, dehydrate, distill, refine, bottle, trade, buy, sell, and deal as wholesalers, retailers, exporters, importers, principals or agents or otherwise deal in all types of edible and non-edible oils, de-oiled extractions, food grains, pulses, oil seeds and oil cakes.*

4. *To carry on business of manufacturing and / or processing animal feeds through oil cakes of all kinds and fatty acids and chemicals and to import, export, buy, sell or otherwise deal in such products, their raw materials, by-products and allied commodities thereon."*

The objects as contained in the Memorandum of Association enable our Company to carry on the business presently being carried out.

**Amendments to the Memorandum of Association**

The amendments to the Memorandum of Association of our Company in the 10 years immediately preceding the date of this Draft Red Herring Prospectus are as detailed below.

| Date of Shareholders' Resolution | Nature of Amendment |
|---|---|
| June 23, 2021 | Clause I of the MoA was amended to reflect the change in name of our Company from "Gemini Edibles & Fats India Private Limited" to "Gemini Edibles & Fats India Limited" due to the conversion of our Company from a private limited company to a public limited company. |
| June 4, 2021 | Clause V of the Memorandum of Association was amended to reflect the sub-division of the nominal value of the equity shares of our Company from ₹10 each to ₹1 each and the authorized share capital of our Company was reclassified from 10,400,000 equity shares of face value of ₹10 each to 104,000,000 equity shares of face value of ₹1 each aggregating to ₹104,000,000. |
| September 29, 2018 | Clause V of the Memorandum of Association was amended to reflect an increase in the authorized share capital of our Company from ₹100,000,000 divided into 10,000,000 equity shares of face value of ₹10 each to ₹104,000,000 divided into 10,400,000 equity shares of face value of ₹10 each. |

**Major Events**

The table below sets forth some of the major events in the history of our Company.

| Calendar Year | Event |
|---|---|
| 2010 | • First manufacturing plant commissioned at Krishnapatnam, Andhra Pradesh<br>• Launched our "Freedom" and "First Klass" brands in Andhra Pradesh and Odisha |
| 2011 | • Launched our "Freedom" sunflower refined oil and "First Klass" palmolein oil in Karnataka |
| 2013 | • Launched our "Freedom" kachi ghani mustard oil in Odisha |
| 2014 | • GAIE became a shareholder in our Company |
| 2015 | • Launched "Freedom" rice bran oil in Andhra Pradesh and Telangana<br>• Second manufacturing plant commissioned at Kakinada, Andhra Pradesh |
| 2017 | • Indian Institute of Management, Ahmedabad published two case studies on the "Freedom" brand |
| 2018 | • Black River became a shareholder in our Company<br>• Started packaging edible oils in PET bottles |

| Calendar Year | Event |
|---|---|
| 2019 | • Third manufacturing plant commissioned at Kakinada, Andhra Pradesh<br>• Launched "Freedom" groundnut oil |

**Key awards, accreditations, certifications and recognitions received by our Company**

The table below sets forth certain key awards, accreditations, certifications and recognitions received by our Company:

| Calendar Year | Event |
|---|---|
| 2015 | • Kosher certification issued for certain products by OK Kosher Certification |
| 2016 | • Halal India Certificate issued by Halal India for our certain products being compliant with the Shariah (Islamic) Board Guidelines |
| 2017 | • Awarded "Business Leader 2017" by TV5 News, a television news channel for excellence in "Agri & Food Processing – Telangana (Large)"<br>• Roundtable on Sustainable Palm Oil (RSPO) Certification granted to the Krishnapatnam refinery |
| 2018 | • Received Certificate of Recognition by Consumer Voice regarding 'Value for Money' for our product "Freedom" rice bran oil<br>• Awarded "Best TVC in Food and Beverage" category by International Advertising Association<br>• Awarded 'Globoil Emerging Brand' to "Freedom" brand by Globoil India<br>• Food Safety System Certification (FSSC) 2000 granted to the Krishnapatnam refinery |
| 2019 | • Awarded "Best Food Processing and Packaging 2018-19" to "Freedom" refined sunflower oil brand by The Economic Times |
| 2020 | • Recognized as one of India's top five brands in the category "Food Products-Cooking Oil" at the India Today Urban Consumer Sentiment Survey by IPSOS |

**Other details regarding our Company**

*Significant financial and strategic partners*

Our Company did not have any significant financial and strategic partners as of the date of this Draft Red Herring Prospectus.

*Defaults or rescheduling/ restructuring of borrowings from financial institutions/banks*

No payment defaults or rescheduling/ restructuring have occurred in relation to any borrowings availed by our Company from any financial institutions or banks, nor have any such borrowings or loans been converted into Equity Shares.

*Time and cost overruns*

We have experienced delays in the completion of construction and commissioning of the Kakinada refinery in 2019 on account of delays in receiving equipment from suppliers and due to changes in the scope of the project. As a result of such time delays, we have also experienced overruns in terms of costs. Such time and cost overruns are in the ordinary course of business.

**Holding Company**

Our Company is a subsidiary of one of our Promoters, Golden Agri International Enterprises Pte. Ltd. For further details, including in relation to its nature of business and capital structure, see "*Our Promoters and Promoter Group*" and "*Capital Structure*" beginning on pages 194 and 69, respectively.

**Subsidiaries, Associates and Joint Ventures**

As of the date of this Draft Red Herring Prospectus, our Company did not have any subsidiaries, associates or joint ventures.

**Details regarding acquisition or divestment of business/undertakings, mergers, amalgamations and revaluation of assets**

Our Company has not acquired or divested any business or undertaking, and has not undertaken any merger, amalgamation or revaluation of assets in the 10 years immediately preceding the date of this Draft Red Herring Prospectus.

**Guarantees by Promoters offering Equity Shares in the Offer for Sale**

As of the date of this Draft Red Herring Prospectus, the Promoter Selling Shareholder had not provided any guarantees to third parties.

**Shareholders' Agreements and Other Agreements**

***Shareholders' Agreements***

*Shareholder's agreement dated September 25, 2018 entered among our Company, Pradeep Chowdhry, Alka Chowdhry, GAIE, Black River and ICE (the "**2018 SHA**"), as amended by the amendment and termination agreement dated June 23, 2021 (the "**2021 SHA**")*

Our Company, Pradeep Chowdhry, Alka Chowdhry, GAIE, Black River and ICE ("**Parties**") entered into the 2018 SHA to govern their inter-se rights and obligations as shareholders of the Company ("**SHA Shareholders**"). Pursuant to the 2018 SHA, the pre-existing shareholders' agreement dated November 10, 2014 read with the supplementary shareholders' agreement dated November 7, 2017 entered among our Company, Pradeep Chowdhry, Alka Chowdhry and GAIE, governing their *inter-se* rights and obligations as shareholders of our Company, were terminated.

The 2018 SHA provides for certain special rights to be vested with Black River, as an investor in our Company and GAIE and the Individual Promoters as promoters of our Company including the right to appoint directors on our Board and the committees of our Board, as applicable and subject to certain conditions. In this regard, Black River has the right to appoint two Directors, GAIE has the right to appoint three Directors and the Individual Promoters have the right to collectively appoint one Director on our Board. Each of Black River, GAIE and the Individual Promoters have the right to appoint alternate Directors in place of and to act for its respective nominee Director and also have the right to remove or replace such nominee Director from our Board. Further, the Parties have the right to nominate an employee of our Company as a technical director, who will be responsible to ensure that our Company is compliant with applicable laws in relation to the business of our Company. Additionally, Black River has the right to appoint one Director and GAIE has the right to appoint two Directors to each committee of our Board.

Black River is also entitled to certain additional special rights in accordance with the 2018 SHA, subject to applicable law, including (i) the right to make any disclosures to any of its advisors and affiliates on any documents circulated to investors or potential investors in funds managed or advised by Black River or its affiliates, or on the website of Black River or its affiliates; (ii) the right to appoint an observer on our Board and all committees of our Board; and (iii) receive information from our Company in relation to, *inter alia*, audited financial statements, quarterly and monthly financial statements, annual budget for the each Fiscal, copies of minutes of our Board, committees and general meetings and any other information as requested.

Black River and GAIE are entitled to certain affirmative voting rights in relation to certain matters including, *inter alia*, changes in the charter documents, changes in the size and composition of our Board, adoption of any dividend distribution policy, increase in the number of Directors, decisions relating to any IPO by our Company, appointment of or change of internal auditors and statutory auditors, all actions under the Companies Act that require a special resolution to be passed by the Shareholders, mergers, amalgamation, acquisition, business restructuring, reorganization and any commitment or agreement to do any of the reserved matters, as set out in the 2018 SHA.

In terms of the 2018 SHA, if our Company establishes a subsidiary at any point in time after the execution of the 2018 SHA, all respective rights available to Black River and GAIE with respect to our Company will also be available to Black River and GAIE in such subsidiary, in the manner and extent to which such rights are available to Black River and GAIE in our Company.

In accordance with the 2018 SHA, the SHA Shareholders are entitled to pre-emptive rights in case of any new issuance of shares by our Company on a *pro rata* basis. Each of the Individual Promoters and GAIE require the prior written consent of Black River to transfer the shares held by them between the period of 36 months and 42 months from the closing date under the 2018 SSPA. In the event of transfer of shares by any Existing Shareholder, the other SHA Shareholders have a right of first offer, subject to certain conditions. In the event of transfer of shares by Pradeep Chowdhry, Alka Chowdhry or GAIE to any third party, Black River is entitled to a tag-along right, subject to certain conditions.

The Parties have entered into the 2021 SHA, which is effective on and from the execution date, i.e., June 23, 2021 until the earlier of: (i) the date of Allotment of the Equity Shares to the successful bidders pursuant to the Offer (the "**Allotment Date**"); and (ii) the termination of the 2021 SHA as mutually agreed in writing by the Parties, on which date, the 2021 SHA shall cease to have any force and effect, without any further act or deed required by any Party ("**Term**"). Notwithstanding anything contained above, the 2021 SHA will *ipso facto* stand terminated, without any further action required by any Party, if the Allotment Date does not occur on or prior to the date falling immediately after the expiry of 12 months from the date of the final observations issued by SEBI on this Draft Red Herring Prospectus or any other longer period for which the SEBI's final observations on this Draft Red Herring Prospectus remain valid in terms of the SEBI ICDR Regulations.

Pursuant to the 2021 SHA, Black River has agreed to waive its information and inspection rights from the date of filing of the Red Herring Prospectus by our Company and its right to appoint an observer to attend meetings of the Board from the date of filing of this Draft Red Herring Prospectus. The SHA Shareholders have also agreed to waive their respective transfer and exit rights, for the duration of the Term. Further under the terms of the 2021 SHA, Black River and GAIE have agreed to waive their right to nominate Directors on each committee of the Board from the date of filing of this Draft Red Herring Prospectus. In terms of the 2021 SHA, Black River and GAIE have consented to certain actions which require their affirmative voting rights under the 2018 SHA for undertaking the Offer. Such consents include, *inter alia*, making any changes in the capital structure of our Company, amendment of the Articles, transfer of the Equity Shares pursuant to the Offer for Sale and change in constitution of our Board.

Further, under the 2021 SHA, Black River and the Individual Promoters will each have a right to nominate one Director so long as the Black River and the Individual Promoters' shareholding have not fallen below 5% of the paid-up share capital of the Company, on a fully diluted basis. Further, GAIE will have the right to nominate three Directors so long as the shareholding of GAIE has not fallen below 26% of the paid-up share capital of our Company, on a fully diluted basis. In the event the shareholding of GAIE falls below 26% of the paid-up share capital of our Company but not below 15% of the paid-up share capital of our Company, on a fully diluted basis, GAIE has the right to nominate two Directors. In the event the shareholding of GAIE further falls below 15% of the paid-up share capital of our Company but not below 5% of the paid-up share capital of our Company, on a fully diluted basis, GAIE has the right to nominate one Director on our Board.

Additionally, in terms of the 2021 SHA, the Parties have also agreed that all their special rights under the 2018 SHA and the 2021 SHA shall stand terminated on the Allotment Date. The aforementioned special shareholder rights of GAIE, Black River and the Individual Promoters to nominate the Directors have been incorporated in the Articles and shall survive after the Allotment Date subject to approval of the Shareholders through a special resolution at the first general meeting of the Company held after the Allotment Date in accordance with applicable law.

**Share Purchase Agreements with our Company**

*Share subscription and share purchase agreement dated September 25, 2018 entered among our Company, Pradeep Chowdhry, Alka Chowdhry, Black River, GAIE and ICE (the "**2018 SSPA**")*

Our Company entered into the 2018 SSPA, in terms of which Black River agreed to subscribe to 1,768,166 Equity Shares for a consideration of ₹ 4,400.01 million and agreed to purchase 803,711 Equity Shares from GAIE, ICE and the Individual Promoters for a total consideration of ₹2,000.00 million payable at the time of closing under the 2018 SSPA.

*Share purchase agreement dated October 28, 2014 entered among our Company, Pradeep Chowdhry, Alka Chowdhry, GAIE, SOL, RSIL, Charleston Holdings Pte. Ltd. and ICE (the "**2014 SPA**")*

Our Company entered into the 2014 SPA, in terms of which GAIE agreed to purchase 5,372,251 Equity Shares from Individual Promoters, SOL, RSIL, Charleston Holdings Pte. Ltd. and ICE.

***Key terms of other subsisting material agreements***

As of the date of this Draft Red Herring Prospectus, our Company had not entered into any other subsisting material agreements, including with strategic partners, joint venture partners, and/or financial partners other than in the ordinary course of business of our Company.

***Agreements with Key Managerial Personnel, Director, Promoter or any other employee***

There are no agreements entered into by a Key Managerial Personnel or Director or Promoter or any other employee of our Company, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of our Company.

# OUR MANAGEMENT

## Board of Directors

In accordance with our Articles of Association and the Companies Act, our Company is required to have not less than three Directors and not more than 15 Directors. As of the date of this Draft Red Herring Prospectus, our Board comprised nine Directors, including three Independent Directors (including one woman Independent Director), one Managing Director, one Whole Time Director and four Non-Executive Directors. The present composition of our Board and its committees is in accordance with the corporate governance requirements provided under the Companies Act 2013 and the SEBI Listing Regulations.

The table below sets forth details regarding our Board as of the date of this Draft Red Herring Prospectus.

| S. No. | Name, DIN, Designation, Address, Occupation, Date of Birth, Period of Directorship and Term | Age (Years) | Other Directorships |
|---|---|---|---|
| 1. | **Pradeep Chowdhry**<br><br>***DIN*:** 01154121<br>***Designation*:** Managing Director<br>***Address*:** Flat: S-5, Block-A, Stone Valley Apartments, Road No. 4, Banjara Hills, Hyderabad 500 034, Telangana, India<br>***Occupation*:** Business<br>***Date of birth:*** August 20, 1955<br>***Term*:** Two years with effect from November 10, 2021 | 65 | Nil |
| 2. | **Prathap Gangaraju**<br><br>***DIN*:** 07433830<br>***Designation*:** Whole Time Director<br>***Address*:** Flat No. 403, Padmaja Towers, Near Ratnadeep Super Market, Srinagar Colony, Khairatabad, Hyderabad 500 073, Telangana, India<br>***Occupation*:** Whole time employee of our Company<br>***Date of birth:*** September 7, 1964<br>***Term*:** With effect from February 23, 2020 | 56 | *Indian Companies:*<br>1. Federation Of Oil Processors at Krishnapatnam |
| 3. | **Govind Ambady**<br><br>***DIN*:** 00057621<br>***Designation*:** Non-Executive Nominee Director(1)<br>***Address*:** C-081, DLF Pinnacle, Sector 56, Gurgaon 122 011, Haryana, India<br>***Occupation*:** Service<br>***Date of birth:*** May 29, 1964<br>***Term*:** With effect from July 31, 2021 and liable to retire by rotation | 57 | *Indian Companies:*<br>1. Emperius Infralogistics Private Limited<br>2. Golden Agri Resources (India) Private Limited |
| 4. | **Hemant Kumar Bhatt** | 57 | *Indian Companies:*<br>1. Golden Agri Resources (India) Private Limited |

| S. No. | Name, DIN, Designation, Address, Occupation, Date of Birth, Period of Directorship and Term | Age (Years) | Other Directorships |
|---|---|---|---|
| | ***DIN*: 00389638<br>*Designation*: Non-Executive Nominee Director(2)<br>*Address*: 6, Peach Garden, #19-06, Singapore 437 606<br>*Occupation*: Chief Executive Officer, Commercial<br>*Date of birth:* December 4, 1963<br>*Term*: With effect from October 26, 2018 and liable to retire by rotation | | 2. Atisfy Labs Private Limited<br><br>*Foreign Companies:*<br>1. Atisfy Pte. Ltd.<br>2. Gravity Supply Chain Solutions Ltd.<br>3. Golden Adventure (GSW) Pte. Ltd.<br>4. Golden Agri International Enterprises Pte. Ltd.<br>5. Golden Agri International (M) Trading Sdn. Bhd.<br>6. Golden Agri International Pte. Ltd.<br>7. Golden Agri International Trading Ltd.<br>8. Golden Agri-Resources USA, Inc.<br>9. Golden Americas Pte. Ltd.<br>10. Golden Avenue (GSW) Pte. Ltd.<br>11. Golden Maritime Pte. Ltd.<br>12. Golden Stena Baycrest Tankers Pte. Ltd.<br>13. Golden Stena Bulk IMOIIMAX I Limited<br>14. Golden Stena Bulk IMOIIMAX III Limited<br>15. Golden Stena Bulk IMOIIMAX VII Limited<br>16. Golden Stena Bulk IMOIIMAX VIII Limited<br>17. Golden-Agri Maritime Pte. Ltd.<br>18. Golden-Agri Stena Pte. Ltd.<br>19. GSW Fabulous Pte. Ltd.<br>20. GSW F-Class Pte. Ltd.<br>21. GSW Fighter Pte. Ltd.<br>22. GSW Forward Pte. Ltd.<br>23. GSW Future Pte. Ltd.<br>24. Pi. Exchange Holdings Pty. Ltd.<br>25. Pi. Exchange Singapore Pte. Ltd.<br>26. Sinarmas Corporate Management (Shanghai) Co. Ltd.<br>27. Sinarmas LDA Maritime Pte. Ltd.<br>28. Smart Trac Resources Trading Limited |
| 5. | **Deepak Malik**<br><br>***DIN***: 00662141<br>***Designation***: Non-Executive Nominee Director(3)<br>***Address***: 99, Meyer Road, 16-02, The Sovereign, Singapore 437 920<br>***Occupation*:** Business<br>***Date of birth:*** November 14, 1967<br>***Term*:** With effect from October 26, 2018 and liable to retire by rotation | 53 | *Indian Companies*:<br>1. Citrus Processing India Private Limited<br>2. Future Consumer Limited<br>3. Proterra Investment Advisors India Private Limited<br>4. Simply Fresh Private Limited<br><br>*Foreign Companies:*<br>1. Black River Capital Partners Food Fund Holdings (Singapore) Pte. Ltd.<br>2. Black River Food 2 Pte. Ltd.<br>3. Country Bird Holdings (Pty) Ltd.<br>4. Precision Farming Asia Pte. Ltd.<br>5. Proterra Investment Advisors (Shanghai) Co. Ltd.<br>6. Proterra Investment Advisors (Singapore) Pte. Ltd. |
| 6. | **Rajesh Chopra**<br><br>***DIN*:** 08139585 | 53 | *Indian Companies*<br>1. Emperius Infralogistics Private Limited<br>2. Golden Agri Resources (India) Private Limited |

| S. No. | Name, DIN, Designation, Address, Occupation, Date of Birth, Period of Directorship and Term | Age (Years) | Other Directorships |
|---|---|---|---|
| | ***Designation*****:** Non-Executive Nominee Director(4)<br>***Address*****:** 190 Depot Road, #16-18, Singapore 109 689<br>***Occupation*****:** Director<br>***Date of birth:*** February 9, 1968<br>***Term*****:** With effect from September 29, 2018 and liable to retire by rotation | | *Foreign Companies:*<br>3. AFP International Trading (Shanghai) Co. Ltd.<br>4. Golden Agri International (M) Trading Sdn. Bhd.<br>5. Golden Agri International Finance Ltd.<br>6. Golden Agri International India Holding Pte. Ltd.<br>7. Golden Agri International Pte. Ltd.<br>8. Golden Agri International Trading Ltd.<br>9. Golden Agri SEA (Labuan) Ltd.<br>10. Golden Agri Trading (L) Ltd.<br>11. Golden Agri-Resources Europe Holding Pte. Ltd.<br>12. Golden Agri-Resources USA, Inc.<br>13. Golden Americas Pte. Ltd.<br>14. Golden Natural Resources (Shanghai) International Trade Co. Ltd.<br>15. Golden Stena Bulk IMOIIMAX I Limited<br>16. Golden Stena Bulk IMOIIMAX III Limited<br>17. Golden Stena Bulk IMOIIMAX VII Limited<br>18. Golden Stena Bulk IMOIIMAX VIII Limited<br>19. Golden-Agri Maritime Pte. Ltd.<br>20. Harford Holdings Limited<br>21. Huafeng Foodstuff (Fuxin) Co. Ltd.<br>22. Huafeng Foodstuff (Xian Yang) Co. Ltd.<br>23. Ningbo Shining Gold Cereal Oil Port Co. Ltd.<br>24. Ningbo Shining Gold Cereal Oil Storage Co. Ltd.<br>25. Shining Gold Foostuffs (Ningbo) Co. Ltd.<br>26. Shining Gold Oilseed Crushing (Ningbo) Co. Ltd.<br>27. Sinarmas Cepsa Pte. Ltd.<br>28. Sinarmas Corporate Management (Shanghai) Co. Ltd.<br>29. Sinarmas Food (Shaoguan) Co. Ltd.<br>30. Sinarmas LDA Maritime Pte. Ltd.<br>31. Sinarmas Natural Resources (China) Investment Co. Ltd.<br>32. Wuhan Jin Ding Foodstuff Co. Ltd.<br>33. Zhuhai Huafeng Food Industry (Group) Co. Ltd.<br>34. Zhuhai Huafeng Foodstuff Co. Ltd.<br>35. Zhuhai Huafeng Printing Co. Ltd.<br>36. Zhuhai Huageng Film Co. Ltd.<br>37. Zhuhai Shining Gold Oil and Fats Industry Co. Ltd. |
| 7. | **Savita Mahajan**<br><br>***DIN*****:** 06492679<br>***Designation*****:** Independent Director | 62 | *Indian Companies*<br>1. Aurobindo Pharma Limited<br>2. Avanse Financial Services Limited<br>3. Bhagirath Resurgence Private Limited |

| S. No. | Name, DIN, Designation, Address, Occupation, Date of Birth, Period of Directorship and Term | Age (Years) | Other Directorships |
|---|---|---|---|
| | ***Address*:** V-15, 2nd Floor, Green Park Main, New Delhi – 110 016, India<br>***Occupation*:** Self-employed Consultant<br>***Date of birth:*** March 14, 1959<br>***Term*:** Five years with effect from June 23, 2021 | | 4. Craftizen Foundation<br>5. Instillmotion Consulting Private Limited |
| 8. | **Vipen Kapur**<br><br>***DIN*:** 01623192<br>***Designation*:** Chairman and Independent Director<br>***Address*:** A1 – 1201, World Spa East, Sector 30/41, Gurugram, Haryana – 122 001, India<br>***Occupation*:** Consultant / Independent Director<br>***Date of birth:*** February 11, 1946<br>***Term*:** Five years with effect from June 23, 2021 | 75 | *Indian Companies*<br>1. Shriram General Insurance Company Limited<br>2. Alternate Green Energy Solutions Private Limited |
| 9. | **Chitranjan Dar**<br><br>***DIN*:** 03191054<br>***Designation*:** Independent Director<br>***Address*:** Flat 34, Woodlands Syndicate, 8/7 Alipore Road, Kolkata 720 027, West Bengal, India<br>***Occupation*:** Retired executive<br>***Date of birth:*** September 23, 1955<br>***Term*:** Five years with effect from July 23, 2021 | 66 | Nil |

*(1) Govind Ambady has been nominated as Non-executive Nominee Director by GAIE.*
*(2) Hemant Kumar Bhatt has been nominated as Non-executive Nominee Director by GAIE.*
*(3) Deepak Malik has been nominated as Non-executive Nominee Director by Black River.*
*(4) Rajesh Chopra has been nominated as Non-executive Nominee Director by GAIE.*

**Relationship between our Directors and Key Managerial Personnel**

Except for Pradeep Chowdhry, our Managing Director who is the father of Akshay Chowdhry, Group Vice President, none of our Directors are related to each other or to Key Managerial Personnel of our Company.

**Brief Biographies of our Directors**

The details of our Directors, as of the date of this Draft Red Herring Prospectus, are set out below.

**Pradeep Chowdhry** is the Managing Director of our Company. He has been a Director since incorporation of our Company. He is a qualified chartered accountant and company secretary. He has over 40 years of work experience, of which over 30 years have been in the edible oils and fats industry. Prior to joining our Board, he was the managing director of Acalmar Oils & Fats Limited. He has in the past worked with companies such as Indian Explosives Limited, ITC Agro Tech Limited and Britannia Industries Limited.

**Prathap Gangaraju** is the Whole Time Director / Technical Director and Director of Operations & Projects of our Company. He has been associated with our Company since December 1, 2009 and has been a Director since February 23, 2020. He holds a bachelor's degree in mechanical engineering from Gulbarga University, Gulbarga, Karnataka. He has 25 years of experience in the edible oils and fats industry. Prior to joining our Board, he worked as the assistant manager - packaging at Agro Tech Foods Limited and as Senior Manager - Operations at Acalmar Oils & Fats Limited.

**Deepak Malik** is the Non-Executive Nominee Director of our Company. He has been a Director since October 26, 2018. He holds a bachelor's of arts degree in economics from University of Delhi, New Delhi and a master of arts degree in economics from University of Delhi, New Delhi. He also holds a master's degree in business administration from Cornell University, New York. Prior to joining our Board, he worked as managing director – ventures at Cargill India Private Limited. He also serves as the senior managing director at Proterra Investment Partners.

**Rajesh Chopra** is the Non-Executive Nominee Director of our Company. He has been a Director since September 29, 2018. He holds a bachelor's degree in commerce from University of Delhi, New Delhi and master's degree in business administration from London Business School, London, United Kingdom. He is a chartered accountant and a cost and works accountant. He has over 20 years of experience in food, agricultural commodities and edible oil industries. Prior to joining our Board, he worked as the senior vice president – corporate affairs & investors relations at Olam International Limited and as group chief financial officer at Mewah Oils and Fats Pte. Ltd. He is currently the chief financial officer for the global downstream business of Golden Agri-Resources Limited.

**Govind Ambady** is the Non-Executive Nominee Director of our Company. He has been a Director since November 10, 2014. He holds a post-graduate diploma in international business from Indian Institute of Foreign Trade (IIFT), New Delhi. Prior to joining our Board, he worked as the chief executive officer at Louis Dreyfus Commodities India Private Limited. He also serves as the chief executive officer at GARI.

**Hemant Kumar Bhatt** is the Non-Executive Nominee Director of our Company. He has been a Director since October 26, 2018. He holds a bachelor's degree in arts from the National University of Singapore. He has over 30 years of experience in global commodities industries. Prior to joining our Board, he worked as the chief executive officer, global downstream and commercial at Golden Agri-Resources Limited from December 2012 to January 2021, and currently is a member of the board of directors in various GAR group companies. The global downstream and commercial department of Golden Agri-Resources Limited includes diverse downstream activities such as merchandising and risk management, industrial operations, consumer products and distribution, specialty products, renewables, supply chain and logistics. He has also served as the regional chief executive officer at Louis Dreyfus Commodities Asia Pte. Ltd. from October 1, 1986 to September 21, 2012. He has also served as a member of the disciplinary committee of the Singapore Stock Exchange.

**Savita Mahajan** is an Independent Director of our Company. She has been a Director since June 23, 2021. She holds a bachelor's degree in economics from University of Delhi, New Delhi and a post-graduate diploma in management from Indian Institute of Management, Ahmedabad, Gujarat. She was selected as the Albert Parvin Fellow for the academic year 1988-1989 at the Woodrow Wilson School of Public Policy and International Affairs, Princeton University, Princeton, New Jersey. She has experience in industries such as education, automobiles, and financial services. Prior to joining our Board, she has served as the deputy dean at Indian School of Business, India. She has also served at Maruti Udyog Limited and as the vice president – strategic planning and human resources development at Karvy Consultants Private Limited. She currently serves as a board member of the Indian Institute of Management, Kashipur, Uttarakhand and the Institute of Public Enterprises, Hyderabad.

**Vipen Kapur** is the Chairman and Independent Director of our Company. He has been a Director since June 23, 2021. He has graduated from University of Madras, Chennai. He is an associate of the Institute of Bankers, London and has experience in the banking industry. Prior to joining our Board, he served as the managing director at Golden Agri Resources India Private Limited. He has also served as the vice president and general manager at Al Rushaid Investment Company, Saudi Arabia and as the president director - corporate office of Sinar Mas Group, Indonesia. He has worked with other companies such as Avantha Holdings Limited. He currently serves on board of Shriram General Insurance Company Limited as an independent director.

**Chitranjan Dar** is an Independent Director of our Company. He has been a Director since July 23, 2021. He holds a post graduate diploma in management from the Indian Institute of Management, Ahmedabad. He joined ITC Limited's packaging and printing business in 1981. In 1998, he was seconded to the then ITC Bhadrachalam Paperboards

Limited as head of marketing and was elevated to its board in 1999. In 2003, he joined ITC Limited's lifestyle retailing business division as its chief executive officer and continued in that role until he moved in August 2008 to become the chief operating officer of ITC Limited's foods business. He took over divisional chief executive of ITC Limited's foods business in August 2009 and continued in that role until May 2015. From 2015 until 2020, he worked as the group head of ITC Limited's life sciences and technology centre, central projects organization, environment, health and safety and quality. He was also a member of ITC Limited's corporate management committee at the time of his retirement in September 2020.

**Terms of Appointment of our Managing Director**

Pradeep Chowdhry has been a Director since the incorporation of our Company. He was appointed as a Whole Time Director with effect from September 1, 2009 and was re-appointed as Whole Time Director on September 1, 2014. He was appointed as our Managing Director with effect from November 10, 2017 and was re-appointed as our Managing Director for a period of three years commencing from November 10, 2018, pursuant to a resolution dated September 4, 2018 passed by our Board of Directors and a resolution dated September 29, 2018 passed by our Shareholders. He was further re-appointed as Managing Director for a period of two years commencing from November 10, 2021, pursuant to a resolution dated June 2, 2021 passed by our Board of Directors and a resolution dated June 4, 2021 passed by our Shareholders.

Pursuant to the resolution by our Board on September 4, 2018 and Shareholders' resolution dated September 29, 2018, Pradeep Chowdhry is entitled to receive remuneration of ₹14.81 million with effect from August 1, 2018 and other perquisites such as (a) increments, as decided by the Board, (b) provident fund contribution, in which our Company contribution shall not exceed 12% of his salary; (c) medical aid benefits; (d) free use of our Company's car and repairs and maintenance services, to be payable at actuals; (e) payment of premium by our Company towards the personal accident / group health insurance policy taken for Pradeep Chowdhry; (f) leave and allowance as per the employee policies of our Company; (g) gratuity and bonus, as may be fixed by the Board from time to time; and (h) reimbursement of actual entertainment, traveling, boarding and lodging expenses incurred by him in connection with our Company's business.

Pradeep Chowdhry also entered into an employment agreement dated April 10, 2014 with our Company which sets out, *inter alia*, his remuneration, discretionary annual bonus and restrictive covenants in relation to his employment. The overall remuneration payable to Pradeep Chowdhry in Fiscal 2021, and the principal terms of his remuneration as Managing Director of our Company, are disclosed below.

| Particulars | Remuneration in Fiscal 2021 (₹ million) |
|---|---:|
| Basic salary | 10.08 |
| House rent allowance | 5.04 |
| Special allowance | 2.70 |
| Bonus | 1.38 |
| Car fuel | 0.27 |
| Leave allowance | 0.12 |
| Contribution to NPS | 0.73 |
| Car perquisite | 0.02 |
| Contribution to retirement funds | 1.19 |
| **Total** | **21.55*** |

**Payment or Benefit to our Directors**

Details of the sitting fees or other remuneration, including any contingent or deferred compensation accrued for the year, paid to our Directors by our Company in Fiscal 2021 are disclosed below.

1. *Compensation to the Executive Directors**

   The remuneration paid by our Company to our Managing Director, Pradeep Chowdhry, in Fiscal 2021 was ₹21.55 million*.

The remuneration paid by our Company to our Whole Time Director, Prathap Gangaraju, in Fiscal 2021 was ₹9.47 million.

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**While the compensation to the Executive Directors disclosed is based on the taxable income in accordance with their latest Form-16, the compensation reported in the Restated Financial Information is based on cost to our Company. For further details, see "Restated Financial Information—Note 39—Related Parties" on page 245.*

2. *Compensation to Independent Directors*

Pursuant to a resolution dated July 23, 2021adopted by our Board, each Independent Director is entitled to receive (i) sitting fees of ₹0.10 million for attending each meeting of our Board; (ii) receive sitting fees of ₹0.05 million for attending each meeting of the Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Risk Management Committee and Stakeholders' Relationship Committee. Pursuant to the resolution dated July 23, 2021 adopted by our Board, the Board has also approved payment of commission of up to ₹0.80 million to each Independent Director for each Financial Year with effect from April 1, 2021, as the Board may determine based on performance and guidelines framed by the Board for this purpose, provided however that the aggregate remuneration, including commission, payable to Independent Directors in a Financial Year shall not exceed 1% of the net profits of our Company in accordance with Sections 197 and 198 of the Companies Act.

No sitting fees or remuneration was paid to our Independent Directors in Fiscal 2021.

3. *Compensation to Non-Executive Nominee Directors*

No sitting fees or remuneration was paid to our Non-Executive Nominee Directors in Fiscal 2021.

Except as provided in "*—Compensation to Independent Directors*" above, none of our Directors are entitled to receive a commission.

**Shareholding of our Directors in our Company**

None of our Directors hold, or are required to hold, any qualification shares.

The table below sets forth details of Equity Shares held by our Directors as of the date of this Draft Red Herring Prospectus.

| S. No. | Name of Director | No. of Equity Shares | Percentage of the pre-Offer paid-up share capital (%) | Percentage of the post-Offer paid-up share capital (%) |
|---|---|---|---|---|
| 1. | Pradeep Chowdhry | 590,920 | 0.57 | 0.57 |

For details of the shareholding of our Directors in our Company, see "*Capital Structure – Details of the Shareholding Key Managerial Personnel, our Directors, Promoters and Promoter Group and directors of our Promoter*" on page 76.

**Arrangement or Understanding with Major Shareholders**

Except for the Non-Executive Nominee Director appointed by Black River pursuant to the 2018 SHA, i.e., Deepak Malik and the three Non-Executive Nominee Directors appointed by GAIE pursuant to the 2018 SHA, i.e., Rajesh Chopra, Govind Ambady and Hemant Kumar Bhatt, none of our Directors have been appointed pursuant to any arrangement or understanding with major Shareholders, customers, suppliers or others. For details of the Shareholders' Agreement, see "*History and Certain Corporate Matters*" beginning on page 168.

There are no contracts appointing or fixing the remuneration of the Directors of our Company entered into within, or prior to the two years immediately preceding the date of this Draft Red Herring Prospectus other than as disclosed in "*—Terms of Appointment of our Managing Director*" and "*—Payment or Benefit to our Directors*" on page 179.

**Interest of Directors**

1. All Directors may be deemed to be interested to the extent of (i) sitting fees, if any, payable to them for attending meetings of our Board and other remuneration or commission, if any, payable or reimbursement of expenses to them, (ii) Equity Shares already held by them or their relatives or any firms, companies and trusts in which our Directors are interested as a director, member, partner or trustee, in our Company, or that may be Allotted to them in the Offer in terms of the Red Herring Prospectus and any dividend payable to them and other benefits arising out of such shareholding, (iii) transactions entered into in the ordinary course of business with companies in which our Directors hold directorship, (iv) their directorship on the Board, and/or their shareholding in our Company, our Promoters, members of our Promoter Group and our Group Companies, as applicable, and (v) their right to nominate directors on the Board.

2. Our Company had executed a lease agreement dated September 25, 2020 with SOL for the purpose of leasing the premises of its Registered and Corporate Office. Pradeep Chowdhry is a shareholder in SOL. Under the terms of the lease agreement, our Company has paid an interest free refundable security deposit of ₹1.17 million and pays a monthly rent of ₹0.83 million. The tenure of the lease period is one year with effect from October 1, 2020.

3. Except for any dividend that may be payable to our Managing Director, Pradeep Chowdhry, in his capacity as a Shareholder of our Company, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of our Directors except the normal remuneration for services rendered as Directors.

4. Our Company has not entered into any service contracts with our Directors providing for benefits upon termination of their employment other than as disclosed in "—*Terms of Appointment of the Managing Director*" on page 179.

5. None of our Directors is a party to any bonus or profit sharing plan by our Company. However, our Managing Director may be entitled to performance linked incentives which are disclosed in "—*Terms of Appointment of the Managing Director*" on page 179.

6. Our Directors had no interest in any property of, or acquired by, our Company preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company, as of the date of this Draft Red Herring Prospectus.

7. Our Directors are not interested as a member of a firm or company, and no sum has been paid or agreed to be paid to our Directors or to such firm or company in cash or shares or otherwise by any person either to induce him to become, or to help him qualify as a Director, or otherwise for services rendered by him or by the firm or company in which he is interested, in connection with the promotion or formation of our Company.

8. Except for Pradeep Chowdhry, none of our Directors have any interest in the promotion or formation of our Company, or any interest in our business. For details, see "*Our Promoters and Promoter Group*", "*Our Group Companies*" and "*Financial Information*", beginning on pages 194, 200 and 207, respectively.

9. No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms or companies in which they are interested by any person either to induce them to become or to help them qualify as a Director, or otherwise for services rendered by them or by the firm or company in which they are interested, in connection with the promotion or formation of our Company.

10. No loans have been availed by our Directors from our Company.

**Confirmations**

None of our Directors is, or was, a director of any listed company during the five years immediately preceding the date of this Draft Red Herring Prospectus, whose shares have been, or were suspended from being traded on any of the stock exchanges during the term of their directorship in such company.

None of our Directors is, or was a director of any listed company which has been, or was delisted from any stock exchange during the term of their directorship in such company.

None of our Directors have been identified as Wilful Defaulters.

None of our Directors have any interest in any property acquired by our Company in the three years immediately preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company or in any transaction by our Company for the acquisition of land, the construction of a building or the supply of machinery.

### Changes in the Board during the Last Three Years

Details of the changes in our Board in the last three years preceding the date of this Draft Red Herring Prospectus are set forth below.

| S. No. | Name | Effective Date of Appointment/Change in Designation/ Cessation | Reason |
|---|---|---|---|
| 1. | Govind Ambady*(1) | July 31, 2021 | Appointment as Additional Director (Non-executive Nominee Director) |
| 2. | Govind Ambady* | July 31, 2021 | Resignation as Non-executive Nominee Director |
| 3. | Chitranjan Dar(2) | July 23, 2021 | Appointment as Additional Director (Independent) |
| 4. | Vipen Kapur(3) | June 23, 2021 | Appointment as Additional Director (Independent) |
| 5. | Savita Mahajan(4) | June 23, 2021 | Appointment as Additional Director (Independent) |
| 6. | Pradeep Chowdhry | June 4, 2021 | Re-appointment as Managing Director by Shareholders |
| 7. | Pradeep Chowdhry | June 2, 2021 | Re-appointment as Managing Director by the Board |
| 8. | Saurabh Bajaj | June 2, 2021 | Resignation as Non-executive Nominee Director |
| 9. | Ethan Phua | June 2, 2021 | Resignation as Non-executive Nominee Director |
| 10. | Prathap Gangaraju | February 23, 2020 | Appointment as Whole Time Director and Technical Director (Executive Director) |
| 11. | Sumant Kumar Razdan | February 23, 2020 | Resignation as Whole Time Director and Technical Director |
| 12. | Ethan Phua(5) | January 5, 2019 | Appointment as Additional Director (Non-executive) |
| 13. | Pradeep Chowdhry | November 10, 2018 | Re-appointment as Managing Director |
| 14. | Shobhit Agarwal | October 26, 2018 | Resignation as Director |
| 15. | Hemant Kumar Bhatt(6) | October 26, 2018 | Appointment as Additional Director (Non-executive) |
| 16. | Deepak Malik(7) | October 26, 2018 | Appointment as Additional Director (Non-executive) |
| 17. | Saurabh Bajaj(8) | October 26, 2018 | Appointment as Additional Director (Non-executive) |
| 18. | Archer Dorcen William Walters | August 14, 2018 | Resignation as Independent Director |

* *Govind Ambady resigned from our Board as a Non-Executive Nominee Director on July 31, 2021 and was appointed as a Non-executive Nominee Director on July 31, 2021 to rectify an error pertaining to a filing made with the RoC pursuant to his appointment on November 10, 2014.*
(1) *The appointment of Govind Ambady as Non-executive Nominee Director was regularised by our Shareholders on August 2, 2021.*
(2) *The appointment of Chitranjan Dar as Independent Director was regularised by our Shareholders on July 31, 2021.*
(3) *The appointment of Vipen Kapur as Independent Director was regularised by our Shareholders on June 23, 2021.*
(4) *The appointment of Savita Mahajan as Independent Director was regularised by our Shareholders on June 23, 2021.*
(5) *The appointment of Ethan Phua as Non-executive Nominee Director was regularised by our Shareholders on September 10, 2019.*
(6) *The appointment of Hemant Kumar Bhatt as Non-executive Nominee Director was regularised by our Shareholders on October 26, 2018.*
(7) *The appointment of Deepak Malik as Non-executive Nominee Director was regularised by our Shareholders on October 26, 2018.*
(8) *The appointment of Saurabh Bajaj as Non-executive Nominee Director was regularised by our Shareholders on October 26, 2018.*

### Borrowing Powers of our Board

In accordance with our Articles of Association and pursuant to a resolution of the Shareholders dated September 22, 2012, the Board of Directors has been authorized to borrow from time to time such sum(s) of money in any manner, either in Rupee currency and/ or in foreign currency, including foreign currency convertible bonds, with or without security, and on such terms and conditions as the Board of Directors may in its absolute discretion deem fit, notwithstanding the fact that the monies to be so borrowed together with the monies already borrowed by our Company (apart from temporary loans from our Company's banker's in the ordinary course of business), may exceed aggregate for the time being of its paid-up capital and free reserves, that is to say, reserves not set apart for any specific purposes, provided however, the total amount of monies so borrowed (apart from temporary loans from our Company's banker's in the ordinary course of business) and outstanding at any time shall not exceed ₹4,500.00 million.

**Corporate Governance**

Our Company is in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations (*as applicable to an equity listed company*), the Companies Act and the SEBI ICDR Regulations, in respect of corporate governance, including in relation to the constitution of our Board and committees thereof.

Our Board has been constituted in compliance with the Companies Act and the SEBI Listing Regulations. Our corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of committees of our Board, as required under applicable law. Our Board functions either as a full Board or through various committees constituted to oversee specific operational areas. Our Company's executive management provides our Board with detailed reports on its performance periodically.

As of the date of this Draft Red Herring Prospectus, our Board comprised nine Directors, of which one is our Managing Director, one is a Whole Time Director, four are Non-Executive Nominee Directors and three are Independent Directors. Our Board includes one woman director.

**Committees of the Board**

In addition to the committees of our Board described below, our Board may constitute committees for various functions from time to time.

***Audit Committee***

The members of our Audit Committee are:

1. Vipen Kapur (Chairman and Independent Director) - **Chairperson**;
2. Chitranjan Dar (Independent Director); and
3. Rajesh Chopra (Non-Executive Nominee Director)

An audit and finance committee was constituted by our Board pursuant to a resolution dated November 28, 2018. The risk management committee of our Board was reconstituted and regrouped with the audit and finance committee of our Board as the audit and finance and risk committee pursuant to a resolution of our Board dated March 13, 2019. Pursuant to a resolution of our Board dated June 23, 2021, the audit and finance and risk committee was split into three separate committees, i.e., the Audit Committee, the Risk Management Committee and the Finance Committee. The Audit Committee was last reconstituted by our Board pursuant to a resolution dated July 23, 2021. The terms of reference of the Audit Committee were last revised by our Board pursuant to a resolution dated July 23, 2021.

The scope and functions of the Audit Committee are in accordance with Section 177 of the Companies Act and Regulation 18 of the SEBI Listing Regulations, and its terms of reference are as disclosed below:

- overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- recommending to the Board, the appointment, re-appointment, and replacement, remuneration and the terms of appointment of the auditors of the Company;
- reviewing and monitoring the statutory auditors' independence and performance and the effectiveness of the audit process;
- approving payments to the statutory auditors for any other services rendered by statutory auditors;
- reviewing with the management, the annual financial statements and the auditors' report thereon before submission to the Board for approval, with particular reference to:

- matters required to be stated in the Directors' responsibility statement to be included in the Board's report in terms of Section 134(3)(c) of the Companies Act;
- changes, if any, in accounting policies and practices and reasons for the same;
- major accounting entries involving estimates based on the exercise of judgment by management;
- significant adjustments made in the financial statements arising out of audit findings;
- compliance with listing and other legal requirements relating to financial statements;
- disclosure of any related party transactions; and
- qualifications and modified opinions in the draft audit report.

- reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
- scrutinizing inter-corporate loans and investments;
- undertaking or supervising valuation of undertakings or assets of the Company, wherever it is necessary;
- evaluation of internal financial controls and risk management systems;
- approving transactions of the Company with related parties, or any subsequent modification thereof;
- reviewing, along with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, if applicable, and making appropriate recommendations to the Board to take up steps in this matter;
- establishing a vigil mechanism/whistle blower policy for directors and employees to report their genuine concerns or grievances;
- reviewing, with the management, the performance of statutory and internal auditors and adequacy of the internal control systems;
- reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- discussing with internal auditors any significant findings and follow up thereon;
- reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- discussing with the statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, Shareholders (in case of non-payment of declared dividends) and creditors;
- approving the appointment of the Chief Financial Officer, or any other person heading the finance function or discharging that function, after assessing the qualifications, experience and background, etc. of the candidate;

- reviewing the functioning of the whistle blower mechanism;
- considering and commenting on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., of the Company and its shareholders;
- ensuring that an information system audit of the internal systems and process is conducted at least once in two years to assess operational risks faced by the Company;
- reviewing the utilization of loan and/or advances from investment by the holding company in the subsidiaries exceeding ₹1,000 million or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments; and
- performing such other functions as may be delegated by the Board and/or prescribed under the SEBI Listing Regulations, the Companies Act or other applicable law.

*Powers of the Audit Committee*

The powers of the Audit Committee include the power to:

- investigate activity within its terms of reference;
- seek information from any employees;
- obtain outside legal or other professional advice; and
- secure attendance of outsiders with relevant expertise, if it considers necessary.

*Reviewing Powers*

The Audit Committee is mandatorily required to review the following information:

- management's discussion and analysis of financial condition and result of operations;
- statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- management letters/letters of internal control weaknesses issued by the statutory auditors;
- internal audit reports relating to internal control weaknesses;
- the appointment, removal and terms of remuneration of the chief internal auditor;
- the examination of the financial statements and the statutory auditors' report thereon; and
- statement of deviations, including:
    - quarterly statement of deviations, including report of monitoring agency, if applicable, submitted to the Stock Exchanges in terms of the SEBI Listing Regulations; and
    - annual statement of funds utilized for purposes other than those stated in the offer document, prospectus or notice in terms of the SEBI Listing Regulations.

The Audit Committee is required to meet at least four times in a year with a maximum interval of 120 days between two meetings in accordance with the SEBI Listing Regulations. The Audit Risk Committee has the authority to investigate into any matter in relation to the items specified under the terms of reference or such other matter as may be referred to it by the Board for such purpose.

*Risk Management Committee*

The members of our Risk Management Committee are:

1. Pradeep Chowdhry (Managing Director) - **Chairperson**;

2. Chitranjan Dar (Independent Director);

3. Rajesh Chopra (Non-Executive Nominee Director); and

4. Hemant Kumar Bhatt (Non-Executive Nominee Director)

The Risk Management Committee was constituted by our Board pursuant to a resolution dated June 23, 2021 and was last reconstituted by our Board pursuant to a resolution dated July 23, 2021. The terms of reference of the Risk Management Committee were last revised by our Board pursuant to a resolution dated July 23, 2021.

The scope and functions of the Risk Management Committee are in accordance with Regulation 21 of the SEBI Listing Regulations, and its terms of reference are as disclosed below:

- to formulate a detailed risk management policy which shall include:
  - a framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability, information, cyber security risks or any other risk as may be determined by the Risk Management Committee;
  - measures for risk mitigation including systems and processes for internal control of identified risks; and
  - a business continuity plan;
- to set out risk assessment and minimization procedures and the procedures to inform the Board of the same;
- to ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- to monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- to periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- to keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- the appointment, removal and terms of remuneration of the chief risk officer (if any) shall be subject to review by the Risk Management Committee;
- to perform such other activities as may be delegated by the Board and/or prescribed under any law to be attended to by the Risk Management Committee; and
- such other terms as may be prescribed by risk management policy of the Company.

*Nomination and Remuneration Committee*

The members of the Nomination and Remuneration Committee are:

1. Savita Mahajan (Independent Director) - **Chairperson**;

2. Vipen Kapur (Chairman and Independent Director); and

3. Hemant Kumar Bhatt (Non-Executive Nominee Director)

The Nomination and Remuneration Committee was constituted by our Board pursuant to a resolution dated November 28, 2018 and was last reconstituted by our Board pursuant to a resolution dated July 23, 2021. The terms of reference of the Nomination and Remuneration Committee were last revised by our Board pursuant to a resolution dated July 23, 2021.

The scope and functions of the Nomination and Remuneration Committee are in accordance with Section 178 of the Companies Act and Regulation 19 of the SEBI Listing Regulations, and its terms of reference are as disclosed below:

- formulating the criteria for determining qualifications, positive attributes and independence of a Director and recommending to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
- formulating the criteria for determining qualifications, positive attributes and independence of a Director and recommending to the Board, a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
- formulating criteria for evaluation of Independent Directors and the Board;
- devising a policy on diversity of the Board;
- identifying persons, who are qualified to become directors or who may be appointed as senior management of the Company in accordance with the specified criteria, recommending to the Board their appointment or removal, and carrying out evaluation of every Director's performance and specifying the manner for effective evaluation of performance of Board, its committees and the Directors, to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and reviewing its implementation and compliance;
- determining whether to extend or continue the term of appointment of an Independent Director, on the basis of the report of performance evaluation of Independent Directors;
- recommending remuneration of Executive Directors and any increase therein from time to time within the limit approved by the shareholders;
- recommending remuneration to Non-Executive Directors in the form of sitting fees for attending meetings of the Board and its committees, remuneration for other services or commission on profits;
- recommending to the Board, all remuneration, in whatever form, payable to the senior management of the Company;
- performing such functions as are required to be performed by the compensation committee under the SEBI SBEB Regulations;
- engaging the services of any consultant or professional or other agency for the purpose of recommending compensation structure or policy;
- analyzing, monitoring and reviewing various human resource and compensation matters;
- reviewing and approving compensation strategy from time to time in the context of the then current Indian market, in accordance with applicable laws;
- framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:

- the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended; or
- the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, as amended; and

- performing such other functions as may be delegated by the Board and/or prescribed under the SEBI Listing Regulations, the Companies Act, or other applicable law.

***Stakeholders' Relationship Committee***

The members of the Stakeholders' Relationship Committee are:

1. Chitranjan Dar (Independent Director) - **Chairperson**;
2. Govind Ambady (Non-Executive Nominee Director);
3. Pradeep Chowdhry (Managing Director); and
4. Rajesh Chopra (Non-Executive Nominee Director)

The Stakeholders' Relationship Committee was constituted by our Board pursuant to a resolution dated June 23, 2021 and was last reconstituted by our Board pursuant to a resolution dated July 23, 2021. The terms of reference of the Stakeholders' Relationship Committee were last revised by our Board pursuant to a resolution dated July 23, 2021.

The scope and functions of the Stakeholders' Relationship Committee are in accordance with Section 178 of the Companies Act and Regulation 20 of the SEBI Listing Regulations, and its terms of reference are as disclosed below:

- redressing grievances of the shareholders, debenture holders and other security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc. and assisting with quarterly reporting of such complaints;
- reviewing measures taken for effective exercise of voting rights by the shareholders;
- reviewing adherence to the service standards adopted by the Company in respect of various services being rendered by the registrar and share transfer agent;
- reviewing the measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants, annual reports or statutory notices by the shareholders of the Company;
- formulating procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;
- approving, registering, refusing to register transfer or transmission of shares and other securities;
- sub-dividing, consolidating and/or replacing any share or other securities;
- issuing duplicate shares or other security certificates in lieu of the original shares or security certificates; and
- performing such other functions as may be delegated by our Board and/or prescribed under the SEBI Listing Regulations and the Companies Act or other applicable law.

In addition to the above, our Company has also constituted committees such as the Risk Management Committee and a Corporate Social Responsibility Committee, brief details in relation to which are set out below.

***Corporate Social Responsibility Committee***

The members of the Corporate Social Responsibility Committee are:

1. Savita Mahajan (Independent Director) - **Chairperson**;
2. Pradeep Chowdhry (Managing Director);
3. Prathap Gangaraju (Whole Time Director); and
4. Deepak Malik (Non-executive Nominee Director)

The Corporate Social Responsibility Committee was constituted by our Board pursuant to a resolution dated March 19, 2015 and was last reconstituted pursuant to a resolution passed by our Board in its meeting held on June 23, 2021.

The scope and functions of the Corporate Social Responsibility Committee are in accordance with Section 135 of the Companies Act and its terms of reference as stipulated in the charter of Corporate Social Responsibility Committee adopted pursuant to a resolution passed by our Board in its meeting held on June 23, 2021 are set forth below:

- formulating and recommending to our Board, the policy on corporate social responsibility ("**CSR**", and such policy, the "**CSR Policy**"), indicating the CSR activities to be undertaken as specified in Schedule VII of the Companies Act;
- recommending the amount of expenditure to be incurred on the CSR activities;
- reviewing and monitoring the CSR Policy and its implementation by the Company from time to time; and
- performing such other functions or responsibilities and exercise such other powers as may be conferred upon the Corporate Social Responsibility Committee in terms of the provisions of Section 135 of the Companies Act.
- promote the corporate social responsibility activities of the Company.

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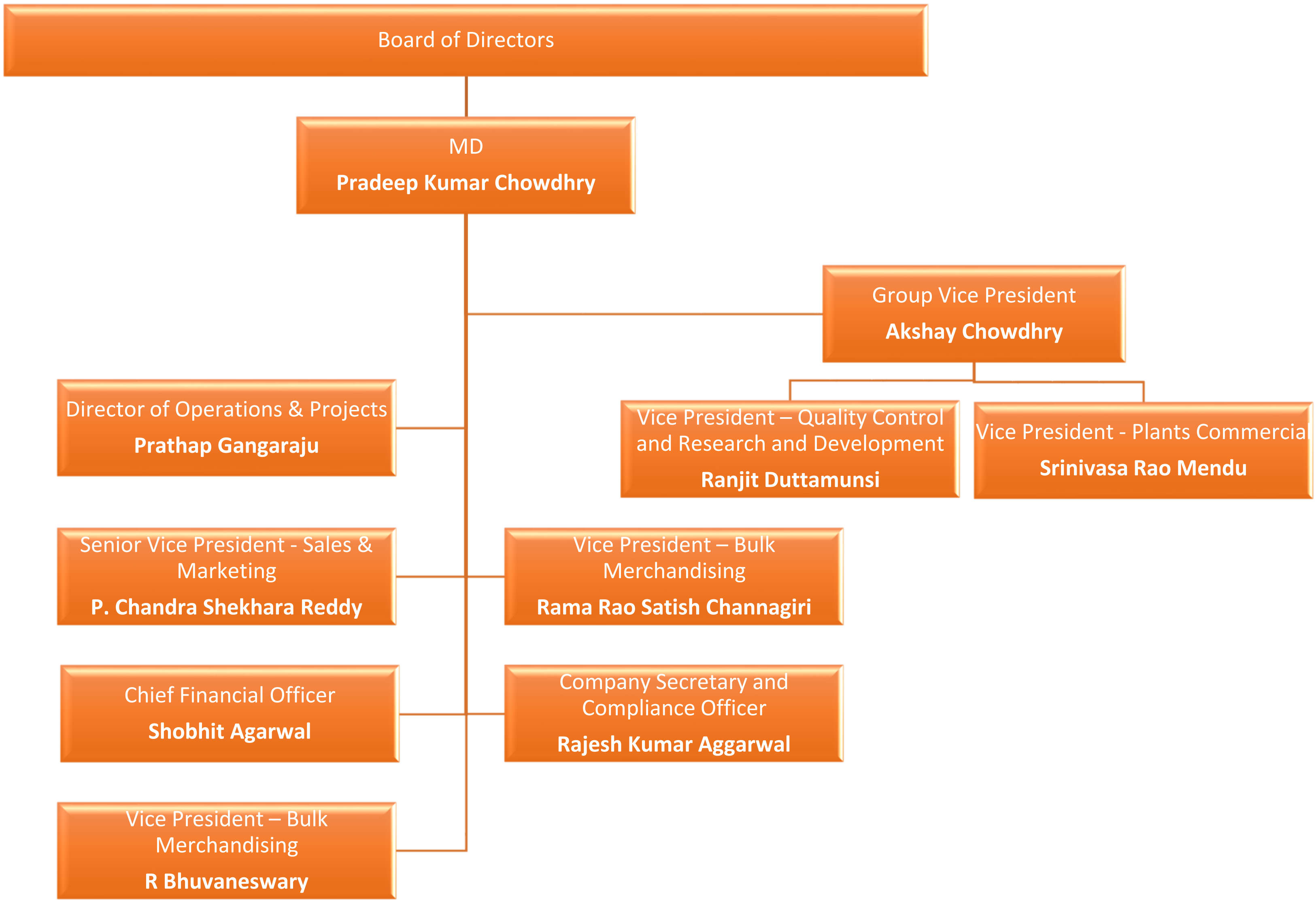
**Management Organization Structure**



**Key Managerial Personnel of our Company**

The details of the Key Managerial Personnel of our Company, as of the date of this Draft Red Herring Prospectus, are set out below.

**Pradeep Chowdhry** is the Managing Director of our Company. He has been a Director since incorporation of our Company. In Fiscal 2021, he was paid a compensation of ₹21.55 million by our Company. For more details, see "—*Brief Biographies of our Di*rectors" on page 177.

**Prathap Gangaraju** is the WholeTime Director / Technical Director and the Director of Operations & Projects of our Company. He has been associated with our Company since December 1, 2009. In Fiscal 2021, he was paid a compensation of ₹9.47 million by our Company. For more details, see "—*Brief Biographies of our Di*rectors" on page 177.

**Akshay Chowdhry** is the Group Vice President of our Company. He has been associated with our Company since October 7, 2010. He holds a bachelor's degree in commerce from the University of Delhi, New Delhi. He also holds a master's degree in business administration from the ICFAI University, Dehradun, Uttarakhand and a master's of science degree in finance from the London Business School, United Kingdom. He has over 10 years' experience in the edible oils industry. Prior to joining our Company, he worked as senior analyst-financial research at D.E. Shaw India Software Private Limited. In Fiscal 2021, he was paid a compensation of ₹8.70 million by our Company.

**Shobhit Agarwal** is the Chief Financial Officer of our Company. He has been associated with GARI since November 10, 2014 while being on secondment with our Company in the capacity of chief financial officer. He has been associated with our Company since December 1, 2018. He holds a bachelor's degree in commerce from Dr. Bhimrao Ambedkar University, Agra and is a qualified chartered accountant. He has experience in the agriculture commodities industry. Prior to joining our Company, he worked as the accounting controller at Louis Dreyfus Commodities Asia Pte. Ltd., as the finance controller at Louis Dreyfus Commodities India Private Limited and as general manager - finance at Golden Agri Resources (India) Private Limited. In Fiscal 2021, he was paid a compensation of ₹6.61 million by our Company.

**Rajesh Kumar Aggarwal** is the Company Secretary and Compliance Officer of our Company. He has been associated with our Company since April 4, 2011. He has graduated from the Guru Nanak Dev University, Amritsar, Punjab and is a qualified company secretary and chartered accountant. He has experience in direct tax management, internal audit, costing, funds management and secretarial functions in edible oils industry. Prior to joining our Company, he worked as taxation officer at Amrit Banaspati Company Limited. In Fiscal 2021, he was paid a compensation of ₹5.52 million by our Company.

**P. Chandra Shekhara Reddy** is the Senior Vice President, Sales & Marketing of our Company. He has been associated with our Company since November 6, 2009. He holds a bachelor's degree in commerce from Osmania University, Hyderabad. He has experience in the edible oils and fats industry. Prior to joining our Company, he worked as general manager-sales and marketing at Acalmar Oils & Fats Limited and as manager-logistics at SOL. He has also worked in other Indian companies such as ITC Agro Tech Limited and Leo Edibles & Fats Limited. In Fiscal 2021, he was paid a compensation of ₹13.87 million by our Company.

**Srinivasa Rao Mendu** is the Vice President - Plants Commercial of our Company. He has been associated with our Company since November 19, 2009. He holds a bachelor's degree in commerce from Andhra University, Andhra Pradesh. He is a qualified cost and management accountant. He has experience in commercial, finance and account functions in tobacco, ceramic, software, agriculture commodity and edible oils and fats industries. Prior to joining our Company, he worked as manager-finance at Alberg Software Limited, as assistant manager-sales accounting at Cargill India Private Limited and assistant manager-commercial at Acalmar Oils & Fats Limited. He has also worked in other Indian companies such as VST Industries Limited and Regency Ceramics Limited. In Fiscal 2021, he was paid a compensation of ₹6.82 million by our Company.

**Ranjit Duttamunsi** is the Vice President - Quality Control & Research and Development of our Company. He has been associated with our Company since December 1, 2009. He has graduated from University of Calcutta, Kolkata, West Bengal. He has over 15 years of experience in edible oils and fats industry. Prior to joining our Company, he worked as senior manager – quality control at Acalmar Oils & Fats Limited. He has also worked in Britannia Industries Limited. In Fiscal 2021, he was paid a compensation of ₹6.17 million by our Company.

**Rama Rao Satish Channagiri** is the Vice President - Bulk Merchandising of our Company. He has been associated with our Company since September 1, 2009. He holds a bachelor's degree in science from Bangalore University, Bengaluru, Karnataka. He also holds a master's degree in business administration from Bangalore University, Bengaluru, Karnataka. Prior to joining our Company, he worked as trading manager at Acalmar Oils & Fats Limited and as a trader at ITC Limited. He has also worked in other Indian companies such as Beardsell Limited, VST Industries Limited, Karnataka Co-operative Oilseeds Growers' Federation Limited, Raichur Co-operative Oil Complex. In Fiscal 2021, he was paid a compensation of ₹6.41 million by our Company.

**R. Bhuvaneswary** is the Vice President - Bulk Merchandising of our Company. She has been associated with our Company since September 5, 2009. She holds a bachelor's degree in economics from Meenakshi College for Women, University of Madras, Chennai. She also holds a diploma in secretarial practise from the Institute of Secretarial Services, New Delhi. Prior to joining our Company, she worked at Acalmar Oils & Fats Limited. In Fiscal 2021, she was paid a compensation of ₹5.51 million by our Company.

The aggregate remuneration paid to the Key Managerial Personnel (other than the Key Managerial Personnel in terms of the Companies Act), in Fiscal 2021 was ₹47.47 million.

**Status of Key Managerial Personnel**

All the Key Managerial Personnel are permanent employees of our Company.

**Shareholding of Key Managerial Personnel**

Except as disclosed below, none of our Key Managerial Personnel hold any Equity Shares.

| S. No. | Name of Director | No. of Equity Shares | Percentage of the pre-Offer paid-up share capital (%) | Percentage of the post-Offer paid-up share capital (%) |
|---|---|---|---|---|
| 1. | Pradeep Chowdhry | 590,920 | 0.57 | 0.57 |
| 2. | Akshay Chowdhry | 10 | Negligible | Negligible |

None of our Key Managerial Personnel have been provided any employee stock options.

**Loans to Key Managerial Personnel**

No loans have been availed by our Key Managerial Personnel from our Company.

**Contingent and deferred compensation payable to our Key Managerial Personnel**

There is no contingent or deferred compensation payable to our Key Managerial Personnel, which does not form a part of their remuneration.

**Bonus or Profit Sharing Plan of our Key Managerial Personnel**

None of our Key Managerial Personnel are party to any bonus or profit sharing plan of our Company, other than the performance linked incentives given to Key Managerial Personnel.

**Arrangement or Understanding with Major Shareholders, Customers, Suppliers or Others**

There are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of our Key Managerial Personnel were selected as members of our management.

**Interest of Key Managerial Personnel**

Our Company had executed a lease agreement dated September 25, 2020 with SOL for the purpose of leasing the premises of its Registered and Corporate Office. Pradeep Chowdhry and Akshay Chowdhry are shareholders in SOL. Under the terms of the lease agreement, our Company has paid an interest free refundable security deposit of ₹1.17 million and pays a monthly rent of ₹0.83 million. The tenure of the lease period is one year with effect from October 1, 2020.

Other than as disclosed above and in "—*Interest of Directors*" on page 180, none of our Key Managerial Personnel have any interest in our Company, other than to the extent of the remuneration or benefits to which they are entitled to in accordance with the terms of their appointment or reimbursement of expenses incurred by them during the ordinary course of business.

None of our Key Managerial Personnel have been paid any consideration of any nature by our Company other than remuneration in the ordinary course of their employment.

Other than the variable pay payable to our Key Managerial Personnel, there is no deferred or contingent compensation payable to any of our Key Managerial Personnel, even if the compensation is payable at a later date.

**Changes in the Key Managerial Personnel during the Last Three Years**

Except as disclosed under "—*Changes in the Board during the Last Three Years*" on page 182, the changes in the Key Managerial Personnel in the last three years is as follows:

| Name | Designation | Date of change | Reason for change |
|---|---|---|---|
| Shobhit Agarwal | Chief Financial Officer | December 1, 2018 | Appointment |

**Payment or Benefit to Key Managerial Personnel**

No amount or benefit has been paid or given within two years preceding the date of this Draft Red Herring Prospectus or is intended to be paid or given to any officers of our Company, including our Key Managerial Personnel, other than normal remuneration and any employee stock options, for services rendered as officers of our Company and other than as disclosed in "*Financial Information*", beginning on page 207.

Other than statutory benefits upon termination of their employment in our Company on retirement, none of our Key Managerial Personnel has entered into a service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment.

**Employee Stock Option/Purchase Schemes**

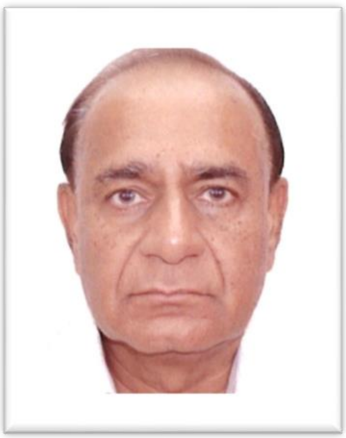
As of the date of this Draft Red Herring Prospectus, our Company did not have any employee stock option schemes.

## OUR PROMOTERS AND PROMOTER GROUP

### Our Promoters

The Promoters of our Company are Pradeep Chowdhry, Alka Chowdhry, GAI and GAIE.

As of the date of this Draft Red Herring Prospectus, GAI did not directly hold any Equity Shares in our Company, and has never directly held any equity shares in our Company since its incorporation. As of the date of this Draft Red Herring Prospectus, our other Promoters, Pradeep Chowdhry, Alka Chowdhry and GAIE held 590,920, 11,886,790 and 57,886,130 Equity Shares, constituting 0.57%, 11.56% and 56.27%, respectively, of the issued, subscribed and paid-up share capital of our Company, which aggregated to 70,363,840 Equity Shares, constituting 68.40% of the issued, subscribed and paid-up share capital of our Company. For further details, see "*Capital Structure—Build-up of our Promoters' Shareholding in our Company*" beginning on page 71.

| | |
|---|---|
|  | **Pradeep Chowdhry**<br><br>Pradeep Chowdhry, aged 65 years (date of birth: August 20, 1955), is a resident Indian national. He is a Promoter and the Managing Director of our Company. He resides at Flat: S-5, Block-A, Stone Valley Apartments, Road No. 4, Banjara Hills, Hyderabad 500 034, Telangana, India. For further details regarding his educational qualifications, experience, positions and posts held in the past, other directorships and special achievements, see "*Our Management—Brief biographies of Directors*" on page 177.<br><br>Other than SOL, Leo Edibles and Fats Limited, Leo Township Developers India Limited, UKS Oils Private Limited, Leo Global Commodities Private Limited, Neo Sun Industries Limited, SOL Commodities Pte. Ltd., JAP Enterprises and UKS Forex Private Limited, he is not involved in any other venture.<br><br>His permanent account number is ACBPC7487L. His Aadhar card number is [redacted] His driving license number is 4921998OS. |
| | |
|  | **Alka Chowdhry**<br><br>Alka Chowdhry, aged 61 years (date of birth: January 8, 1960), is a resident Indian national. She is a Promoter of our Company. She resides at Flat: S-5, Block-A, Stone Valley Apartments, Road No. 4, Banjara Hills, Hyderabad 500 034, Telangana, India.<br><br>She holds a bachelor's degree in arts from the Garhwal University.<br><br>Other than SOL, Leo Edibles and Fats Limited, Leo Township Developers India Limited, SOL Commodities Pte. Ltd., UKS Oils Private Limited, Neo Sun Industries Limited and UKS Forex Private Limited, she is not involved in any other ventures.<br><br>Her permanent account number is AAUPC0459R. Her Aadhar card number is [redacted]. She does not have a driving license. |

Our Promoter, Alka Chowdhry does not have adequate experience in the business activities undertaken by our Company. For details see "*Risk Factors—40. One of our Promoters has limited experience in the edible oils and fats industry.*" on page 42.

Our Company confirms that the permanent account numbers, bank account numbers and the passport numbers of each of our Individual Promoters, Pradeep Chowdhry and Alka Chowdhry, shall be submitted to the Stock Exchanges at the time of filing this Draft Red Herring Prospectus with them.

**Golden Agri International Enterprises Pte. Ltd.**

***Corporate Information***

GAIE was incorporated on October 19, 2011 under the laws of the Republic of Singapore as a private company limited by shares with the Accounting and Corporate Regulatory Authority, Singapore and its unique entity number is 201131260D. Its permanent account number is AAFCG7178R. Its registered office is located at 108, Pasir Panjang Road, #06-00, Golden Agri Plaza, Singapore 118535.

GAIE is primarily engaged in the business of providing management consultancy services and investment holdings. There has been no change in the business of GAIE since its incorporation. GAIE is a subsidiary of GAI that engages primarily in trading of crude palm oil and related products, therefore GAIE has adequate experience in the business activities undertaken by our Company. Additionally, GAIE also owns another subsidiary, GARI, which also engages in trading of edible oil.

As of the date of this Draft Red Herring Prospectus, the shares of GAIE were not listed on any stock exchange.

***Promoters of GAIE***

GAI is the promoter of GAIE and holds the 100% of the share capital of GAIE. For details regarding GAI, please refer to "—*Golden Agri International Pte. Ltd.*" on page 195.

***Change in control of GAIE***

There has been no change in the control of GAIE in the three years preceding the date of filing of this Draft Red Herring Prospectus.

***Board of Directors of GAIE***

The composition of the board of directors of GAIE as of the date of this Draft Red Herring Prospectus is set out below.

| S. No. | Name | Designation |
|---|---|---|
| 1. | Chen Sau Hua | Director |
| 2. | Rajesh Chopra | Director |
| 3. | Hemant Kumar Bhatt | Director |
| 4. | Rafael Buhay Concepcion, Jr. | Director |

***Shareholding pattern of GAIE***

GAIE is a wholly owned subsidiary of GAI.

**Golden Agri International Pte. Ltd.**

***Corporate Information***

GAI was incorporated on February 17, 1998 under the laws of the Republic of Singapore as a private company limited by shares with the Accounting and Corporate Regulatory Authority, Singapore. Its permanent account number is AAHCG1015D and its unique entity number is 199800781G. Its registered office is located at 108, Pasir Panjang Road, #06-00, Golden Agri Plaza, Singapore 118535.

GAI is engaged primarily in trading of crude palm oil and related products. There has been no change in the business of GAI since its incorporation. Since the principal activity of business of GAIE is that of trading of crude palm oil and related products, it has adequate experience in the business activities undertaken by our Company.

As of the date of this Draft Red Herring Prospectus, the shares of GAI were not listed on any stock exchange.

***Promoters of GAI***

Golden Agri-Resources Ltd. ("**GAR**") is the promoter of GAI.

*Corporate information of GAR*

GAR is a public limited company incorporated under laws of Republic of Mauritius. Its unique entity number is 17099/2833. GAR does not hold a permanent account number in India. Its registered office is located at c/o IQ EQ Corporate Services (Mauritius) Ltd., 33 Edith Cavell Street, Port Louis 11324, Republic of Mauritius.

The ordinary shares of GAR are listed on the official list of the Singapore Exchange Securities Trading Limited ("**SGX**") and it is engaged in the business of cultivation and production of palm oil and processing of palm oil into a broad range of industrial and consumer products such as cooking oil, margarine, shortening, biodiesel and oleo-chemicals as well as merchandising palm products throughout the world.

GAR holds 100% of the share capital of GAI.

*Natural persons in control / board of directors of GAR*

As of the date of this Draft Red Herring Prospectus, there were no natural persons holding 15% or more of GAR's voting rights.

The composition of the board of directors of GAR as of the date of this Draft Red Herring Prospectus is set out below.

| S. No. | Name | Designation |
|---|---|---|
| 1. | Franky Oesman Widjaja | Chairman and Chief Executive Officer |
| 2. | Muktar Widjaja | Executive Director and President |
| 3. | Rafael Buhay Concepcion, Jr. | Chairman and Chief Financial Officer |
| 4. | Lew Syn Pau | Non-Executive Lead Independent Director |
| 5. | Foo Meng Kee | Non-Executive Independent Director |
| 6. | Christian G H Gautier De Charnace | Non-Executive Independent Director |
| 7. | Khemraj Sharma Sewraz | Non-Executive Independent Director |
| 8. | Marie Claire Goolam Hossen | Non-Executive Independent Director |

***Change in control of GAI***

There has been no change in the control of GAI in the three years preceding the date of filing of this Draft Red Herring Prospectus.

***Board of Directors of GAI***

The composition of the board of directors of GAI as of the date of this Draft Red Herring Prospectus is set out below.

| S. No. | Name | Designation |
|---|---|---|
| 1. | Franky Oesman Widjaja | Director |
| 2. | Rafael Buhay Concepcion, Jr. | Director |
| 3. | Milton Subianto Ng | Director |
| 4. | Chen Sau Hua | Director |
| 5. | Hemant Kumar Bhatt | Director |
| 6. | Rajesh Chopra | Director |

***Shareholding pattern of GAI***

GAI is a wholly owned subsidiary of GAR.

Our Company confirms that the permanent account numbers, bank account numbers, the company registration numbers and the address of Accounting and Corporate Regulatory Authority, Singapore with whom Corporate Promoters, GAIE and GAI, are registered, will be submitted to the Stock Exchanges at the time of filing this Draft Red Herring Prospectus.

**Interests of Promoters**

Our Promoters are interested in our Company to the extent: (i) that they have promoted our Company; (ii) that they have appointed directors on the Board and the reimbursement of expenses for attending meetings of our Board or committees thereof; (iii) of the Equity Shares held by them in our Company and dividend payable, if any, and other distributions in respect of the Equity Shares held by them; and (iv) of being subscribers to the Memorandum of Association. For details regarding the shareholding of our Promoters and the Promoter Group in our Company, see "*Capital Structure*", "*Our Management*" and "*Financial Information*" beginning on pages 69, 174 and 207, respectively.

Our Company had executed a lease agreement dated September 25, 2020 with SOL for the purpose of leasing the premises of its Registered and Corporate Office. Pradeep Chowdhry and Alka Chowdhry are shareholders in SOL. Under the terms of the lease agreement, our Company has paid an interest free refundable security deposit of ₹1.17 million and pays a monthly rent of ₹0.83 million. The tenure of the lease period is one year with effect from October 1, 2020. Accordingly, our Promoters, Pradeep Chowdhry and Alka Chowdhry may be interested in transactions or business arrangements undertaken by our Company with entities in which our Promoters hold shares.

**Interests of Promoters in property of our Company**

None of our Promoters have any interest in any property acquired within the three years immediately preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

**Business Interests**

None of our Promoters are interested as a member of a firm or company, and no sum has been paid or agreed to be paid to our Promoters or to such firm or company in cash or shares or otherwise by any person either to induce them to become or to qualify them as a Director or otherwise for services rendered by them or by such Promoters or such firm or company in connection with the promotion or formation of our Company.

For details of related party transactions entered into by our Company with our Promoters during the Financial Year immediately preceding the date of this Draft Red Herring Prospectus, see "*Financial Information*" beginning on page 207.

Our Company and GAI had entered into master agreements dated May 29, 2015 and January 7, 2016, as amended by an amendment agreement dated January 31, 2020, whereby they have agreed to sell and purchase from each other, vegetable oils based commodity products including palm oil and sunflower oil by execution of purchase orders. The price of the products will be mutually negotiated by our Company and GAI at the time of execution of each purchase order.

Our Company and Pradeep Chowdhry had entered into an undertaking agreement dated November 10, 2014, whereby Pradeep Chowdhry deposited ₹94.34 million with our Company pursuant to the terms of the share purchase agreement dated October 28, 2014 and on the condition that the deposit will be retained by our Company until such time as our Company received sales tax incentive under the Industrial Investment Promotion Policy 2005-10 from the Government of Andhra Pradesh and Telangana, as applicable. Our Company has been refunding the amount based on the sales tax incentives received and will refund the balance deposit amount to Pradeep Chowdhry in due course, as per the terms of the agreement.

**Payment or Benefits to our Promoters or Promoter Group**

Our Company had executed a lease agreement dated September 25, 2020 with SOL for the purpose of leasing the premises of its Registered and Corporate Office situated at Building No. 8-2-334/70 & 71, situated opposite SBI Executive Enclave, Road No.5, Banjara Hills, Hyderabad 500034, Telangana. Under the terms of the lease agreement, our Company has paid an interest free refundable security deposit of ₹1.17 million and pays a monthly rent of ₹0.83 million. The tenure of the lease period is one year from October 1, 2020.

Except as set out above, there has been no payment of benefits to our Promoters or the Promoter Group during the two years immediately preceding the date of filing of this Draft Red Herring Prospectus, nor is there any intention to pay or give any benefit to our Promoters or any members of our Promoter Group other than as stated in "*Financial Information*" beginning on page 207.

Our Company has not entered into any contract, agreement or arrangements during the two years immediately preceding the date of this Draft Red Herring Prospectus and does not propose to enter into any such contract in which our Promoters or the Promoter Group are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made other than as stated in "*Financial Information*" beginning on page 207.

**Material guarantees given by our Promoters to third parties**

Our Promoters have not given any material guarantees to third parties with respect to the specified securities of our Company.

**Companies or firms with which our Promoters have disassociated in the last three years**

Our Promoters have not disassociated themselves from, or sold or transferred their stake in, any company or firm in the three years immediately preceding the date of this Draft Red Herring Prospectus.

**Change in the Management and Control of our Company**

While there has been no effective change in the management and control of our Company in the five years immediately preceding the date of this Draft Red Herring Prospectus, GAIE acquired majority control of our Company pursuant to a shareholders agreement dated November 10, 2014, as amended by the 2018 SHA and 2021 SHA, and has been identified as promoter of our Company in certain public filings and agreements entered into by our Company in the past. GAI and GAIE are not the original promoters of our Company. For details, see "*History and Certain Corporate Matters – Shareholders' Agreements and Other Agreements*" on page 171.

**Our Promoter Group**

In addition to the Promoters named above, the following individuals and entities form a part of our Promoter Group.

***A. Natural persons forming part of the Promoter Group***

Set forth below are names of the persons who form a part of the Promoter Group of the Individual Promoters.

1. Akshay Chowdhry
2. Jaidev Chowdhry
3. Poonam Bhutani
4. Shakuntala Lal
5. Shweta Chowdhry

***B. Entities forming part of the Promoter Group***

Set forth below are names of the entities who form a part of the Promoter Group of the Individual Promoters.

1. JAP Enterprises
2. Leo Edibles and Fats Limited

3. Leo Global Commodities Private Limited
4. Leo Township Developers India Limited
5. Neo Sun Industries Limited
6. SOL
7. SOL Commodities Pte. Ltd.
8. UKS Forex Private Limited
9. UKS Oils Private Limited

Set forth below are names of the entities who form a part of the Promoter Group of the Corporate Promoters.

1. Golden Agri International (L) Ltd.
2. Golden Agri International (M) Ltd. (formerly known as Golden Agri International (Cayman) Ltd.)
3. Golden Agri International Trading (Cayman) Ltd.
4. Golden Agri Trading (L) Ltd.
5. Golden Agri International Trading (Mauritius) Ltd.
6. Golden Agri International (M) Trading Sdn. Bhd.
7. Golden Agri Plaza Pte. Ltd. (formerly known as Golden Techno Suites Pte. Ltd.)
8. Golden Agri-Resources Europe Holding Pte. Ltd.
9. Golden Agri Resources (India) Private Limited (formerly known as Sinarmas Agri India Private Limited)
10. Golden Agri Resources Ltd.
11. SinarKonex Korea Co. Ltd.

## OUR GROUP COMPANIES

In accordance with the provisions of the SEBI ICDR Regulations and pursuant to the resolution passed by our Board at its meeting held on August 2, 2021, group companies of our Company (i) include companies (*other than the Promoters*) with which there were related party transactions as per the Restated Financial Information included in this Draft Red Herring Prospectus; and (ii) companies (*other than the Promoters*) with which there were related party transactions for the period beginning from April 1, 2021 until the date of this Draft Red Herring Prospectus.

Accordingly, in terms of the policy adopted by our Board for determining group companies, as of the date of this Draft Red Herring Prospectus, our Board had identified the following as group companies of our Company (the "**Group Companies**"):

1. Black River Food 2 Pte. Ltd.
2. Golden Agri Resources (India) Private Limited
3. Integrated Advance IT Services Sdn. Bhd.
4. Leo Global Commodities Private Limited
5. Secunderabad Oils Limited
6. UKS Forex Private Limited*
7. UKS Oils Private Limited*

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** the financial information for the five largest Group Companies based on turnover has been included in this Draft Red Herring Prospectus, in accordance with the SEBI ICDR Regulations.*

### *A. Details of our Group Companies*

### 1. Black River Food 2 Pte. Ltd. ("Black River")

*Corporate Information*

Black River was incorporated on January 22, 2015 as a company under Section 28 of the Companies Act of Singapore (Cap. 50) with unique entity number 201502218D. Its registered office is located at 138 Market Street, #16-02 Capita Green, Singapore 048 946.

*Nature of Activities*

Black River is authorized to engage in the business of holding investments.

*Financial Information*

The following table sets forth certain details in relation to the audited financial results of Black River on a standalone basis for the periods indicated below.

*(US$ million, except per share data)*

| Particulars | As of and for the year ended December 31, | | |
|---|---|---|---|
| | 2020 | 2019 | 2018 |
| Equity capital | 490.52 | 464.97 | 407.68 |
| Reserves (excluding revaluation reserve) | 364.16 | 228.28 | 179.33 |
| Revenue | 189.18 | 63.10 | (18.94) |
| Profit/(loss) after tax | 173.49 | 48.95 | (23.74) |
| Earnings per share (basic) (face value of US$ 1) (US$) | 0.35 | 0.11 | (0.06) |
| Diluted earnings per share (face value of US$ 1) (US$) | 0.35 | 0.11 | (0.06) |
| NAV per share (US$) | 65.96 | 77.87 | 96.07 |

There are no significant notes of the auditors of Black River in relation to the aforementioned financial statements.

**2. Golden Agri Resources (India) Private Limited ("GARI")**

*Corporate Information*

GARI was incorporated on February 10, 2012, as a private limited company under the Companies Act, 1956. GARI's corporate identification number is U74999DL2012FTC231315. Its registered office is located at 208, 2nd Floor, Triveni Complex, E-10-12, Jawahar Park, Laxmi Nagar, East Delhi, Delhi 110092, India.

*Nature of Activities*

GARI is primarily authorized to engage in the business of imports and sale of bulk edible oil to consumers in western part of India.

*Financial Information*

The following table sets forth certain details in relation to the audited financial results of GARI on a standalone basis for the periods indicated below.

*(₹ million, except per share data)*

| Particulars | As of and for the year ended March 31,* | | |
|---|---|---|---|
| | 2020 | 2019 | 2018 |
| Equity capital | 48.56 | 48.56 | 48.56 |
| Reserves (excluding revaluation reserve) | 308.99 | 168.39 | 283.27 |
| Revenue | 16,544.19 | 23,047.24 | 14,620.20 |
| Profit/(loss) after tax | 140.61 | (114.88) | 62.66 |
| Earnings per share (basic) (face value of ₹10) (₹) | 28.96 | (23.66) | 12.90 |
| Diluted earnings per share (face value of ₹10) (₹) | 28.96 | (23.66) | 12.90 |
| NAV per share (₹) | 73.63 | 44.68 | 68.34 |

* *The audited financial results of GARI on a standalone basis as of and for the year ended March 31, 2021 are under preparation and will be included prior to filing of the Red Herring Prospectus with the RoC.*

There are no significant notes of the auditors of GARI in relation to the aforementioned financial statements.

**3. Integrated Advance IT Services Sdn. Bhd. ("IAITS")**

*Corporate Information*

IAITS was incorporated on January 13, 2015 as a private company under the laws of Malaysia. The corporate identification number of IAITS is 201501001536 (1126868-M). Its registered office is located at C3A, 6&7 Sky Park@One City, Jalan USJ 25/1, 47650 Subang Jaya, Selangor, Malaysia.

*Nature of Activities*

IAITS is authorized to engage in the business of provision of facilities for data center resources, IT consultancy, IT application design, development and maintenance services provision of facilities for data center resources and other IT outsourced activities.

*Financial Information*

The following table sets forth certain details in relation to the audited financial results of IAITS on a standalone basis for the periods indicated below.

*(MYR million, except per share data)*

| Particulars | As of and for the year ended March 31, | | |
|---|---|---|---|
| | 2020 | 2019 | 2018 |
| Equity capital | 0.40 | 0.40 | 0.40 |
| Reserves (excluding revaluation reserve) | 3.55 | 2.34 | 0.66 |
| Revenue | 14.77 | 16.49 | 20.81 |
| Profit/(loss) after tax | 1.21 | 1.68 | 2.96 |

| Particulars | As of and for the year ended March 31, | | |
|---|---|---|---|
| | 2020 | 2019 | 2018 |
| Earnings per share (basic) (face value of MYR1) (MYR) | 3.03 | 4.20 | 7.41 |
| Diluted earnings per share (face value of MYR1) (MYR) | 3.03 | 4.20 | 7.41 |
| NAV per share (MYR) | 9.87 | 6.84 | 2.64 |

* *The audited financial results of IAITS on a standalone basis as of and for the year ended March 31, 2021 are under preparation and will be included prior to filing of the Red Herring Prospectus with the RoC.*

Except for the observation made by the auditors in their report for the financial year ended December 31, 2018 in relation to net current liabilities of IAITS amounting to MYR 345,359, and that these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern, there are no significant notes of the auditors of IAITS in relation to the aforementioned financial statements.

### 4. Leo Global Commodities Private Limited ("Leo Global")

*Corporate Information*

Leo Global was incorporated on August 17, 2000 as a private limited company under the Companies Act, 1956. The corporate identification number of Leo Global is U67120TG2000PTC035127. It registered office is located at Ivy Terrace, Plot No.119, Flat No. 402 4th Floor, Kavuri Hills, Guttalabegumpet Village, Serilingampally Mandal, Hyderabad 500081, Telangana, India.

*Nature of Activities*

Leo Global is authorized to engage in the business of stock (commodity) broker.

*Financial Information*

The following table sets forth certain details in relation to the audited financial results of Leo Global on a standalone basis for the periods indicated below.

*(₹ million, except per share data)*

| Particulars | As of and for the year ended March 31,* | | |
|---|---|---|---|
| | 2020 | 2019 | 2018 |
| Equity capital | 4.50 | 4.50 | 4.50 |
| Reserves (excluding revaluation reserve) | 98.88 | 94.40 | 98.86 |
| Revenue | 14.88 | 4.71 | 2.33 |
| Profit/(loss) after tax | 4.49 | (4.47) | (1.34) |
| Earnings per share (basic) (face value of ₹10) (₹) | 9.98 | (9.93) | (2.97) |
| Diluted earnings per share (face value of ₹10) (₹) | 9.98 | (9.93) | (2.97) |
| NAV per share (₹) | 229.74 | 219.77 | 229.69 |

* *The audited financial results of Leo Global on a standalone basis as of and for the year ended March 31, 2021 are under preparation and will be included prior to filing of the Red Herring Prospectus with the RoC.*

Except for the observation made by the auditors in their reports for each of the three financial years ended March 31, 2020, 2019 and 2018 in relation to Leo Global's internal financial control, and that the internal financial control requires improvement, commensurate with the size and nature of business of Leo Global, there are no significant notes of the auditors of Leo Global in relation to the aforementioned financial statements.

**5. Secunderabad Oils Limited ("SOL")**

*Corporate Information*

SOL was incorporated on October 1, 1996 as a public company under the Companies Act, 1956. The corporate identification number of SOL is U16001TG1996PLC025358. Its registered office is located at 203, Diamond House, behind Topaz Building, Punjagutta, Hyderabad 500082, Telangana, India.

*Nature of Activities*

SOL is primarily authorized to engage in the business of trading in edible oils.

*Financial Information*

The following table sets forth certain details in relation to the audited financial results of SOL on a standalone basis for the periods indicated below.

*(₹million, except per share data)*

| Particulars | As of and for the year ended March 31,* | | |
|---|---|---|---|
| | 2020 | 2019 | 2018 |
| Equity capital | 8.27 | 8.27 | 8.27 |
| Reserves (excluding revaluation reserve) | 516.22 | 491.33 | 465.43 |
| Revenue | 17.80 | 183.40 | 790.78 |
| Profit/(loss) after tax | 24.89 | 25.90 | 41.53 |
| Earnings per share (basic) (face value of ₹10) (₹) | 30.10 | 31.32 | 50.24 |
| Diluted earnings per share (face value of ₹10) (₹) | 30.10 | 31.32 | 50.24 |
| NAV per share (₹) | 634.41 | 604.31 | 572.99 |

* *The audited financial results of SOL on a standalone basis as of and for the year ended March 31, 2021 are under preparation and will be included prior to filing of the Red Herring Prospectus with the RoC.*

There are no significant notes of the auditors of SOL in relation to the aforementioned financial statements.

**6. UKS Forex Private Limited ("UKS Forex")**

*Corporate Information*

UKS Forex was incorporated on October 7, 1997 as a private limited company under the Companies Act, 1956. The corporate identification number of UKS Forex is U65990TG1997PTC028114. Its registered office is located at Ivy Terrace, Plot No.119, Flat No. 402, 4th Floor, Kavuri Hills, Guttalabegumpet Village, Serilingampally Mandal, Hyderabad, 500081, Telangana, India.

*Nature of Activities*

UKS Forex is authorized to engage in the business of stock (currency) broker.

**7. UKS Oils Private Limited ("UKS Oils")**

*Corporate Information*

UKS Oils was incorporated on September 23, 1998 as a private limited company under the Companies Act, 1956. The corporate identification number of UKS Oils is U15143TG1998PTC030221. Its registered office is located at Ivy Terrace, Plot No.119, Flat No. 402, 4th Floor, Kavuri Hills, Guttalabegumpet Village, Serilingampally Mandal Hyderabad, 500081, Telangana, India.

*Nature of Activities*

UKS Oils is authorized to engage in the business of trading of all kinds of edible and non-edible oils.

***B. Loss Making Group Companies***

Details of the losses made by four of our Group Companies in the periods indicated below.

*(in ₹ million)*

| Name of the Group Company | Profit/(Loss) after Tax | | |
|---|---|---|---|
| | For the year ended December 31, | | |
| | 2020 | 2019 | 2018 |
| Black River (in US$) | 173.49 | 48.95 | (23.74) |
| | For the year ended March 31, | | |
| | 2020 | 2019 | 2018 |
| GARI (in ₹) | 140.61 | (114.88) | 62.66 |
| Leo Global (in ₹) | 4.49 | (4.47) | (1.34) |
| UKS Forex (in ₹) | (0.20) | (0.01) | 3.84 |

***C. Defunct Group Companies***

None of our Group Companies are defunct and no applications have been made to the concerned registrar of companies for striking off the name of any of our Group Companies in the five years immediately preceding the date of filing of this Draft Red Herring Prospectus.

***D. Sick industrial Group Companies or under winding up/ insolvency proceedings***

None of our Group Companies is a sick company under the erstwhile SICA nor has any winding up or insolvency proceeding been initiated against any of our Group Companies.

**Nature and extent of interest of Group Companies**

*In the promotion of our Company*

None of our Group Companies have any interest in the promotion of our Company.

*In the properties acquired by our Company in the three years preceding the date of filing of this Draft Red Herring Prospectus or proposed to be acquired by our Company*

Our Company had executed a lease agreement dated September 25, 2020 with SOL for the purpose of leasing the premises of our Registered and Corporate Office. Under the terms of the lease agreement, our Company has paid an interest free refundable security deposit of ₹1.17 million and pays a monthly rent of ₹0.83 million. The tenure of the lease period is one year from October 1, 2020.

Except as set out above, none of our Group Companies are interested in the properties acquired by our Company in the three years preceding the date of filing of this Draft Red Herring Prospectus or proposed to be acquired.

*In the transactions for acquisition of land, construction of building and supply of machinery*

None of our Group Companies are interested in the transactions for acquisition of land, construction of building and supply of machinery entered into by our Company.

**Related business transactions within our Group Companies and significance on the financial performance of our Company**

Our Company had executed an IT services agreement dated January 2, 2017 with IAITS for the purpose of availing certain IT services which includes *inter alia* data center management services, SAP support and other IT support services and network management services from IAITS. Under the terms of the agreement, our Company is liable to pay service fee either biannually or annually which will be based on usage and cost incurred for project implementation with an appropriate mark up as reasonably determined by our Company and IAITS. The agreement is valid for a period of six years until December 31, 2022.

Our Company and SOL had entered into an undertaking agreement dated November 10, 2014 whereby SOL deposited ₹28.37 million with our Company pursuant to the terms of the share purchase agreement dated October 28, 2014 and on the condition that the deposit will be retained by our Company till such time our Company received sales tax incentive from the Government of Andhra Pradesh under the Industrial Investment Promotion Policy 2005-10 – Sanction of Sales Tax. Our Company has been refunding the amount based on the sales tax incentives received and will refund the balance deposit amount to SOL in due course, as per the terms of the agreement.

Except as set out above and disclosed in "—*In the properties acquired by our Company in the three years preceding the date of filing of this Draft Red Herring Prospectus or proposed to be acquired by our Company*", there are no related business transactions within or with our Group Companies, which impact the financial performance of our Company, except as otherwise disclosed in "*Restated Financial Information—Note 39—Related Parties*", on page 245.

**Common pursuits**

Except for GARI which is engaged in the business of importing and selling bulk edible oil in India, on lines that are similar to/synergetic with ours, and UKS Oils and SOL, which are engaged in the business of trading in edible oils, there are no common pursuits between our Company and our Group Companies. However, GARI, does not have any processing facilities in India and do not sell branded packaged edible oils to retail consumers. Further, in relation to UKS Oils and SOL, the material customers are different from ours. We, GARI, SOL and UKS Oils shall adopt necessary procedures and practices as permitted by law to address any conflict situations, as and when they may arise. Also see "*Risk Factors—18. Conflicts of interest may arise out of business ventures in which certain of our Promoters and Directors are interested.*" on page 36.

**Business and other interests**

None of our other Group Companies have any business or other interest in our Company except to the extent of shareholding in our Company or as otherwise disclosed in "*Restated Financial Information—Note 39—Related Parties*" on page 245.

**Litigation**

Except as disclosed in "*Outstanding Litigation and Material Developments*" beginning on page 287, none of our Group Companies are not a party to any pending litigation, which may have a material impact on our Company.

**Certain other confirmations**

None of the securities / equity shares of our Group Companies are listed on any stock exchange.

None of our Group Companies have made any public or rights issue in the three immediately preceding years.

## DIVIDEND POLICY

Our Company has adopted a dividend policy pursuant to a resolution of our Board dated July 23, 2021.

The declaration and payment of dividends will be recommended by our Board and approved by our Shareholders, at their discretion, subject to the provisions of the Articles of Association and the Companies Act. The dividend, if any, will depend on a number of factors, including but not limited to the earnings, profit available for distribution, capital requirements, business expansion and growth needs, cost of borrowings, likelihood of crystallization of contingent liabilities, contractual restrictions and overall financial position of our Company. The dividend pay-out decision of our Board also depends upon external factors such as the prevailing economic condition, inflation, increase in interest rates, change in the trade policies, acts of violence, terrorist attacks or war.

Subject to the statutory provisions, as applicable, our Company intends to have a total dividend payout (including applicable taxes, if any, relating to the dividend) between 30% to 50% of the PAT of our Company for the year, subject to adequate liquidity available at our Company to take care of planned business activities and expansion plans, capital expenditure and other uses of such funds, including but not limited to any debt servicing requirements, acquisitions, and ensuring an acceptable credit rating, as may be determined, by our Board from time to time.

The declaration of dividends, if any, in the future will also depend on a number of factors that our Board deems relevant, including but not limited to our Company's profits, capital requirements, rate of dividend distribution tax, contractual obligations, applicable legal restrictions, overall financial condition, business prospects and restrictive covenants under loan or financing arrangements of our Company. For further details, see "*Financial Indebtedness*" beginning on page 262.

The amounts paid as dividends in the past are not necessarily indicative of our Company's dividend policy or dividend amounts, if any, in the future. For further information, see "*Risk Factors—54. Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flows, capital requirements, capital expenditures and restrictive covenants of our financing arrangements"* on page 49.

The details of dividend paid by our Company on the Equity Shares are set out in the following table:

| Particulars | From April 1, 2021 to the date of filing of this Draft Red Herring Prospectus | Financial Year | | |
|---|---|---|---|---|
| | | 2021 | 2020 | 2019 |
| Face value of Equity Share (in ₹) | 1 | 10 | 10 | 10 |
| Dividend amount (in ₹ million) | 2,499.86 | - | - | - |
| Number of Equity Shares (in million) | 102.88 | - | - | - |
| Total dividend per Equity Share (in ₹) | 24.30 | - | - | - |
| Rate of dividend on Equity Shares (%) | 2,430 | - | - | - |
| Dividend distribution tax (in ₹ million) | Not applicable | - | - | - |
| Mode of payment of dividend | Approved by our Shareholders and payment under process | - | - | - |

## SECTION V: FINANCIAL INFORMATION

## RESTATED FINANCIAL INFORMATION

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**INDEPENDENT AUDITOR'S EXAMINATION REPORT ON RESTATED FINANCIAL INFORMATION**

The Board of Directors
Gemini Edibles & Fats India Limited
(formerly known as Gemini Edibles & Fats
India Private Limited)
"Freedom House", 8-2-334/70 & 71
Opposite to SBI Executive Enclave
Road No. 5, Banjara Hills
Hyderabad – 500 034
Telangana, India

Dear Sirs,

1. We have examined the attached Restated Financial Information of Gemini Edibles & Fats India Limited (formerly known as Gemini Edibles & Fats India Private Limited) (the "Company"), comprising the Restated Statement of Assets and Liabilities as at 31 March 2021, 31 March 2020 and 31 March 2019, the Restated Statements of Profit and Loss (including other comprehensive income), the Restated Statement of Changes in Equity, the Restated Cash Flow Statement for the years ended 31 March 2021, 31 March 2020 and 31 March 2019, the Summary Statement of Significant Accounting Policies, and other explanatory information (collectively, the "Restated Financial Information"), as approved by the Board of Directors of the Company at their meeting held 2 August 2021 for the purpose of inclusion in the Draft Red Herring Prospectus ("DRHP") prepared by the Company in connection with its proposed initial public offer of equity shares ("Offer") prepared in terms of the requirements of:

    i. Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Companies Act");
    ii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and
    iii. The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").

2. The Company's Board of Directors is responsible for the preparation of the Restated Financial Information for the purpose of inclusion in the DRHP to be filed with Securities and Exchange Board of India and BSE Limited and National Stock Exchange of India Limited ("Stock Exchanges") in connection with the proposed Offer. The Restated Financial Information have been prepared by the management of the Company on the basis of preparation stated in note 2(a) to the Restated Financial Information. The responsibility of the Board of Directors of the Company includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The Board of Directors are also responsible for identifying and ensuring that the Company complies with the Companies Act, ICDR Regulations and the Guidance Note.

3. We have examined such Restated Financial Information taking into consideration:
   i. The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 9 July 2021 in connection with the proposed Offer;
   ii. The Guidance Note, which also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
   iii. Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information; and
   iv. The requirements of Section 26 of the Companies Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Companies Act, the ICDR Regulations and the Guidance Note in connection with the Offer.

4. These Restated Financial Information have been compiled by the management from:
   i. Audited Ind AS financial statements of the Company as at and for the years ended 31 March 2021, 31 March 2020 and 31 March 2019 prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Companies Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meetings held on 2 June 2021, 8 September 2020 and 10 September 2019, respectively.

5. For the purpose of our examination, we have relied on:

   i. Auditors' reports issued by us dated 2 June 2021 on the financial statements of the Company as at and for the year ended 31 March 2021 as referred in Paragraph 4 above; and

   ii. Auditors' Report issued by the previous auditors, Singhi & Co. (the "Previous Auditors") dated 8 September 2020 and 10 September 2019 on the financial statements of the Company as at and for the years ended 31 March 2020 and 31 March 2019, respectively, as referred in Paragraph 4 above.

   The audits for the financial years ended 31 March 2020 and 31 March 2019 were conducted by the Previous Auditors, and accordingly reliance has been placed on the restated statement of assets and liabilities and the restated statements of profit and loss (including other comprehensive income), restated statements of changes in equity and restated cash flow statements, the Summary Statement of Significant Accounting Policies, and other explanatory information and (collectively, the "2020 and 2019 Restated Financial Information") examined by them for the said years. The examination report included for the said years is based solely on the report submitted by the Previous Auditors. They have also confirmed that the 2020 and 2019 Restated Financial Information:

a) have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended 31 March 2020 and 31 March 2019 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the year ended 31 March 2021; and

b) have been prepared in accordance with the Companies Act, ICDR Regulations and the Guidance Note.

6. The audit report on the financial statements issued by Previous Auditors included following paragraph:

- Other Matter paragraph in the audit report dated 8 September 2020, issued by Previous Auditors on the financial statements of the Company as at and for the year ended 31 March 2020:

  "Owing to the COVID-19 related lock-down, we were unable to participate in physical verification of inventories carried out by the management at the year-end. Consequently, we have performed alternative audit procedures to obtain comfort over the existence and condition of inventory at the year-end as per guidance provided by SA 501 "Audit Evidence – Specific Consideration for Selected Items" and have obtained sufficient audit evidence.

  Our opinion is not modified in respect of above matter."

7. Based on our examination and according to the information and explanations given to us and also as per the reliance placed on the examination report submitted by the Previous Auditors for the respective years as per paragraph 5(ii) above, we report that the Restated Financial Information:

   i. have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended 31 March 2020 and 31 March 2019 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the year ended 31 March 2021; and

   ii. have been prepared in accordance with the Companies Act, ICDR Regulations and the Guidance Note.

8. The Restated Financial Information do not reflect the effects of events that occurred subsequent to the date of the report on the audited financial statements mentioned in paragraph 4 above.

9. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us or the Previous Auditors, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

10. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

11. Our report is intended solely for use of the Board of Directors for inclusion in the DRHP to be filed with Securities and Exchange Board of India, and relevant Stock Exchanges in connection with the proposed Offer. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No: 001076N/N500013

**Mehulkumar Sharadkumar Janani**
Partner

Membership Number: 118617
UDIN: 21118617AAAACB3548

Place: Hyderabad
Date: 2 August 2021

**Gemini Edibles & Fats India Limited (formerly known as Gemini Edibles & Fats India Private Limited)**
**Restated Statement of Assets and Liabilities**
(All amounts in ₹ millions unless otherwise stated)

| | Notes | As at March 31, 2021 | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **Non-Current Assets** | | | | |
| (a) Property, plant and equipment | 3 | 4,189.60 | 3,952.82 | 1,725.18 |
| (b) Capital work-in-progress | 3 | 50.34 | 264.00 | 1,162.92 |
| (c) Other intangible assets | 4 | 9.65 | 11.65 | 15.73 |
| (d) Financial assets | | | | |
| (i) Investments | 5 | 1.25 | 1.25 | 1.25 |
| (ii) Loans | 6 | 0.91 | 0.45 | 0.86 |
| (iii) Other financial assets | 7 | 598.25 | 372.93 | 2.28 |
| (e) Deferred tax assets(net) | 8 | 326.14 | 9.22 | - |
| (f) Other non-current assets | 9 | 97.76 | 136.20 | 424.72 |
| **Total non-current assets** | | **5,273.90** | **4,748.52** | **3,332.94** |
| **Current Assets** | | | | |
| (a) Inventories | 10 | 10,967.37 | 10,376.19 | 6,053.18 |
| (b) Financial assets | | | | |
| (i) Trade receivables | 11 | 1,461.78 | 814.55 | 1,078.11 |
| (ii) Cash and cash equivalents | 12 | 69.39 | 154.92 | 338.54 |
| (iii) Bank balances other than (ii) above | 13 | 13,672.67 | 7,547.93 | 6,209.77 |
| (iv) Other financial assets | 14 | 848.88 | 803.00 | 1,160.30 |
| (c) Other current assets | 15 | 640.04 | 780.29 | 921.20 |
| (d) Current tax assets (net) | 16 | - | 7.06 | - |
| **Total current assets** | | **27,660.13** | **20,483.95** | **15,761.10** |
| **Total assets** | | **32,934.03** | **25,232.47** | **19,094.04** |
| **EQUITY AND LIABILITIES** | | | | |
| **Equity** | | | | |
| (a) Equity share capital | 17 | 102.88 | 102.88 | 102.88 |
| (b) Other equity | 17 (D) | 16,142.76 | 10,448.08 | 8,597.78 |
| **Total equity** | | **16,245.64** | **10,550.96** | **8,700.66** |
| **Liabilities** | | | | |
| **Non-current liabilities** | | | | |
| (a)Financial liabilities | | | | |
| - Borrowings | 18 | - | 434.00 | 565.00 |
| (b) Deferred tax liabilities (net) | 8 | - | - | 108.39 |
| **Total non-current liabilities** | | **-** | **434.00** | **673.39** |
| **Current liabilities** | | | | |
| (a) Financial liabilities | | | | |
| (i) Borrowings | 19 | 7,981.88 | 7,214.88 | 6,355.17 |
| (ii) Trade payables | | | | |
| - Total outstanding dues of micro enterprises and small enterprises; | 20 | 42.16 | 1.09 | 0.45 |
| - Total outstanding dues of creditors other than micro enterprises and small enterprises | 20 | 5,340.29 | 4,980.82 | 2,230.35 |
| (iii) Other financial liabilities | 21 | 2,516.71 | 1,170.08 | 934.20 |
| (b) Other current liabilities | 22 | 121.04 | 423.15 | 145.44 |
| (c) Provisions | 23 | 457.49 | 457.49 | 11.81 |
| (d) Current tax liabilities (net) | 24 | 228.82 | - | 42.57 |
| **Total current liabilities** | | **16,688.39** | **14,247.51** | **9,719.99** |
| **Total equity and liabilities** | | **32,934.03** | **25,232.47** | **19,094.04** |

The accompanying notes form an integral part of these restated financial information.
This is the Restated Statement of Assets and Liabilities referred to in our report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

**Mehulkumar Sharadkumar Janani**
Partner
Membership No.: 118617
Place: Hyderabad

Date: August 2, 2021

For and on behalf of the Board of Directors of
**Gemini Edibles & Fats India Limited**
**(formerly known as Gemini Edibles & Fats India Private Limited)**

**Pradeep Kumar Chowdhry**
Managing Director
[DIN: 01154121]
Place: Hyderabad

**Govind Ambady**
Director
[DIN: 00057621]
Place: Gurugram

**Rajesh Kumar Aggarwal**
Company Secretary
Membership No.: A19736
Place: Hyderabad
Date: August 2, 2021

**Shobhit Agarwal**
Chief Financial Officer

Place: Hyderabad
Date: August 2, 2021

**Gemini Edibles & Fats India Limited (formerly known as Gemini Edibles & Fats India Private Limited)**
**Restated Statement of Profit and Loss**
(All amounts in ₹ millions unless otherwise stated)

| | Notes | For the year ended March 31, 2021 | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|---|---|
| **Revenue** | | | | |
| Revenue from operations | 25 | 77,659.62 | 65,002.49 | 54,227.53 |
| Other income | 26 | 971.46 | 710.61 | 1,112.26 |
| **Total income** | | **78,631.08** | **65,713.10** | **55,339.79** |
| **Expenses** | | | | |
| Cost of materials consumed | 27 | 59,960.09 | 40,803.28 | 33,203.31 |
| Purchases of Stock-in-Trade | | 7,333.05 | 16,893.84 | 17,552.71 |
| Changes in inventories of finished goods, stock-in-trade and work-in-progress | 28 | (1,053.17) | 941.67 | (1,029.16) |
| Employee benefits expense | 29 | 2,019.81 | 771.57 | 430.76 |
| Finance costs | 30 | 302.48 | 608.92 | 1,277.48 |
| Depreciation and amortization expense | 3 & 4 | 329.48 | 269.84 | 178.12 |
| Other expenses | 31 | 2,088.32 | 2,987.36 | 2,031.17 |
| **Total expenses** | | **70,980.06** | **63,276.48** | **53,644.39** |
| **Profit before tax** | | **7,651.02** | **2,436.62** | **1,695.40** |
| **Tax expense:** | | | | |
| - Current tax | 32 (a) | 2,258.00 | 693.59 | 604.97 |
| - Taxes of earlier years | 32 (a) | (2.13) | (0.62) | 3.74 |
| - Deferred tax | 8 | (312.54) | (114.85) | (6.77) |
| **Total Tax expense** | | **1,943.33** | **578.12** | **601.94** |
| **Profit for the year (A)** | | **5,707.69** | **1,858.50** | **1,093.46** |
| **Other comprehensive income** | | | | |
| **Items that will not be reclassified to profit or loss** | | | | |
| - Remeasurement of net defined benefit obligation | 38 | (17.38) | (10.96) | 0.88 |
| - Income-tax relating to those items | 32 (b) | 4.37 | 2.76 | (0.31) |
| **Other comprehensive income for the year (B)** | | **(13.01)** | **(8.20)** | **0.57** |
| **Total comprehensive income for the year (A+B)** | | **5,694.68** | **1,850.30** | **1,094.03** |
| Earnings per equity share (EPES) [Nominal value of share ₹1 (March 31, 2020: ₹1, March 31, 2019: ₹1 )] | | | | |
| - Basic and diluted EPES (in absolute ₹) | 33 | 55.48 | 18.07 | 11.78 |

The accompanying notes form an integral part of these restated financial information.
This is the Restated Statements of Profit and Loss referred to in
our report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

For and on behalf of the Board of Directors of
**Gemini Edibles & Fats India Limited**
**(formerly known as Gemini Edibles & Fats India Private Limited)**

**Mehulkumar Sharadkumar Janani**
Partner
Membership No.: 118617
Place: Hyderabad

**Pradeep Kumar Chowdhry**
Managing Director
[DIN: 01154121]
Place: Hyderabad

**Govind Ambady**
Director
[DIN: 00057621]
Place: Gurugram

**Rajesh Kumar Aggarwal**
Company Secretary
Membership No.: A19736
Place: Hyderabad

**Shobhit Agarwal**
Chief Financial Officer

Place: Hyderabad

Date: August 2, 2021

Date: August 2, 2021

Date: August 2, 2021

**Gemini Edibles & Fats India Limited (formerly known as Gemini Edibles & Fats India Private Limited)**

**Restated Statement of Cash Flows**

(All amounts in ₹ millions unless otherwise stated)

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|---|
| **Cash flow from operating activities** | | | |
| **Profit before income tax** | 7,651.02 | 2,436.62 | 1,695.40 |
| **Adjustments for:** | | | |
| - Depreciation and amortization expense | 329.48 | 269.84 | 178.11 |
| - Gain on sale of current investments | (6.44) | (8.16) | (3.71) |
| - Interest income | (533.81) | (372.87) | (1,086.16) |
| - Subsidy written-off | - | 307.89 | - |
| - Provision for doubtful trade receivables and expected credit losses | 11.82 | 12.10 | 0.61 |
| - Bad debts written-off | - | - | 0.08 |
| - Finance costs | 143.68 | 299.21 | 641.01 |
| - Net unrealized loss/(gain) on foreign currency transaction | (25.40) | 291.14 | 3.53 |
| - Loss on disposal of property, plant and equipment | 0.27 | 1.00 | 0.22 |
| **Operating profit before working capital changes** | **7,570.62** | **3,236.77** | **1,429.09** |
| **Movements in working capital:** | | | |
| Changes in loans | (0.46) | 0.40 | (0.42) |
| Changes in other financial assets | 20.17 | (39.31) | 15.17 |
| Changes in other assets | 150.57 | 140.25 | (593.43) |
| Changes in inventories | (591.18) | (4,323.00) | 225.45 |
| Changes in trade receivables | (659.05) | 251.45 | (103.24) |
| Changes in trade payables | 338.43 | 2,612.82 | (371.53) |
| Changes in other financial liabilities | 1,394.33 | 369.41 | (253.79) |
| Changes in other liabilities | (319.49) | 706.38 | 17.07 |
| **Cash generated from operations** | **7,903.94** | **2,955.18** | **364.37** |
| Income taxes paid, net | (2,019.98) | (742.60) | (575.20) |
| **Net cash generated from/(used in) operating activities (A)** | **5,883.96** | **2,212.58** | **(210.83)** |
| **Cash flow from investing activities** | | | |
| Purchase of property, plant and equipment | (355.01) | (1,295.17) | (1,761.69) |
| Proceeds from sale of property, plant and equipment | 1.46 | 1.46 | 0.09 |
| Investment of fixed deposits, net | (6,350.06) | (1,708.16) | 5,067.36 |
| Purchase of current investments in mutual funds | (4,780.00) | (4,047.70) | (1,835.00) |
| Proceeds from sale of current investments in mutual funds | 4,786.44 | 4,055.86 | 1,838.71 |
| Interest received | 467.75 | 454.43 | 1,054.52 |
| **Net cash generated from/(used in) investing activities (B)** | **(6,229.42)** | **(2,539.28)** | **4,363.99** |
| **Cash flow from financing activities** | | | |
| Proceeds from issue of equity shares | - | - | 4,400.01 |
| Proceeds from long-term borrowings | - | 900.00 | 600.00 |
| Repayment of long-term borrowings | (509.00) | (1,001.00) | (228.02) |
| Proceeds from short-term borrowings, net | 950.38 | 542.98 | (8,080.33) |
| Finance costs paid | (181.45) | (298.90) | (682.25) |
| **Net cash generated from/(used in) financing activities (C)** | **259.93** | **143.08** | **(3,990.59)** |
| **Net increase/(decrease) in cash and cash equivalent (A+B+C)** | **(85.53)** | **(183.62)** | **162.57** |
| Cash and cash equivalents at the beginning of the financial year | 154.92 | 338.54 | 175.97 |
| **Cash and cash equivalents at the end of the financial year** | **69.39** | **154.92** | **338.54** |

**Cash and cash equivalents as per above comprise of the following: (Refer Note 12)**

| | As at March 31, 2021 | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|---|
| Balances with banks | | | |
| - in current accounts | 69.09 | 154.63 | 338.29 |
| Cash on hand | 0.30 | 0.29 | 0.25 |
| **Total cash and cash equivalents** | **69.39** | **154.92** | **338.54** |

**Note :**

1. The above Restated Statement of Cash Flows has been prepared under the “Indirect Method” as set out in Ind AS 7, Statement of Cash Flows
2. For additional disclosures : refer note 46(b)

This is the Restated Statement of Cash Flows referred to in our report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

**Mehulkumar Sharadkumar Janani**
Partner
Membership No.: 118617
Place: Hyderabad

Date: August 2, 2021

For and on behalf of the Board of Directors of
**Gemini Edibles & Fats India Limited**
**(formerly known as Gemini Edibles & Fats India Private Limited)**

**Pradeep Kumar Chowdhry**
Managing Director
[DIN: 01154121]
Place: Hyderabad

**Govind Ambady**
Director
[DIN: 00057621]
Place: Gurugram

**Rajesh Kumar Aggarwal**
Company Secretary
Membership No.: A19736
Place: Hyderabad

Date: August 2, 2021

**Shobhit Agarwal**
Chief Financial Officer

Place: Hyderabad

Date: August 2, 2021

**Gemini Edibles & Fats India Limited (formerly known as Gemini Edibles & Fats India Private Limited)**
**Restated Statement of Changes in Equity**
(All amounts in ₹ millions unless otherwise stated)

**A) Equity share capital**

| | As at March 31, 2021 | | As at March 31, 2020 | | As at March 31, 2019 | |
|---|---|---|---|---|---|---|
| | No. of Shares | Amount | No. of Shares | Amount | No. of Shares | Amount |
| **Equity shares of ₹10 each*, issued, subscribed and fully paid-up** | | | | | | |
| Balance at the beginning of the year | 10,287,508 | 102.88 | 10,287,508 | 102.88 | 8,519,342 | 85.19 |
| Changes during the year | - | - | - | - | 1,768,166 | 17.68 |
| **Balance at the end of the year** | **10,287,508** | **102.88** | **10,287,508** | **102.88** | **10,287,508** | **102.88** |

*Pursuant to the special resolution passed in the extra-ordinary general meeting held on June 4, 2021, the face value of equity shares of the Company has been split from ₹10 to ₹1 per share with effect from June 4, 2021.

**B) Other equity**

| | Reserves and surplus | | | Total |
|---|---|---|---|---|
| | Securities premium | Retained earnings | Remeasurement of defined benefit obligations | |
| **Balance as at April 1, 2018** | **985.90** | **2,133.23** | **2.29** | **3,121.42** |
| Issue of equity shares | 4,382.33 | - | - | 4,382.33 |
| Remeasurement of the net defined benefit obligation, net of tax effect (Tax effect: ₹ (0.31)) | - | - | 0.57 | 0.57 |
| Profit for the year | - | 1,093.46 | - | 1,093.46 |
| **Balance as at March 31, 2019** | **5,368.23** | **3,226.69** | **2.86** | **8,597.78** |
| Transfer to retained earnings | - | 2.86 | (2.86) | - |
| Remeasurement of the net defined benefit obligation, net of tax effect (Tax effect: ₹2.76) | - | (8.20) | - | (8.20) |
| Profit for the year | - | 1,858.50 | - | 1,858.50 |
| **Balance as at March 31, 2020** | **5,368.23** | **5,079.85** | **-** | **10,448.08** |
| Remeasurement of the net defined benefit obligation, net of tax effect (Tax effect: ₹4.37) | - | (13.01) | - | (13.01) |
| Profit for the year | - | 5,707.69 | - | 5,707.69 |
| **Balance as at March 31, 2021** | **5,368.23** | **10,774.53** | **-** | **16,142.76** |

**Securities premium:** This Reserve represents the premium on issue of equity shares and can be utilized in accordance with the provisions of the Companies Act, 2013.
**Retained earnings:** Retained earnings are profits earned by the Company after payment of dividend to shareholders, if any.

This is the Restated Statement of Changes in Equity referred to in our report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

For and on behalf of the Board of Directors of
**Gemini Edibles & Fats India Limited**
**(formerly known as Gemini Edibles & Fats India Private Limited)**

**Mehulkumar Sharadkumar Janani**
Partner
Membership No.: 118617
Place: Hyderabad

**Pradeep Kumar Chowdhry**
Managing Director
[DIN: 01154121]
Place: Hyderabad

**Govind Ambady**
Director
[DIN: 00057621]
Place: Gurugram

**Rajesh Kumar Aggarwal**
Company Secretary
Membership No.: A19736
Place: Hyderabad

**Shobhit Agarwal**
Chief Financial Officer

Place: Hyderabad

Date: August 2, 2021

Date: August 2, 2021

Date: August 2, 2021

**1. Company overview**

Gemini Edibles & Fats India Limited (formerly known as Gemini Edibles & Fats India Private Limited) (the 'Company') is incorporated in accordance with the provisions of Companies Act, 1956. The registered office of the Company is located at "Freedom House", 8-2-334/70 & 71, Road No. 5, Banjara Hills, Hyderabad, Telangana - 500034. The Company is primarily engaged in production and trading of edible oils and fats. Production facilities are situated at Pantapelam Village, District Nellore (Andhra Pradesh) and Vakalapudi Village, East Godavari District (Andhra Pradesh).

The Company is the subsidiary of Golden Agri International Enterprises Pte. Ltd. (formerly Golden Agri International India Holding Pte. Ltd.) Singapore, which further is a subsidiary of Golden Agri-Resources Ltd, Singapore (Ultimate Holding Company).

The Company has converted from Private Limited Company to Public Limited Company, pursuant to a special resolution passed in the extraordinary general meeting of the shareholders of the Company held on June 23, 2021 and consequently the name of the Company has changed to Gemini Edibles & Fats India Limited pursuant to a fresh certificate of incorporation by the Registrar of Companies on July 8, 2021.

The Restated Financial Information of the company for the year ended March 31, 2021, March 31, 2020 and March 31, 2019 have been authorized for issue in accordance with a resolution of the Board of Directors passed in duly held meeting on August 2, 2021.

**2. Summary of significant accounting policies**

This note provides a list of the significant accounting policies adopted in the preparation of this restated financial information. These policies have been consistently applied to all the years presented, unless otherwise stated.

**(a) Basis of preparation of Restated Financial Information**

The Restated Financial Information relates to the Company and has been specifically prepared for inclusion in the document to be filed by the Company with the Securities and Exchange Board of India ("SEBI") in connection with the proposed Initial Public Offer ('IPO') of equity shares of the Company (referred to as the "Issue"). The Restated Statement of Assets and Liabilities as at March 31, 2021, March 31, 2020 and March 31, 2019, the Restated Statement of Profit and Loss, the Restated Statement of Changes in Equity, the Restated Statement of Cash Flows for the years ended March 31, 2021, March 31, 2020 and March 31, 2019 and the Notes to the Restated Financial Information (collectively, the "Restated Financial Information").

The Restated Financial Information has been prepared by the Management of the Company to comply in all material respects with the requirements of:

a) Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act");
b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations"); and
c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI), as amended (the " Guidance Note").

The Restated Financial Information has been compiled by the Management from the audited financial statements as at and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019 prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013, read with Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other relevant provisions of the Act, which have been approved by the Board of Directors at their meeting held on June 2, 2021, September 8, 2020 and September 10, 2019, respectively.
The accounting policies have been consistently applied by the Company in preparation of the Restated Financial Information and are consistent with those adopted in the preparation of financial statements for the year ended March 31, 2021. This Restated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of board meeting on the audited financial statements mentioned above.

In accordance with the ICDR Regulations the Restated Financial Information have been prepared so as to contain information/disclosures and incorporating adjustments for the changes in accounting policies, material errors and regrouping /reclassifications retrospectively in the financial years ended March 31, 2020 and March 31, 2019 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the year ended March 31, 2021.

**(b) Basis of measurement**

The restated financial information have been prepared on the historical cost basis, except for the following items:
- Certain financial assets and liabilities (including derivative instruments) that are measured at fair value.
- Defined benefit liability/(assets) that is measured at present value of defined benefit obligation less fair value of plan assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- **Level 1** inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the company can access at the measurement date;
- **Level 2** inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- **Level 3** inputs are unobservable inputs for the asset or liability.

**(c) Functional and presentation currency**

This restated financial information are presented in Indian Rupees (₹), which is the Company's functional currency. All amounts have been rounded to the nearest millions, unless otherwise indicated.
Transactions and balances with values below the rounding off norm adopted by the Company have been reflected as "0" in the relevant notes to this restated financial information.

**(d) Use of judgements and estimates**

In preparing this Restated Financial Information, management has made judgements, estimates and assumptions that affect the application of the company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

**Judgements**
Information about the judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the Restated Financial Information have been given below:
**- Classification of financial assets:**
Assessment of business model within which the assets are held and assessment of whether the contractual terms of the financial assets are solely payments of principal and interest on the principal amount outstanding.

**Assumptions and estimation uncertainties**
Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the Restated Financial Information for the every period ended is included below:

**- Measurement of defined benefit obligations: key actuarial assumptions;**
The cost and present value of the defined benefit gratuity plan and leave encashment (other long-term benefit plan) are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation and other long term benefits are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**- Useful life and residual value of property, plant and equipments and intangible assets.**
Management reviews the useful lives of depreciable and amortisable assets at each reporting date, based on the expected utility of the assets to the Company.
**- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources**
There are certain claims and litigations which have been assessed as contingent liabilities by the Management which may have an effect on the operations of the Company should the same be decided against the Company.
The Management has assessed that no further provision / adjustment is required to be made in this Restated Financial Information for the above matters, other than what has been already recorded, as they expect a favourable decision based on their assessment and the advice given by the external legal counsels / professional advisors

**(e) Classification of Assets and Liabilities as Current and Non-Current**

The Company presents assets and liabilities in the Balance sheet based on current/ non-current classification.
An asset is classified as current when it satisfies any of the following criteria:
a) it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
b) it is held primarily for the purpose of being traded;
c) it is expected to be realized within twelve months after the reporting date; or
d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.
All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:
a) it is expected to be settled in the Company's normal operating cycle;
b) it is held primarily for the purpose of being traded;
c) it is due to be settled within twelve months after the reporting date; or
d) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.
All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets/liabilities.
The operating cycle is the time between the acquisition of the assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

**(f) Property, plant and equipment**

**Recognition and measurement**
Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss, if any. For this purpose, cost includes deemed cost which represents the carrying value of property, plant and equipment recognised as at April 1, 2017 measured as per the previous Generally Accepted Accounting Principles (GAAP). The cost of assets comprises of purchase price and directly attributable cos of bringing the assets to working condition for its intended use including borrowing cost attributable to qualifying assets and incidental expenditure during construction incurred unto the date when the assets are ready to use. Capital work in progress includes cost of assets at sites, construction expenditure and interest on the funds deployed less any impairment loss, if any.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as a separate items (major components) of property, plant and equipment.

**Subsequent measurement**
Subsequent expenditure is capitalised only if it is probable that there is an increase in the future economic benefits associated with the expenditure will flow to the Company.

**Depreciation**
Depreciation is calculated on Straight Line Method using the rates arrived at on the basis of estimated useful lives given in Schedule II of the Companies Act, 2013. Depreciation on additions to or on disposal of assets is calculated on pro-rata basis. Depreciation methods, useful lives and residual values are reviewed in each financial year end and changes, if any, are accounted for prospectively.

**Capital work-in-progress**
Expenditure incurred during the construction period, including all expenditure direct and indirect expenses, incidental and related to construction and eligible borrowing cost, is carried forward and on completion, the costs are allocated to the respective property, plant and equipment.

**De-recognition**
An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

**(g) Intangible assets**

Intangible assets (Other than goodwill) acquired separately are stated at cost less accumulated amortization and impairment loss, if any. Intangible assets are amortized on straight line method basis over the estimated useful life. Estimated useful life of the software is considered as 5 years.

Amortisation methods, useful lives and residual values are reviewed in each financial year end and changes, if any, are accounted for prospectively.

An intangible asset is de-recognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss.

**(h) Impairment of non-financial assets**

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the recoverable amount of assets is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or Cash Generating Unit (CGUs).

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment loss in respect of assets other than goodwill is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years. A reversal of impairment loss is recognised immediately in the Statement of Profit and Loss.

**(i) Borrowing Cost**

Borrowing costs directly attributable to the acquisition, construction of qualifying assets are capitalised as part of the cost of such assets upto the assets are substantially ready for their intended use.

The loan origination costs directly attributable to the acquisition of borrowings (e.g. loan processing fee, upfront fee) are amortised on the basis of the Effective Interest Rate (EIR) method over the term of the loan.

All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

**(j) Foreign currency transactions**

Transactions in foreign currencies are recorded by the Company at their respective functional currency at the exchange rates prevailing at the date of the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currency are translated to the functional currency at the exchange rates prevailing at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in the Statement of Profit and Loss with the exception of exchange differences on foreign currency borrowings included in the borrowing cost when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates at the date of initial transactions. Non-monetary items measure at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

**(k) Employee benefits**

**Short term employee benefits**

Short-term employee benefits are expensed in the year in which the related services are provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**Defined contribution plans**

Employee benefits in the form of contributions to provident fund and to national pension scheme are defined as contribution plan and charged as expenses during the period in which the employees perform the services.

**Defined benefit plans**

The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company.

The cost of providing defined benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yields available on government bonds.

The effect of the remeasurement changes (comprising actuarial gains and losses) to the asset ceiling (if applicable) and the return on plan assets (excluding interest)), is reflected in the Balance Sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in other equity and will not be reclassified to the Statement of Profit and Loss. Past service cost is recognised in the Statement of Profit and Loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

• service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
• net interest expense or income; and
• remeasurement

The Company presents the first two components of defined benefit costs in the Statement of Profit and Loss in the line item employee benefits expense.

The retirement benefit obligation recognised in the Balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

**Other long-term employee benefits**

The Company has long term employment benefit plans i.e. accumulated leave. Accumulated leave is encashed to eligible employees at the time of retirement. The liability for accumulated leave, which is a defined benefit scheme, is provided based on actuarial valuation as at the Balance Sheet date, based on Projected Unit Credit Method, carried out by an independent actuary.

**(l) Revenue recognition**

***Sale of goods***

The Company recognizes revenue when it satisfies a performance obligation at a point in time in accordance with the provisions of contract with the customer. This is achieved when;

(i) effective control of goods along with significant risks and rewards of ownership has been transferred to customer;

(ii) the amount of revenue can be measured reliably;

(iii) it is probable that the economic benefits associated with the transaction will flow to the Company; and

(iv) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue represents net value of goods and services provided to customers after deducting for certain incentives including, but not limited to discounts, volume rebates. Amount collected on behalf of third parties such as goods and service tax are excluded from revenue. For incentives offered to customers, the Company makes estimates related to customer performance and sales volume to determine the total amounts earned and to be recorded as deductions. The estimate is made in such a manner, which ensures that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The actual amounts may differ from these estimates and are accounted for prospectively.

***Interest income***

Interest income are recognised on an accrual basis using the effective interest method.

***Dividend income***

Dividend income is recognized at the time the right to receive payment is established.

**(m) Inventories**

Inventories are valued at lower of cost and net realisable value except by-products is valued at net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to its present location and condition and includes, where applicable, appropriate overheads based on normal level of activity.

Inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Cost is determined by the first-in-first-out method for raw materials, packing material and work-in-progress and weighted average method for finished goods and consumables, stores and spares.

Obsolete, slow moving and defective inventories are identified from time to time and, where necessary, a provision is made for such inventories.

**(n) Provisions, Contingent Liabilities and Contingent Assets**

Based on the best estimate, provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable ("more likely than not") that it is required to settle the obligation, and a reliable estimate can be made of the amount of the obligation at reporting date. A contingent liability is a possible obligation that arises from a past event, with the resolution of the contingency dependent on uncertain future events, or a present obligation where no outflow is probable. Major contingent liabilities are disclosed in the financial statements unless the possibility of an outflow of economic resources is remote. Contingent assets are not recognized in the Restated Financial Information but disclosed, where an inflow of economic benefit is probable.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

**(o) Segment Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The board of directors of the Company has been identified as being the chief operating decision maker by the Management of the Company.

**(p) Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial assets**

**Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the date the Company commits to purchase or sale the financial assets.

**Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in four categories:

• Debt instruments at amortised cost
• Debt instruments at fair value through other comprehensive income (FVTOCI)
• Debt instruments and equity instruments at fair value through profit or loss (FVTPL)
• Equity instruments measured at fair value through other comprehensive income (FVTOCI)

***Debt instruments at amortised cost***

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in Other Income in the profit or loss. The losses arising from impairment are recognised in the profit or

***Debt instrument at FVTOCI***

A 'debt instrument' is measured as at FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The contractual terms of the instrument give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Company recognises interest income, impairment losses and reversals and foreign exchange gain or loss in the profit or loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit or loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

***Debt instrument at FVTPL***

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all the changes in the profit or loss.

***Equity instruments***

All equity instruments in scope of Ind AS 109, Financial Instruments are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present subsequent changes in the fair value in OCI. The Company makes such election on an instrument by- instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, including foreign exchange gain or loss and excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the profit or loss.

**Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's Balance Sheet) when:

• The contractual rights to receive cash flows from the asset have expired, or

• The Company has transferred its rights to receive contractual cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement, and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in OCI and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

**Impairment of financial assets**

In accordance with Ind AS 109, Financial Instruments, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or any contractual right to receive cash or another financial asset.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

**Financial liabilities**

**Initial recognition and measurement**

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and lease liabilities, financial guarantee contracts and derivative financial instruments.

**Subsequent measurement**

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

**Financial liabilities at fair value through profit or loss**

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or is designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred principally for the purpose of repurchasing in the near term or on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking. This category also includes derivative financial instruments that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109, Financial Instruments. Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For instruments not held-for-trading financial liabilities designated as at FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI, unless the recognition of the effects of changes in the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. These gains/losses are not subsequently transferred to profit or loss. All other changes in fair value of such liability are recognised in the statement of profit or loss.

**Financial liabilities subsequently measured at amortised cost**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost in subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest rate (EIR) method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item in the profit or loss.

After initial recognition, such financial liabilities are subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the profit or loss.

**Financial guarantee contracts**

Financial guarantee contracts are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. If not designated as at FVTPL, are subsequently measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount initially recognised less cumulative amount of income recognised.

**Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

**Derivative financial instruments and hedge accounting**

**Initial recognition and subsequent measurement**

The Company uses derivative financial instruments, such as foreign exchange forward contracts/ options/ futures and commodity forwards/ future contracts to hedge its foreign currency risks, commodity price risk and the exposure to changes in the fair value of a recognised assets or liability.

Derivatives are initially recognised at fair value and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gains / losses are recognised in the Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of recognition in profit or loss/inclusion in the initial cost of non-financial asset depends on the nature of the hedging relationship and the nature of the hedged item.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

• Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment.

• Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

**(i) Fair value hedges**

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

**(ii) Cash flow hedges**

The effective portion of changes in the fair value of the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in profit or loss. The Company uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments. Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or nonfinancial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecas transaction occurs or the foreign currency firm commitment is met. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

**Offsetting financial instruments**

Financial assets and financial liabilities are offset and the net amount is presented in the Balance Sheet when, and only when, the Company has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or realise the asset and settle the liability simultaneously.

**Cash dividends to equity holders**

The Company recognises a liability to make cash distributions to equity holders when the dividend distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding reduction is recognised directly in equity.

**(q) Income tax**

Income tax expense comprises current and deferred tax. It is recognised in Statement of profit or loss except to the extent that it relates to items recognised directly in equity or in Other Comprehensive Income.

**Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax assets and liabilities are offset only if, the Company:

a) has a legally enforceable right to set off the recognised amounts; and

b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

**Deferred tax**

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the Balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Such reductions are reversed when the probability of future taxable profits improves.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

Accruals for uncertain tax positions require management to make judgments of potential exposures. Accruals for uncertain tax positions are measured using either the most likely amount or the expected value amount depending on which method the entity expects to better predict the resolution of the uncertainty. Tax benefits are not recognised unless the management based upon its interpretation of applicable laws and regulations and the expectation of how the tax authority will resolve the matter concludes that such benefits will be accepted by the authorities. Once considered probable of not being accepted, management reviews each material tax benefit and reflects the effect of the uncertainty in determining the related taxable amounts.

**(r) Leases**

**Company as a lessee**

The Company assesses whether a contract is or contains a lease, at inception of the contract. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. Contingent and variable rentals are recognized as expense in the periods in which they are incurred.

**Lease Liability**

The lease payments that are not paid at the commencement date, are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee’s incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value as that of right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments included in the measurement of the lease liability comprise:

• Fixed lease payments (including in-substance fixed payments) payable during the lease term and under reasonably certain extension options, less any lease incentives;
• Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
• The amount expected to be payable by the lessee under residual value guarantees;
• The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
• Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the Balance sheet. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

• The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
• A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

**Right of Use (ROU) Assets**

The ROU assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets. The costs are included in the related right-of-use asset.

ROU assets are depreciated over the shorter period of the lease term or useful life of the underlying asset. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. The depreciation starts at the commencement date of the lease.

The Company applies Ind AS 36, Impairment of Assets, to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as per its accounting policy on 'property, plant and equipment'.

As a practical expedient, Ind AS 116, Leases permits lessee not to separate non-lease components when bifurcation of the payments is not available between the two components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has used this practical expedient.

Extension and termination options are included in many of the leases. In determining the lease term the management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option

**Company as a lessor**

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership are transferred from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

**(s) Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, cash at bank and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

**(t) Government Grants**

The Company may receive government grants that require compliance with certain conditions related to the Company's operating activities or are provided to the Company by way of financial assistance on the basis of certain qualifying criteria.

Government grants are recognised when there is reasonable assurance that the grant will be received upon the Company complying with the conditions attached to the grant.

Accordingly, government grants:

(a) related to or used for assets, are deducted from the carrying amount of the asset.

(b) related to incurring specific expenditures are taken to the Statement of Profit and Loss on the same basis and in the same periods as the expenditures incurred.

(c) by way of financial assistance on the basis of certain qualifying criteria are recognised as they become receivable.

In the unlikely event that a grant previously recognised is ultimately not received, it is treated as a change in estimate and the amount cumulatively recognised is expensed in the Statement of Profit and Loss.

**(u) Earnings per equity share**

The basic EPES is computed by dividing the profit after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted EPES, profit after tax for the year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing the dilutive earnings per equity share, only potential equity shares that are dilutive and that either reduces the earnings per equity share or increases loss per share are included.

**(v) Expenditure on new projects , substantial expansion and during construction period**

Expenditure directly relating to construction activity is capitalised. Indirect expenditure incurred during construction period is capitalized as part of the indirect construction cost to the extent to which the expenditure is indirectly related to construction or is incidental thereto. Other indirect expenditure incurred during the construction period, which is not related to the construction activity nor is incidental thereto is charged to the Statement of Profit and Loss. Income earned during construction period is deducted from the total of the indirect expenditure.
All direct capital expenditure on expansion is capitalised. As regards indirect expenditure on expansion, only that portion is capitalized which represents the marginal increase in such expenditure as a result of capital expansion. Both direct and indirect expenditure are capitalised only if they increase the value of the asset beyond its originally assessed standard of performance.
Expenditure during construction/installation period is included under capital work-in-progress and the same is allocated to respective fixed assets on the completion of its construction.

**(w) Share issue expense**

Share issue expenses are adjusted against the Securities Premium Account as permissible under Section 52 of the Companies Act, 2013, to the extent any balance is available for utilisation in the Securities Premium Account. Share issue expenses in excess of the balance in the Securities Premium Account is expensed in the Statement of Profit and Loss.

**(x) Cash Flow Statement**

Cash flows are reported using the indirect method, whereby profit for the year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

**(y) Events after the reporting period**

Based on the nature of the event, the Company identifies the events occurring between the balance sheet date and the date on which the restated financial information are approved as ‘Adjusting Event’ and ‘Non-adjusting event’. Adjustments to assets and liabilities are made for events occurring after the balance sheet date that provide additional information materially affecting the determination of the amounts relating to conditions existing at the balance sheet date or because of statutory requirements or because of their special nature. For non-adjusting events, the Company may provide a disclosure in the restated financial information considering the nature of the transaction.

**(z) Standards issued but not yet effective**

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021.
Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:
**Balance sheet:**
a. Lease liabilities to be disclosed separately under the head ‘financial liabilities’, duly distinguished as current or non-current.
b. Certain additional disclosures in the Statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
c. Specified format for disclosure of shareholding of promoters.
d. Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
e. Disclosure of amounts borrowed and utilised for other than the specific purposes.
f. Specific disclosure under ‘additional regulatory requirement’ such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.
**Statement of Profit and Loss:**
g. Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head ‘additional information’ in the notes forming part of the restated financial information.
The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

**Gemini Edibles & Fats India Limited (formerly known as Gemini Edibles & Fats India Private Limited)**
**Notes to the Restated Financial Information**
(All amounts in ₹ millions unless otherwise stated)

**Note 3 - Property, plant and equipment and capital work-in-progress**

| Description | Gross carrying amount (at cost or deemed cost) | | | | Accumulated depreciation | | | | Net carrying amount | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at March 31, 2020 | Additions | Disposals | As at March 31, 2021 | As at March 31, 2020 | Depreciation for the year | Disposals | As at March 31, 2021 | As at March 31, 2021 | As at March 31, 2020 |
| Freehold land | 671.88 | 2.41 | - | 674.29 | - | - | - | - | 674.29 | 671.88 |
| Buildings | 1,591.29 | 135.18 | - | 1,726.47 | 87.34 | 62.67 | - | 150.01 | 1,576.46 | 1,503.95 |
| Plant and equipments | 2,178.51 | 387.12 | 9.78 | 2,555.85 | 462.38 | 246.22 | 8.05 | 700.55 | 1,855.30 | 1,716.13 |
| Furniture and fixtures | 23.29 | 24.18 | - | 47.47 | 9.06 | 3.45 | - | 12.51 | 34.96 | 14.23 |
| Office equipments | 19.76 | 11.24 | - | 31.00 | 8.50 | 4.86 | - | 13.36 | 17.64 | 11.26 |
| Vehicles | 45.24 | 1.01 | - | 46.25 | 14.86 | 5.55 | - | 20.41 | 25.84 | 30.38 |
| Computers | 10.93 | 2.31 | - | 13.24 | 5.94 | 2.19 | - | 8.13 | 5.11 | 4.99 |
| **Total** | **4,540.90** | **563.45** | **9.78** | **5,094.57** | **588.08** | **324.94** | **8.05** | **904.97** | **4,189.60** | **3,952.82** |

| Description | Gross carrying amount (at cost or deemed cost) | | | | Accumulated depreciation | | | | Net carrying amount | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at March 31, 2019 | Additions | Disposals | As at March 31, 2020 | As at March 31, 2019 | Depreciation for the year | Disposals | As at March 31, 2020 | As at March 31, 2020 | As at March 31, 2019 |
| Freehold land | 502.23 | 169.65 | - | 671.88 | - | - | - | - | 671.88 | 502.23 |
| Buildings | 572.89 | 1,018.40 | - | 1,591.29 | 42.04 | 45.30 | - | 87.34 | 1,503.95 | 530.85 |
| Plant and equipments | 886.55 | 1,294.54 | 2.58 | 2,178.51 | 258.95 | 204.74 | 1.31 | 462.38 | 1,716.13 | 627.60 |
| Furniture and fixtures | 22.17 | 1.12 | - | 23.29 | 5.69 | 3.36 | - | 9.06 | 14.23 | 16.48 |
| Office equipments | 12.84 | 6.94 | 0.02 | 19.76 | 4.88 | 3.62 | - | 8.50 | 11.26 | 7.96 |
| Vehicles | 46.19 | 0.32 | 1.27 | 45.24 | 9.20 | 5.79 | 0.13 | 14.86 | 30.38 | 36.99 |
| Computers | 6.90 | 4.09 | 0.06 | 10.93 | 3.83 | 2.14 | 0.03 | 5.94 | 4.99 | 3.07 |
| **Total** | **2,049.78** | **2,495.06** | **3.93** | **4,540.90** | **324.59** | **264.95** | **1.47** | **588.08** | **3,952.82** | **1,725.18** |

| Description | Gross carrying amount (at cost or deemed cost) | | | | Accumulated depreciation | | | | Net carrying amount | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at April 1, 2018 | Additions | Disposals | As at March 31, 2019 | As at April 1, 2018 | Depreciation for the year | Disposals | As at March 31, 2019 | As at March 31, 2019 | As at April 1, 2018 |
| Freehold land | 320.84 | 181.39 | - | 502.23 | - | - | - | - | 502.23 | 320.84 |
| Buildings | 541.80 | 31.88 | 0.79 | 572.89 | 19.54 | 23.21 | 0.71 | 42.05 | 530.85 | 522.26 |
| Plant and equipments | 844.00 | 42.74 | 0.19 | 886.55 | 122.16 | 136.85 | 0.05 | 258.95 | 627.60 | 721.84 |
| Furniture and fixtures | 20.35 | 1.83 | 0.00 | 22.17 | 2.67 | 3.02 | 0.00 | 5.69 | 16.48 | 17.68 |
| Office equipments | 9.13 | 3.77 | 0.06 | 12.84 | 1.84 | 3.05 | 0.01 | 4.88 | 7.96 | 7.29 |
| Vehicles | 40.21 | 5.98 | - | 46.19 | 3.48 | 5.72 | - | 9.20 | 36.99 | 36.72 |
| Computers | 5.47 | 1.49 | 0.06 | 6.90 | 1.87 | 1.98 | 0.02 | 3.83 | 3.07 | 3.60 |
| **Total** | **1,781.80** | **269.08** | **1.10** | **2,049.78** | **151.56** | **173.83** | **0.79** | **324.59** | **1,725.18** | **1,630.23** |

**Gemini Edibles & Fats India Limited (formerly known as Gemini Edibles & Fats India Private Limited)**
**Notes to the Restated Financial Information**
(All amounts in ₹ millions unless otherwise stated)

**Capital work-in-progress**

| | As at March 31, 2021 | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|---|
| **Opening carrying amount** | **264.00** | **1,162.92** | **14.75** |
| Additions | 338.62 | 1,412.45 | 1,159.17 |
| Assets capitalised | (552.28) | (2,311.37) | (11.00) |
| **Closing carrying amount** | **50.34** | **264.00** | **1,162.92** |

**Notes:**
(a) Assets pledged and hypothecated against borrowings: Refer Note 18 and Note 19.
(b) During the year ended March 31, 2020, the Company has commenced commercial production at its new plant at Kakinada (Andhra Pradesh). The related pre-operative expenses ₹Nil (March 31, 2020: ₹56.28 , March 31, 2019: ₹38.57 ) and gain of ₹ Nil (March 31, 2020: ₹62.47, March 31, 2019: ₹Nil) on sale of trial run production has been proportionately allocated to buildings and plant and equipments capitalised.

**Note 4 - Other Intangible assets**

| Description | Gross carrying amount (at cost or deemed cost) | | | | Accumulated amortisation | | | | Net carrying amount | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at March 31, 2020 | Additions | Disposals | As at March 31, 2021 | As at March 31, 2020 | Amortisation for the year | Disposals | As at March 31, 2021 | As at March 31, 2021 | As at March 31, 2020 |
| Software | 20.83 | 2.54 | - | 23.37 | 9.18 | 4.54 | - | 13.72 | 9.65 | 11.65 |
| **Total** | **20.83** | **2.54** | **-** | **23.37** | **9.18** | **4.54** | **-** | **13.72** | **9.65** | **11.65** |

| Description | Gross carrying amount (at cost or deemed cost) | | | | Accumulated amortisation | | | | Net carrying amount | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at March 31, 2019 | Additions | Disposals | As at March 31, 2020 | As at March 31, 2019 | Amortisation for the year | Disposals | As at March 31, 2020 | As at March 31, 2020 | As at March 31, 2019 |
| Software | 20.02 | 0.81 | - | 20.83 | 4.29 | 4.89 | - | 9.18 | 11.65 | 15.73 |
| **Total** | **20.02** | **0.81** | **-** | **20.83** | **4.29** | **4.89** | **-** | **9.18** | **11.65** | **15.73** |

| Description | Gross carrying amount (at cost or deemed cost) | | | | Accumulated amortisation | | | | Net carrying amount | |
|---|---|---|---|---|---|---|---|---|---|---|
| | As at April 1, 2018 | Additions | Disposals | As at March 31, 2019 | As at April 1, 2018 | Amortisation for the year | Disposals | As at March 31, 2019 | As at March 31, 2019 | As at April 1, 2018 |
| Software | 9.87 | 10.15 | - | 20.02 | - | 4.29 | - | 4.29 | 15.73 | 9.87 |
| **Total** | **9.87** | **10.15** | **-** | **20.02** | **-** | **4.29** | **-** | **4.29** | **15.73** | **9.87** |

**Note 5 - Non-current investments**

| | As at March 31, 2021 | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|---|
| **Investments carried at fair value through other comprehensive income** | | | |
| **Investments in equity instruments (unquoted)** | | | |
| in Others | 1.25 | 1.25 | 1.25 |
| | **1.25** | **1.25** | **1.25** |
| **Aggregate value of unquoted investments** | **1.25** | **1.25** | **1.25** |
| **Aggregate value of impairment in value of investments** | **-** | **-** | **-** |

**Note 6 - Non-current loans**

| | As at March 31, 2021 | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|---|
| **Unsecured, considered good** | | | |
| Loan to employees | 0.91 | 0.45 | 0.86 |
| | **0.91** | **0.45** | **0.86** |

**Note 7 - Other non-current financial assets**

| | As at March 31, 2021 | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|---|
| Bank deposits with original maturity more than 12 months* | 595.38 | 370.00 | - |
| Security deposits (unsecured, considered good)[#] | 2.75 | 2.79 | 2.16 |
| Deposits with banks pledged with government authorities | 0.12 | 0.14 | 0.12 |
| | **598.25** | **372.93** | **2.28** |

*₹Nil (March 31, 2020: ₹370.00, March 31, 2019: ₹Nil) deposits are marked under lien, refer note 19.
[#] Includes amount receivable from related parties, refer note 39.

**Note 8 - Deferred tax assets (net)**

| | As at March 31, 2021 | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|---|
| **Deferred tax assets (net)** | **326.14** | **9.22** | **(108.39)** |

| **Movement in deferred tax liabilities / assets balances** | **As at April 1, 2020** | **Recognised in Profit or Loss** | | **Recognised in OCI** | **As at March 31, 2021** |
|---|---|---|---|---|---|
| | | **Reversal due to change in Tax rate** | **Others** | | |
| **Deferred tax assets:** | | | | | |
| Accrued expenses | 119.66 | - | (6.59) | - | 113.07 |
| Provision for employee benefits | 2.76 | - | 339.77 | 4.37 | 346.90 |
| Others | 3.82 | - | 2.96 | - | 6.78 |
| | **126.24** | **-** | **336.14** | **4.37** | **466.75** |
| **Deferred tax liabilities:** | | | | | |
| Property, plant and equipment and other intangible assets | (116.84) | - | (23.63) | - | (140.47) |
| Others | (0.18) | - | 0.03 | - | (0.14) |
| | **(117.02)** | **-** | **(23.60)** | **-** | **(140.61)** |
| **Deferred tax assets (net)** | **9.22** | **-** | **312.54** | **4.37** | **326.14** |

| **Movement in deferred tax liabilities / assets balances** | **As at April 1, 2019** | **Recognised in Profit or Loss** | | **Recognised in OCI** | **As at March 31, 2020** |
|---|---|---|---|---|---|
| | | **Reversal due to change in Tax rate #** | **Others** | | |
| **Deferred tax assets:** | | | | | |
| Accrued expenses | 12.63 | (3.53) | 110.56 | - | 119.66 |
| Provision for employee benefits | - | - | - | 2.76 | 2.76 |
| Others | 2.41 | (0.68) | 2.09 | - | 3.82 |
| | **15.04** | **(4.21)** | **112.65** | **2.76** | **126.24** |
| **Deferred tax liabilities:** | | | | | |
| Property, plant and equipment and other intangible assets | (122.77) | 34.35 | (28.42) | - | (116.84) |
| Others | (0.66) | 0.18 | 0.29 | - | (0.18) |
| | **(123.43)** | **34.53** | **(28.13)** | **-** | **(117.02)** |
| **Deferred tax assets/(liabilities) (net)** | **(108.39)** | **30.32** | **84.52** | **2.76** | **9.22** |

# The Company has measured its deferred tax assets and liabilities based on the income tax rates that are expected to apply to the period when such assets/liabilities are expected to be realized/settled. As per section 115BBA of the Income-tax Act 1961 (the 'Act'), as introduced by the Taxation Laws (Amendment) Ordinance, 2019 (Ordinance) during the year ended March 31, 2020, the Company opted for a lower tax rate of 25.168%.

| Movement in deferred tax liabilities / assets balances | As at April 1, 2018 | Recognised in Profit or Loss | | Recognised in OCI | As at March 31, 2019 |
|---|---|---|---|---|---|
| | | Reversal due to change in Tax rate | Others | | |
| **Deferred tax assets:** | | | | | |
| Accrued expenses | 14.64 | - | (2.01) | - | 12.63 |
| Others | 2.43 | - | (0.02) | - | 2.41 |
| | **17.07** | **-** | **(2.03)** | **-** | **15.04** |
| **Deferred tax liabilities:** | | | | | |
| Property, plant and equipments and Other intangible assets | (129.24) | - | 6.47 | - | (122.77) |
| Others | (2.99) | - | 2.33 | - | (0.66) |
| | **(132.23)** | **-** | **8.80** | **-** | **(123.43)** |
| **Deferred tax assets/(liabilities) (net)** | **(115.16)** | **-** | **6.77** | **-** | **(108.39)** |

**Note 9 - Other non-current assets**

| | As at March 31, 2021 | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|---|
| **Unsecured, considered good** | | | |
| Capital advances | 55.16 | 83.29 | 378.98 |
| Security deposits* | 42.60 | 52.91 | 45.74 |
| | **97.76** | **136.20** | **424.72** |

* includes National Saving Certificate aggregating ₹0.17 (March 31, 2020: ₹0.17, March 31, 2019: ₹0.17 ) pledged with government authorities.

**Note 10 - Inventories***

| | As at March 31, 2021 | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|---|
| Raw materials | 1,961.08 | 5,089.17 | 1,942.69 |
| Goods-in-transit | 5,631.19 | 3,045.65 | 990.31 |
| Packing materials | 181.83 | 140.58 | 134.81 |
| Work-in-progress | 37.93 | 74.74 | 42.95 |
| Finished goods | 2,709.43 | 930.84 | 1,152.43 |
| Stock-in-trade | 239.94 | 939.62 | 1,549.71 |
| Stock-in-trade -in-transit | - | - | 152.16 |
| Consumables, stores and spares | 167.78 | 128.47 | 71.38 |
| By-products | 38.19 | 27.12 | 16.74 |
| | **10,967.37** | **10,376.19** | **6,053.18** |

* Refer 2 (m) for method of valuation for inventories.

10.1 The write down of inventories to net realisable value during the year amounted to ₹29.40 (March 31, 2020: ₹1,008.33 , March 31, 2019: ₹160.01). The write down is included in cost of materials consumed or changes in inventories of finished goods, stock-in-trade and work-in-progress in Statement of Profit and Loss.

10.2 A written down of stores and spares for ₹0.72 is recognised during the year (March 31, 2020: ₹Nil, March 31, 2019: ₹Nil) on account of obsolescence which is included in other expenses.

10.3 For information on Inventories pledged as securities by the company, refer note 18 and note 19.

**Note 11 - Trade receivables ***

| | As at March 31, 2021 | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|---|
| **Trade receivables** | | | |
| Considered good, secured | 212.06 | 277.70 | 443.73 |
| Considered good, unsecured | 1,249.72 | 536.85 | 634.85 |
| Credit impaired | 26.12 | 14.30 | 4.23 |
| Less: Allowance for credit losses | (26.12) | (14.30) | (4.70) |
| | **1,461.78** | **814.55** | **1,078.11** |

* For information on trade receivables pledged as securities by the company, refer note 18 and note 19.
* Of the trade receivables balance ₹556.17 (March 31, 2020: ₹246.37 , March 31, 2019: ₹249.65) is due from one (March 31, 2020: two, March 31, 2019: one) of the Company's large customer/s. There are no other customers who represent more than 10% of the total balance of trade receivables.
* The average credit period for the customers is in the range of 7 days to 30 days depending on customer groups.
* Trade receivables includes receivables from related parties, refer note 39.

**Note 12 - Cash and cash equivalents**

| | As at March 31, 2021 | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|---|
| Balance with banks | | | |
| - Current accounts | 69.09 | 154.63 | 338.29 |
| Cash on hand | 0.30 | 0.29 | 0.25 |
| | **69.39** | **154.92** | **338.54** |

**Note 13 - Bank balances other than cash and cash equivalents**

| | As at March 31, 2021 | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|---|
| Balance with banks | | | |
| -Deposits with original maturity of more than 3 months but less than 12 months | 7,308.82 | 3,793.07 | 1,842.47 |
| Earmarked Balances | | | |
| -Deposits with original maturity of more than 3 months but less than 12 months[@] | 6,362.29 | 3,753.41 | 4,365.92 |
| -Deposits with banks pledged with government departments | 1.56 | 1.45 | 1.38 |
| | **13,672.67** | **7,547.93** | **6,209.77** |

[@]Deposits are pledged with banks for issuance of Letter of credits (LC's), Bank Guarantee (BG's) and availing overdraft facilities, refer note 19.

**Note 14 - Other current financial assets**

| | As at March 31, 2021 | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|---|
| **Unsecured, Considered Good** | | | |
| Interest accrued on | | | |
| - Fixed deposits | 311.52 | 247.05 | 327.44 |
| - Others | 1.66 | 0.08 | 1.23 |
| Subsidy receivable | - | - | 307.89 |
| Insurance claims receivables | - | 2.34 | - |
| Derivative assets not designated as hedges | | | |
| - Foreign exchange forward contracts | - | 123.91 | - |
| - Commodity forward contracts | 21.36 | 7.54 | 23.22 |
| Margin money deposits* | 203.56 | 34.37 | 10.00 |
| GST refund receivable | - | 60.94 | 217.74 |
| Balances with government authorities (amount paid under protest) | 50.53 | 51.01 | 5.49 |
| Others [#] | 260.25 | 275.76 | 267.29 |
| | **848.88** | **803.00** | **1,160.30** |

* Includes receivables from related parties, refer note 39.
[#] for offsetting disclosure, refer note 42.

**Note 15 - Other current assets**

| | As at March 31, 2021 | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|---|
| **Unsecured, considered good** | | | |
| Advances recoverable in cash or in kind | 2.06 | 2.27 | 25.85 |
| MEIS in hand pending utilisation | 1.35 | 239.56 | 485.41 |
| Advances to suppliers | 364.65 | 47.54 | 46.62 |
| Balances with government authorities | 209.56 | 431.69 | 312.32 |
| Prepaid expenses | 44.02 | 35.61 | 26.08 |
| Others | 18.40 | 23.62 | 24.92 |
| | **640.04** | **780.29** | **921.20** |

**Note 16 - Current tax assets (net)**

| | As at March 31, 2021 | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|---|
| Income tax assets (net) | - | 7.06 | - |
| | **-** | **7.06** | **-** |

**Note 17 - Equity share capital**

| | As at March 31, 2021 | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|---|
| **Authorised** | | | |
| Equity shares 10,400,000 (March 31, 2020: 10,400,000, March 31, 2019: 10,400,000) equity shares of ₹10 each par value (refer note F) | 104.00 | 104.00 | 104.00 |
| | **104.00** | **104.00** | **104.00** |
| **Issued, subscribed and fully paid-up** | | | |
| Equity shares, fully paid 10,287,508 (March 31, 2020: 10,287,508, March 31, 2019: 10,287,508) equity shares of ₹10 each par value (refer note F) | 102.88 | 102.88 | 102.88 |
| | **102.88** | **102.88** | **102.88** |

**A) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting year (refer note F):**

| | As at March 31, 2021 | | As at March 31, 2020 | | As at March 31, 2019 | |
|---|---|---|---|---|---|---|
| | Number of shares | Amount | Number of shares | Amount | Number of shares | Amount |
| Balance at the beginning of the year | 10,287,508 | 102.88 | 10,287,508 | 102.88 | 8,519,342 | 85.19 |
| Shares issued during the year | - | - | - | - | 1,768,166 | 17.68 |
| **Balance at the end of the year** | **10,287,508** | **102.88** | **10,287,508** | **102.88** | **10,287,508** | **102.88** |

**B) Details of shareholders holding more than 5% of total number of equity shares in the company and details of the shares held by the Holding Company (refer note F):**

| | As at March 31, 2021 | | As at March 31, 2020 | | As at March 31, 2019 | |
|---|---|---|---|---|---|---|
| | Number of shares | % of Holding | Number of shares | % of Holding | Number of shares | % of Holding |
| Golden Agri International Enterprises Pte. Ltd. (formerly Golden Agri International India Holding Pte. Ltd.), Singapore ("Holding Company") | 5,788,613 | 56.27% | 5,788,613 | 56.27% | 5,788,613 | 56.27% |
| Black River Food 2 Pte. Ltd., Singapore | 2,571,877 | 25.00% | 2,571,877 | 25.00% | 2,571,877 | 25.00% |
| Alka Chowdhry | 1,188,679 | 11.55% | 1,188,679 | 11.55% | 1,188,679 | 11.55% |
| Investment and Commercial Enterprises Pte. Ltd., Singapore | 679,245 | 6.60% | 679,245 | 6.60% | 679,245 | 6.60% |

**C) Rights, preferences and restrictions attached to equity shares (refer note F)**

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Under the terms of the Shareholders' agreement dated September 25, 2018 between Black River Food 2 Pte. Ltd., Golden Agri International Enterprises Pte. Ltd. (formerly Golden Agri International India Holding Pte. Ltd.), Pradeep Chowdhry, Alka Chowdhry, Investment and Commercial Enterprises Pte. Ltd. and Gemini Edibles & Fats India Limited (formerly known as Gemini Edibles & Fats India Private Limited), the Company has first right to purchase shares held by the Black River Food 2 Pte. Ltd., Singapore, in the Company (Put Option) at higher of fair market value (FMV) and a sum fixed under shareholders agreement being the cost of investment (Put Option Price), if (i) no IPO has occurred by the IPO target date; or (ii) there is a material event or default (as defined in the agreement). In case the Company do not honour the Put Option, the existing equity shareholder will liable to pay put price jointly and severally. If the Company and existing shareholders can not honor the put option then Ultimate Holding Company will unconditionally and irrevocably liable to fulfill the obligation.

**D) Other equity**

| | As at March 31, 2021 | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|---|
| Securities premium | 5,368.23 | 5,368.23 | 5,368.23 |
| Retained earnings | 10,774.53 | 5,079.85 | 3,229.55 |
| | **16,142.76** | **10,448.08** | **8,597.78** |

**Nature and purpose of each reserve**

**Securities premium:** This Reserve represents the premium on issue of equity shares and can be utilized in accordance with the provisions of the Companies Act, 2013.

**Retained earnings:** Retained earnings are profits earned by the Company after payment of dividend to shareholders, if any.

**E) Dividend proposed before approval or issue of the financial statements**

The amount of dividend recommended by the Board of the Directors of the Company to be paid in cash before the financial statements were approved for issue but not recognised as a distribution to owners during the year ended March 31, 2021 amounts to ₹2,499.86 (₹243 per equity share of par value ₹10 each) (March 31, 2020: ₹Nil (₹Nil per equity share of par value ₹10 each)) (March 31, 2019: ₹Nil (₹Nil per equity share of par value ₹10 each)).

**F) Sub-division of equity shares**

Pursuant to the special resolution passed in the extra-ordinary general meeting held on June 4, 2021, the face value of equity shares of the Company has been split from ₹10 to ₹1 per share with effect from June 4, 2021. Accordingly, the authorised capital is changed to 104,000,000 equity shares of ₹1 each and issued, subscribed and fully paid-up capital is changed to 102,875,080 equity shares of ₹1 each.

**Note 18 - Non-current borrowings**

| | As at March 31, 2021 | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|---|
| **Secured** | | | |
| Term loan from banks# | - | 509.00 | 610.00 |
| | **-** | **509.00** | **610.00** |
| Less: Current maturities of long-term borrowing | - | 75.00 | 45.00 |
| | **-** | **434.00** | **565.00** |

# Term loan from Axis Bank with an amount payable Nil as at March 31, 2021 (March 31, 2020: ₹ 9.00, March 31, 2019: ₹ 10.00), which was repaid during the year ended March 31, 2021, carried an interest rate of Axis Bank base rate plus 1.80% was payable by July 2021, as per original sanction terms. The loan was secured by first pari-passu charge on property, plant and equipment and second charge on current assets and outstanding amount was further guaranteed by personal guarantee of Managing Director to the extent of Nil (March 31, 2020: 24.98%, March 31, 2019: 24.98%) and corporate guarantee of the Ultimate Holding Company to the extent of Nil (March 31, 2020: 75.02%, March 31, 2019: 75.02%).

# Term Loan from Federal Bank with an amount payable Nil as at March 31, 2021 (March 31, 2020: ₹500.00, March 31, 2019: ₹Nil), which was repaid during the year ended March 31, 2021, carried an interest rate of 9.95% was payable by May 2024, as per original sanction terms. The loan was secured by first pari-passu charge on property, plant and equipment and second charge on current assets and outstanding amount was further guaranteed by personal guarantee of Managing Director to the extent of Nil (March 31, 2020: 24.98%, March 31, 2019: Nil) and corporate guarantee of the Ultimate Holding Company to the extent of Nil (March 31, 2020: 75.02%, March 31, 2019: Nil).

# Term Loan from Yes Bank with an amount payable Nil as at March 31, 2021 (March 31, 2020: ₹Nil, March 31, 2019: ₹600.00) which was repaid during the year ended March 31, 2020, carried an interest rate of 3 Months Yes Bank MCLR plus 1.05% was repayable by August 2023 in 16 quarterly instalments as per Original sanction term. The loan was secured by first pari-passu charge on property, plant and equipment and second charge on current assets and outstanding amount was further guaranteed by personal guarantee of Managing Director to the extent of Nil (March 31, 2020: Nil, March 31, 2019: 24.98%) and corporate guarantee of the Ultimate Holding Company to the extent of Nil (March 31, 2020: Nil, March 31, 2019: 75.02%).

**Note 19 - Borrowings - Current**

| | As at March 31, 2021 | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|---|
| **Secured** | | | |
| Loan repayable on demand | | | |
| - from banks # | 430.71 | 421.62 | 2,612.26 |
| Other loan from banks | | | |
| - Bills discounted #@ | 7,551.17 | 6,793.26 | 3,742.91 |
| | **7,981.88** | **7,214.88** | **6,355.17** |

# Out of the total amount outstanding, an amount of ₹1,661.70 (March 31, 2020: ₹2,703.24 , March 31, 2019: ₹2,001.93) is secured by way of first pari-passu charge on the entire current assets (present and future) and second charge on property, plant and equipment and outstanding amount was further guaranteed by personal guarantee of Managing Director to the extent of Nil (March 31, 2020: 24.98%, March 31, 2019: 24.98%) and corporate guarantee of the Ultimate Holding Company to the extent of Nil (March 31, 2020: 75.02%, March 31, 2019: 75.02%). The balance loans amounting to ₹6,320.18 (March 31, 2020: ₹4,511.64, March 31, 2019: ₹4,353.24) are availed against pledge of fixed deposits receipts ₹6,278.28 (March 31, 2020: ₹4,080.91, March 31, 2019: ₹4,365.92) and accrued interest thereon.

@ Bills discounted are repayable over a period of six months to one year and carries interest of LIBOR plus applicable spread ranging from 0.14% to 1.75% per annum (March 31, 2020: LIBOR plus applicable spread ranging from 0.10% to 0.60% per annum, March 31, 2019: LIBOR plus applicable spread ranging from 0.25% to 0.60% per annum).

@ for offsetting disclosure, refer note 42.

**Note 20 - Trade payables**

| | As at March 31, 2021 | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|---|
| Total outstanding dues to micro and small enterprises | 42.16 | 1.09 | 0.45 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises* | 5,340.29 | 4,980.82 | 2,230.35 |
| | **5,382.45** | **4,981.91** | **2,230.80** |

*Includes trade payables to related parties, refer note 39.

This information is required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 and has been determined to the extent such parties have been identified on the basis of information available with the Company. Auditors have placed reliance on the information provided by the Management. Further, in the view of the management there is no interest payable in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 ("the MSMED Act").

| | As at March 31, 2021 | As at March 31, | As at March 31, 2019 |
|---|---|---|---|
| - Principal and interest amount remaining unpaid | 42.16 | 1.09 | 0.45 |
| - Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day | - | - | - |
| - Interest due to payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006. | - | - | - |
| - Interest accrued and remaining unpaid | - | - | - |
| - Interest remaining due to payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises. | - | - | - |

**Note 21 - Other current financial liabilities**

| | As at March 31, 2021 | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|---|
| Current maturities of long-term borrowing | - | 75.00 | 45.00 |
| Interest accrued but not due | 6.86 | 44.63 | 44.32 |
| Security deposits# | 73.88 | 73.88 | 73.88 |
| Agency and other deposits | 975.91 | 694.99 | 527.41 |
| Capital creditors | 4.92 | 35.72 | 29.64 |
| Retention money payable | 48.93 | 53.21 | 80.19 |
| Employee related payables | 1,393.15 | 123.16 | 19.11 |
| Derivative liabilities, not designated as hedges | | | |
| - Foreign exchange forward contracts | 4.37 | - | 43.10 |
| - Commodity forward contracts | - | 11.09 | - |
| Others | 8.69 | 58.40 | 71.55 |
| | **2,516.71** | **1,170.08** | **934.20** |

# includes security deposits of ₹17.15 (March 31, 2020: ₹17.15, March 31, 2019: ₹17.15) received from Managing Director and ₹5.16 (March 31, 2020: ₹5.16 , March 31, 2019: ₹5.16) from Secunderabad Oils Limited.

**Note 22 - Other current liabilities**

| | As at March 31, 2021 | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|---|
| Advance from customers | 89.85 | 397.43 | 112.54 |
| Statutory dues payable | 31.19 | 25.72 | 32.90 |
| | **121.04** | **423.15** | **145.44** |

**Note 23 - Provisions**

| | As at March 31, 2021 | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|---|
| Provision for indirect taxes | 457.49 | 457.49 | 11.81 |
| | **457.49** | **457.49** | **11.81** |

Provision for disputed statutory matters have been made, where the Company anticipates probable outflow. The amount of provision is based on estimate made by the Company considering the facts and circumstances of each case. The timing and amount of cash flow will be determined by the relevant authorities on settlement of cases.

**Movement in provisions**

| | As at March 31, 2021 | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|---|
| **Balance as at the beginning of the year** | 457.49 | 11.81 | 13.73 |
| Add: Additional provision recognised * | - | 445.68 | - |
| Less: Amount used during the year | - | - | 1.92 |
| **Balance as at the end of the year** | **457.49** | **457.49** | **11.81** |

* The Company has disputed levy of Social Welfare Surcharge on import of goods during the period September 16, 2019 to January 10, 2020. The matter is pending before the Honourable High Court of Andhra Pradesh. However, the Company has provided ₹445.68 against the demand. The Company is hopeful of favourable decision therefore interest payable, if any, on above has not been provided.

**Note 24 - Current tax liabilities (net)**

| | As at March 31, 2021 | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|---|
| Income tax payable (net of advance tax) | 228.82 | - | 42.57 |
| | **228.82** | **-** | **42.57** |

**Note 25 - Revenue from operations**

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|---|
| Sale of manufactured goods | 69,246.98 | 46,991.33 | 36,956.92 |
| Sale of traded goods | 8,394.29 | 18,702.66 | 17,266.13 |
| **Total sale of products (refer note 40)** | **77,641.27** | **65,693.99** | **54,223.05** |
| Other operating income[@] | 18.35 | 11.50 | 4.48 |
| **Revenue from operations** | **77,659.62** | **65,705.49** | **54,227.53** |
| Less: Sale from the trial run production | - | 703.00 | - |
| **Net revenue from operations** | **77,659.62** | **65,002.49** | **54,227.53** |

[@] Other operating income includes sale of production scrap

**Note 26 - Other income**

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|---|
| Interest income | 533.81 | 372.87 | 1,086.16 |
| Trade finance income* | 325.16 | 184.04 | 9.80 |
| Insurance claims | 3.01 | 9.72 | 6.22 |
| Net profit on sale of current investments | 6.44 | 8.16 | 3.71 |
| Net gain on foreign currency transactions | 100.43 | - | - |
| Provisions no longer required written back | - | 0.67 | - |
| Miscellaneous income | 2.61 | 135.15 | 6.37 |
| | **971.46** | **710.61** | **1,112.26** |

* refer note 42

**Note 27 - Cost of materials consumed***

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|---|
| **Cost of material consumed** | | | |
| Raw materials | 58,443.94 | 40,152.60 | 32,021.36 |
| Packing materials | 1,516.15 | 1,278.86 | 1,181.95 |
| | **59,960.09** | **41,431.46** | **33,203.31** |
| Less: Consumption for trial run production | - | 628.18 | - |
| | **59,960.09** | **40,803.28** | **33,203.31** |

* Disclosed based on derived figures, rather than actual records of issue, refer note 10.

**Note 28 - Changes in inventories of finished goods, stock-in-trade and work-in-progress**

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|---|
| **Opening stock** | | | |
| Work-in-progress | 74.74 | 42.95 | 57.08 |
| Finished goods | 930.84 | 1,152.43 | 854.83 |
| Stock-in-trade | 939.62 | 1,701.87 | 940.74 |
| By-products | 27.12 | 16.74 | 32.18 |
| | **1,972.32** | **2,913.99** | **1,884.83** |
| **Less : Closing stock** | | | |
| Work-in-progress | 37.93 | 74.74 | 42.95 |
| Finished goods | 2,709.43 | 930.84 | 1,152.43 |
| Stock-in-trade | 239.94 | 939.62 | 1,701.87 |
| By-products | 38.19 | 27.12 | 16.74 |
| | **3,025.49** | **1,972.32** | **2,913.99** |
| | **(1,053.17)** | **941.67** | **(1,029.16)** |

**Note 29 - Employee benefits expense**

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|---|
| Salaries, wages and bonus | 1,962.67 | 734.63 | 409.84 |
| Contribution to provident fund | 27.90 | 23.86 | 16.39 |
| Contribution to other funds | 5.35 | 5.18 | 3.99 |
| Gratuity expenses | 10.25 | 6.37 | 5.69 |
| Staff welfare expenses | 13.64 | 16.67 | 11.30 |
| | **2,019.81** | **786.71** | **447.21** |
| Less : Pre operative expenses capitalised | - | 15.14 | 16.45 |
| | **2,019.81** | **771.57** | **430.76** |

**Note 30 - Finance costs**

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|---|
| Interest expense for financial liabilities carried at amortized cost | 143.68 | 299.21 | 641.01 |
| Interest expense others | 158.80 | 196.64 | 586.03 |
| Exchange differences regarded as an adjustment to borrowing costs | - | 153.36 | 63.90 |
| | **302.48** | **649.21** | **1,290.94** |
| Less : Pre operative expenses capitalised | - | 40.29 | 13.46 |
| | **302.48** | **608.92** | **1,277.48** |

**Note 31 - Other expenses**

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|---|
| Toll manufacturing charges | 71.41 | 505.46 | 197.95 |
| Power and fuel | 407.93 | 408.25 | 335.32 |
| Consumption of stores and spare parts | 86.13 | 83.87 | 66.11 |
| Material handling charges | 16.25 | 9.70 | 7.77 |
| Repairs and maintenance | | | |
| - Buildings | 3.85 | 13.89 | 15.10 |
| - Plant and machinery | 28.61 | 30.39 | 18.41 |
| - Others | 10.52 | 8.06 | 4.31 |
| Freight outward and forwarding | 746.42 | 577.75 | 470.33 |
| Advertisement and sales promotion | 390.19 | 289.11 | 333.19 |
| Storage and warehouse rent | 25.36 | 111.68 | 106.65 |
| Commission and rebate | 61.13 | 64.90 | 57.35 |
| Rent - office | 9.79 | 9.38 | 8.89 |
| Legal and professional expenses | 34.35 | 35.23 | 56.55 |
| Travelling and conveyance | 18.17 | 31.40 | 28.97 |
| Net loss on foreign currency transactions | - | 343.33 | 184.24 |
| Insurance | 41.95 | 20.12 | 22.57 |
| Auditor's remuneration | 2.75 | 2.19 | 2.43 |
| Provision for doubtful trade receivables and expected credit losses | 11.82 | 12.10 | 0.61 |
| Subsidy written-off | - | 307.89 | - |
| Bad debts | - | - | 0.08 |
| Net loss on sale of property, plant and equipment | 0.27 | 1.00 | 0.22 |
| Corporate social responsibility expenses (refer note a) | 38.34 | 51.94 | 5.69 |
| Rates and taxes | 6.00 | 7.63 | 4.77 |
| Donation | - | - | 0.07 |
| Others | 77.08 | 78.13 | 109.41 |
| | **2,088.32** | **3,003.40** | **2,036.99** |
| Less : Pre operative expenses capitalised | - | 16.04 | 5.82 |
| | **2,088.32** | **2,987.36** | **2,031.17** |

**a. Corporate social responsibility (CSR) expenditure**

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|---|
| Amount required to be spent | 37.64 | 51.85 | 29.87 |
| Amount spent | 38.34 | 51.94 | 5.69 |
| | **(0.70)** | **(0.09)** | **24.18** |

The CSR committee constituted by the Board of Directors of the Company under Section 135 of the Act supervises all the expenditure incurred for CSR purposes.

**Note 32 - Income-tax expense**

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|---|
| **(a) Amounts recognised in the Statement of Profit and Loss** | | | |
| **Tax expense** | | | |
| Current tax | 2,258.00 | 693.59 | 604.97 |
| Taxes of earlier years | (2.13) | (0.62) | 3.74 |
| Deferred tax | (312.54) | (114.85) | (6.77) |
| **Total** | **1,943.33** | **578.12** | **601.94** |
| **(b) Amounts recognised in Statement of Other Comprehensive Income** | | | |
| Taxes | (4.37) | (2.76) | 0.31 |
| **Total** | **(4.37)** | **(2.76)** | **0.31** |
| **Total Tax (a+b)** | **1,938.96** | **575.36** | **602.24** |

**(c) Reconciliation of tax expense and the accounting profit multiplied by statutory tax rate**

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|---|
| **Profit before tax** | **7,651.02** | **2,436.62** | **1,695.40** |
| Tax using the Company's domestic tax rate @ 25.168% (March 31, 2020 @ 25.168%, March 31, 2019 @ 34.944%) | 1,925.61 | 613.25 | 592.44 |
| *Tax effect of:* | | | |
| Adjustment of tax relating to the earlier years | (2.13) | (0.62) | 3.73 |
| Effect of expenses that are not deductible in determining tax profit | 9.73 | 7.71 | 5.38 |
| Effect of change in tax rate on opening temporary differences | - | (30.32) | 0.39 |
| Others | 5.75 | (14.66) | 0.30 |
| **Total Income tax expenses** | **1,938.96** | **575.36** | **602.24** |

**Note 33 - Earnings per equity share (EPES)**

| | For the year ended March 31, 2021^ | For the year ended March 31, 2020^ | For the year ended March 31, 2019^ |
|---|---|---|---|
| (a) Net profit attributable to the equity shareholders | 5,707.69 | 1,858.50 | 1,093.46 |
| (b) Face value per share (₹)* | 1.00 | 1.00 | 1.00 |
| (c) Weighted average number of equity shares outstanding during the year for Basic EPES and Diluted EPES | 102,875,080 | 102,875,080 | 92,798,960 |
| **(d) Earnings per equity share - Basic and diluted (₹) - (a/c)** | **55.48** | **18.07** | **11.78** |

*The face value of equity shares of the Company has been split from ₹10 to ₹1 per share with effect from June 4, 2021.

^ The basic and diluted earnings per share for the years ended March 31, 2021, March 31, 2020 and March 31, 2019 are restated to take the effect of share split as per Ind AS 33, Earnings per Share.

**Note 34 - Auditor's remuneration**

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|---|
| As Auditor | | | |
| Statutory audit fee | 2.70 | 2.00 | 1.60 |
| Audit of opening and comparative financial statements under Ind AS | - | - | 0.55 |
| Reimbursement of expenses | 0.05 | 0.19 | 0.28 |
| | **2.75** | **2.19** | **2.43** |

**Note 35 - Segment Reporting**

According to Ind AS 108, Segment Reporting, identification of operating segments is based on Chief Operating Decision Maker (CODM) approach for making decisions about allocating resources to the segment and assessing its performance. The business activity of the Company falls within one operating segment viz. "Edibles Oils and Allied products" and substantially sale of the product is within the country. Hence, the disclosure requirement of Ind AS 108, Segment Reporting, is not considered applicable.

The Company does not have revenue from any customer which in total exceeds 10% of total revenue from operations.

**Note 36 - Contingent liabilities and commitments**

**A Contingent liabilities**

| | As at March 31, 2021 | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|---|
| **Claims against the Company not acknowledged as debts:** | | | |
| - Demand under the Goods and Services Tax Acts | 83.27 | 83.27 | - |
| - Demand under the Central Excise Act, 1944 | 12.14 | 9.31 | 3.43 |
| - Demand under the Value Added Tax / Entry Tax | 0.12 | 0.14 | 0.15 |
| - Others | 7.99 | 7.99 | 7.84 |

(a) Pending resolution of the respective proceedings, it is not practical for the Company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgments/ decisions pending with various forums/ authorities. However, the Company has reviewed all its pending litigation and proceeding and has adequately provided for where provision required and disclosed as contingent liabilities where applicable, in its restated financial information. The Company does not expect the outcome of these proceeding to have a material adverse effect on its financial position. The Company does not expects any payment in respect of the above contingent liabilities.

**B Commitments**

| | As at March 31, 2021 | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|---|
| (a) Estimated amount of capital contracts remaining to be executed and not provided for (net of advances) | 124.39 | 134.06 | 347.83 |

(b) The Company has availed certain government subsidies/ grants. As per the terms and conditions, the Company has to continue production for specified number of years and others conditions failing which amount of subsidies availed along with interest, penalty etc. will have to be refunded.

**C Others**

(a) The Company has claimed subsidy in earlier years, on investment in plant at Kakinada in Andhra Pradesh under Industrial Investment Promotion 2005-10 and on expansion of plant at Krishnapatnam in Andhra Pradesh under the Investment Promotion Policy, 2010-2015 issued by then Government of Andhra Pradesh, against which aggregating ₹307.89 million were remained outstanding. In view of reorganisation of State of Andhra Pradesh between Andhra Pradesh and Telangana State, this outstanding subsidy was not forthcoming. The management has reassessed the recoverability and concluded that in view of present circumstances, the management had decided to write off during the year ended March 31, 2020.

**Note 37 - Borrowing costs**

During the year, borrowing cost amounting to ₹Nil (March 31, 2020: ₹40.29, March 31, 2019: ₹13.46) has been debited to Capital-work-in-progress/capitalised by the Company. Interest rate used to determine the amount of borrowing cost capitalised is Nil % per annum (March 31, 2020: 9.43% per annum, March 31, 2019: 9.90% per annum) which is weighted average interest rate applicable to Company's borrowings.

Gemini Edibles & Fats India Limited (formerly known as Gemini Edibles & Fats India Private Limited)
**Notes to the Restated Financial Information**
(All amounts in ₹ millions unless otherwise stated)

**Note 38 - Employee Benefits**
**a) The employee benefit schemes are as under:**

**Defined Contribution Plans:**
**Provident fund:**
The Company makes contributions towards provident fund and national pension scheme for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits.

| | For the year ended | | |
|---|---|---|---|
| | March 31, 2021 | March 31, 2020 | March 31, 2019 |
| Contribution to provident fund | 27.90 | 23.86 | 16.39 |
| Contribution to other funds | 5.35 | 5.18 | 3.99 |

**Defined Benefit Plan:**
**Gratuity :**
The Company makes provision for gratuity as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is employee's last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. Gratuity liability is being contributed to Group Gratuity Cash Accumulation plans managed by the Life Corporation of India (LIC). The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2021.

**b) The following table sets out the particulars of the employee benefits as required under the Ind AS 19, Employee Benefits**

**i) The amounts recognised in the Balance sheet and the movements in the defined benefit obligation over the year for Gratuity are as follows:**

| | March 31, 2021 | | | March 31, 2020 | | | March 31, 2019 | | |
|---|---|---|---|---|---|---|---|---|---|
| | Present value of obligation | Fair value of plan assets | Net Liability / (asset) | Present value of obligation | Fair value of plan assets | Net Liability / (asset) | Present value of obligation | Fair value of plan assets | Net Liability / (asset) |
| **Opening balance (A)** | 60.00 | 51.42 | 8.58 | 40.25 | 38.22 | 2.03 | 33.18 | 27.92 | 5.26 |
| Current service cost | 10.41 | - | 10.41 | 6.58 | - | 6.58 | 5.55 | - | 5.55 |
| Interest expense / income | 3.88 | 3.66 | 0.22 | 3.06 | 3.15 | (0.09) | 2.54 | 2.44 | 0.10 |
| Expected returns | - | - | - | - | - | - | - | - | - |
| **Total amount recognised in the statement of profit and loss (B)** | **14.29** | **3.66** | **10.63** | **9.64** | **3.15** | **6.49** | **8.09** | **2.44** | **5.65** |
| Remeasurements | | | | | | | | | |
| Actuarial loss / (gain) arising from : | | | | | | | | | |
| - Demographic assumptions | - | - | - | - | - | - | - | - | - |
| - Financial assumptions | 16.85 | - | 16.85 | 5.17 | - | 5.17 | (3.64) | - | (3.64) |
| - Experience adjustment | 0.86 | - | 0.86 | 5.45 | - | 5.45 | 3.02 | - | 3.02 |
| Return on plan assets | - | 0.33 | (0.33) | - | (0.34) | 0.34 | - | 0.26 | (0.26) |
| **Total amount recognised in other comprehensive income (C)** | **17.71** | **0.33** | **17.38** | **10.62** | **(0.34)** | **10.96** | **(0.62)** | **0.26** | **(0.88)** |
| Contribution by employer (D) | - | 45.30 | (45.30) | - | 10.90 | (10.90) | - | 8.00 | (8.00) |
| Benefit paid (E) | (4.80) | (4.80) | - | (0.51) | (0.51) | - | (0.40) | (0.40) | - |
| **Closing Balance (A+B+C+D+E)** | **87.20** | **95.91** | **(8.71)** | **60.00** | **51.42** | **8.58** | **40.25** | **38.22** | **2.03** |

**ii) Significant estimates: Actuarial assumptions**

The significant actuarial assumptions for defined benefit obligation are as follows:

| | As at March 31, 2021 | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|---|
| Discount rate | 6.80% | 6.76% | 7.66% |
| Attrition rate | | | |
| Past Service | | | |
| -0-5 years | 3.00% | 3.00% | 3.00% |
| -5-42 years | 1.00% | 1.00% | 1.00% |
| Salary escalation rate | 10.00% | 8.00% | 8.00% |
| Mortality table | 100% of IALM (2012 - 14) | 100% of IALM (2012 - 14) | 100% of IALM (2006 - 08) |

**iii) Details of plan assets**

| | As at March 31, 2021 | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|---|
| Fund managed by insurer* | 100% | 100% | 100% |

* In the absence of detailed information regarding plan assets which is funded with Insurance Company, the composition of each major category of plan assets, the percentage or amount for each category to the fair value of plan assets has not been disclosed.

**iv) Sensitivity analysis**

| | As at March 31, 2021 | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|---|
| **A. Discount rate** | | | |
| a. Effect of decrease in discount rate by 100 basis points | 12.19 | 6.85 | 3.99 |
| b. Effect of increase in discount rate by 100 basis points | (9.95) | (5.70) | (3.37) |
| **B. Salary increase rate** | | | |
| a. Effect of decrease in salary escalation rate by 100 basis points | (9.41) | (5.49) | (3.20) |
| b. Effect of increase in salary escalation rate by 100 basis points | 10.34 | 6.41 | 3.72 |

The Sensitivity Analysis has been determined based on reasonably possible change of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. These sensitivities show the hypothetical impact of a change in each of the listed assumptions in isolation. While each of these sensitivities holds all other assumptions constant, in practice such assumptions rarely change in isolation and the asset value changes may offset the impact to some extent. Sensitivities due to mortality and withdrawals are insignificant. There was no change in the methods and assumptions used in the preparation of the Sensitivity Analysis from prior years.

**v) Description of Risk Exposures:**

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Company is exposed to various risks as follows -

**A) Salary Increases** - Higher than expected increase in salary will increase the defined benefit obligation.

**B) Investment Risk** – Assets / liabilities mismatch and actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability / Assets.

**C) Discount Rate** – Reduction in discount rate in subsequent valuations can increase the plan's liability.

**D) Demographic risk** – This is the risk of variability of results due to unsystematic nature of decrements that includes mortality, withdrawals, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends on the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the employee benefit of a short career employee typically costs less per year as compared to a long service employee.

**vi) Maturity profile of defined benefit obligation :**

| | As at March 31, 2021 | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|---|
| Year 1 | 5.47 | 5.13 | 0.64 |
| Year 2 | 5.64 | 2.84 | 6.39 |
| Year 3 | 4.86 | 5.00 | 5.09 |
| Year 4 | 4.06 | 5.58 | 4.30 |
| Year 5 | 4.64 | 3.66 | 1.93 |
| Year 6 to 10 | 23.81 | 21.06 | 15.07 |
| **vii) Expected contribution for the next annual reporting period.** | **15.09** | **10.41** | **6.58** |

**Note 39 - Related parties**

| Name of related parties | Relationships |
|---|---|
| Golden Agri-Resources Ltd., Singapore | Ultimate holding company |
| Golden Agri International Pte. Ltd., Singapore | Intermediate holding company |
| Golden Agri International Enterprises Pte. Ltd. (formerly Golden Agri International India Holding Pte. Ltd.), Singapore | Holding company |
| Golden Agri Resources (India) Private Limited | Fellow subsidiary company |
| Integrated Advance IT Services Sdn Bhd, Malaysia | Fellow subsidiary company |
| **Key Management Personnel (KMP)#** | |
| Mr. Pradeep Kumar Chowdhry | Managing director |
| Mr. Prathap Gangaraju | Executive director(with effect from February 23, 2020) |
| Mr. Sumant Kumar Razdan | Executive director (up to February 22, 2020) |
| Mr. Shobhit Agarwal | Chief financial officer |
| Mr. Rajesh Kumar Aggarwal | Company secretary |
| **Relatives of Key Management Personnel** | |
| Mr. Akshay Chowdhry | Group vice president [Son of Managing director] |
| **Entities in which KMP or their relatives have significant influence** | |
| Secunderabad Oils Limited | |
| UKS Oils Private Limited | |
| Leo Global Commodities Private Limited | |
| UKS Forex Private Limited (up to November 7, 2019) | |
| **Entities have significant influence over the Company** | |
| Black River Food 2 Pte Ltd., Singapore | |
| **Post-employment benefit trust** | |
| Gemini Edibles & Fats India Private Limited Employees Gratuity Scheme | |

# As per section 203 of the Companies Act, 2013, definition of Key Managerial Personnel includes Chief Executive Officer (CEO), Chief Financial Officer (CFO) and Company Secretary.

**(a) Related party transactions during the year**

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|---|
| **Golden Agri International Pte. Ltd.** | | | |
| - Purchase of goods | 9,865.17 | 10,147.51 | 15,995.54 |
| - Net payment on settlement of hedge transactions of commodity price risk | 374.56 | 113.20 | 12.00 |
| - Service fees | - | - | 45.14 |
| - Reimbursement of expenses | - | 0.94 | 0.37 |
| **Golden Agri International Enterprises Pte. Ltd. (formerly Golden Agri International India Holding Pte. Ltd.), Singapore** | | | |
| - External commercial borrowings repaid | - | - | 165.42 |
| - Interest expense | - | - | 4.40 |
| **Golden Agri Resources (India) Private Limited** | | | |
| - Expenses re-imbursed ** | 0.04 | 0.32 | 8.64 |
| - Sale of goods** | 254.53 | - | - |
| - Sale of MEIS Licences | - | - | 90.87 |
| - Purchase of goods ** | - | 238.94 | - |
| **Integrated Advance IT Services Sdn Bhd** | | | |
| - IT services received | 8.50 | 10.35 | 1.90 |
| **Black River Food 2 Pte Ltd** | | | |
| - Reimbursement of expenses | - | - | 2.49 |
| **Pradeep Kumar Chowdhry** | | | |
| - Short-term employee benefits * | 21.60 | 53.11 | 44.76 |
| - Security deposit held under trust repaid | - | - | 1.48 |
| **Sumant Kumar Razdan** | | | |
| - Short-term employee benefits * | - | 8.04 | 12.76 |
| **Rajesh Kumar Aggarwal** | | | |
| - Short-term employee benefits * | 6.24 | 5.88 | 7.60 |

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|---|
| **Mr. Akshay Chowdhry** | | | |
| - Short-term employee benefits * | 9.22 | 15.60 | 59.87 |
| **Mr. Prathap Gangaraju** | | | |
| - Short-term employee benefits * | 10.26 | 0.52 | - |
| **Mr. Shobhit Agarwal** | | | |
| - Short-term employee benefits * | 7.49 | 6.84 | - |
| **Secunderabad Oils Limited** | | | |
| - Inter corporate deposit taken | - | 100.00 | - |
| - Inter corporate deposit repaid | - | 100.00 | 55.00 |
| - Interest expense | - | 0.20 | 2.75 |
| - Lease rental for office premises ** | 9.77 | 9.31 | 8.87 |
| - Security deposit held under trust repaid | - | - | 0.44 |
| **UKS Oils Private Limited** | | | |
| - Purchase of goods** | - | 5.50 | 5.04 |
| **Leo Global Commodities Private Limited** | | | |
| - Brokerage charges** | 1.56 | 0.59 | 0.39 |
| - Interest income | 0.24 | 0.80 | 0.71 |
| - Margin deposit paid- (Fixed deposit) | 79.20 | - | - |
| - Margin advances paid, net | 115.15 | - | - |
| **UKS Forex Private Limited** | | | |
| - Margin deposit paid | - | 10.00 | - |
| - Brokerage charges** | - | 0.05 | 0.31 |
| **Gemini Edibles & Fats India Private Limited Employees Gratuity Scheme** | | | |
| - Contribution to employees' benefit plans | 45.30 | 6.37 | 5.69 |

* Remuneration as given above does not include long-term compensated absences benefit accrued and gratuity benefit accrued since the same are computed based on actuarial valuation for all the employees and the amounts attributable to the managerial personnel cannot be ascertained separately.

** Amounts are excluding Goods and Service Tax

**(b) Related party balances [(Payable)/ Receivable]**

| | As at March 31, 2021 | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|---|
| **Mr. Pradeep Kumar Chowdhry** | | | |
| - Security deposits | (17.15) | (17.15) | (17.15) |
| **Golden Agri International Pte. Ltd.** | | | |
| - Trade payables | (1,846.22) | (695.81) | (845.71) |
| **Integrated Advance IT Services Sdn Bhd** | | | |
| - Trade payables | - | - | (1.72) |
| **Golden Agri Resources (India) Private Limited** | | | |
| - Trade payables | (0.05) | (0.15) | (0.02) |
| - Trade receivables | 16.12 | - | - |
| **Secunderabad Oils Limited** | | | |
| - Trade payables | (0.92) | (0.86) | - |
| - Security deposits | 1.17 | 1.17 | 1.17 |
| - Security deposits | (5.16) | (5.16) | (5.16) |
| **UKS Oils Private Limited** | | | |
| - Trade payables | - | - | (0.73) |

| | As at March 31, 2021 | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|---|
| **Leo Global Commodities Private Limited** | | | |
| - Margin money deposits (including receivable from Derivatives) | 204.20 | 10.65 | 10.00 |
| - Others | 0.19 | 0.72 | 0.64 |
| **Gemini Edibles & Fats India Private Limited Employees Gratuity Scheme** | | | |
| - Gratuity asset (net) | 8.71 | (8.58) | (2.03) |

**Guarantees received**

- Pradeep Kumar Chowdhry, Managing Director has given personal guarantee to banks to the extent of 24.98% for borrowings having outstanding balance of ₹Nil as at March 31, 2021 (₹3,212.24 as at March 31, 2020, ₹2,611.93 as at March 31, 2019), refer note 18 and 19.
- Golden Agri-Resources Ltd, Ultimate holding company has given corporate guarantee to banks to the extent of 75.02% for borrowings having outstanding balance of ₹Nil as at March 31, 2021 (₹3,212.24 as at March 31, 2020, ₹2,611.93 as at March 31, 2019), refer note 18 and 19.

**(c)** All transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions and within the ordinary course of business. Outstanding balances at year end are unsecured and settlement occurs in cash.

**Note 40 - Revenue**

(a) Reconciliation of revenue as per contract price and as recognised in Statement of Profit or Loss:

| | For the year ended March 31, 2021 | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|---|
| Revenue as per Contract price* | 77,985.79 | 66,071.24 | 54,489.86 |
| Less: Incentives and trade promotions | (344.52) | (377.25) | (266.81) |
| **Total sale of products (Refer note 25)** | **77,641.27** | **65,693.99** | **54,223.05** |

*excludes ₹ 18.35 (March 31, 2020: ₹ 11.50, March 31, 2019: ₹ 4.48) recognised as other operating income.

(b) Contract balances

| | As at March 31, 2021 | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|---|
| Trade receivables | 1,461.78 | 814.55 | 1,078.11 |
| **Total** | **1,461.78** | **814.55** | **1,078.11** |

**Note 41 - Leases**

On April 1, 2019, the Company adopted Ind AS 116, Leases. There were no impact on retained earnings upon implementation of Ind AS 116. The Company has recognised short-term leases over the lease term. The expenses related to short-term leases are ₹ 35.15 for the year ended March 31, 2021 (March 31, 2020: ₹ 121.06, March 31, 2019: ₹ 115.54). There are no income from subleasing right-of-use assets nor any gains or losses from sales and leaseback of assets for the year ended March 31, 2021.

However, for the purpose of preparing restated financial information, Ind AS 116 has been applied with effect from April 1, 2018.

**Note 42 - Offsetting**

During the year, Company has issued Letter of Credit (LC's) through banks favouring the suppliers for purchase of raw materials and stock-in-trade. The Company has also placed fixed deposits with the same bank for repaying the liability against the LC's and also entered into the forward contract with the same maturity date. Set off agreements had been entered into with the bank in respect of above LC's to allow maturity proceeds of fixed deposits placed against the same to be utilized to fully discharge the liability under the LC's on maturity. Further, any shortfall due to LIBOR reset shall be paid/received by the Company. Thus liability on such borrowings and forward contract is adjusted against the maturity value of the said fixed deposits.

**As at March 31, 2021**

| | Gross | Unearned Portion | Net |
|---|---|---|---|
| Fixed deposit | 25,100.68 | - | 25,100.68 |
| Interest on fixed deposits | 1,614.76 | (841.58) | 773.18 |
| **Maturity proceeds of fixed deposits (A)** | **26,715.44** | **(841.58)** | **25,873.86** |
| Short term borrowing including financing costs/ unamortised premium of forward contracts (B) | 26,181.27 | (567.66) | 25,613.61 |
| **Net amount included under 'Other current financial assets - others' (A-B)** | **534.17** | **(273.92)** | **260.25** |

**As at March 31, 2020**

| | Gross | Unearned Portion | Net |
|---|---|---|---|
| Fixed deposit | 20,031.03 | - | 20,031.03 |
| Interest on fixed deposits | 1,326.70 | (736.95) | 589.75 |
| **Maturity proceeds of fixed deposits (A)** | **21,357.73** | **(736.95)** | **20,620.78** |
| Short term borrowing including financing costs/ unamortised premium of forward contracts (B) | 21,081.97 | (736.95) | 20,345.02 |
| **Net amount included under 'Other current financial assets - others' (A-B)** | **275.76** | **-** | **275.76** |

**As at March 31, 2019**

| | Gross | Unearned Portion | Net |
|---|---|---|---|
| Fixed deposit | 6,496.19 | - | 6,496.19 |
| Interest on fixed deposits | 486.34 | (373.78) | 112.56 |
| **Maturity proceeds of fixed deposits (A)** | **6,982.53** | **(373.78)** | **6,608.74** |
| Short term borrowing including financing costs/ unamortised premium of forward contracts (B) | 6,715.23 | (373.78) | 6,341.45 |
| **Net amount included under 'Other current financial assets - others' (A-B)** | **267.29** | **-** | **267.29** |

**Break up of trade finance income:**

| | For the year ended | | |
|---|---|---|---|
| | **March 31, 2021** | **March 31,** | **March 31, 2019** |
| Interest income on fixed deposits | 1,875.18 | 1,209.35 | 171.31 |
| Less: Interest expense and related expenses on short-term borrowings and forward contracts | (1,550.02) | (1,025.31) | (161.51) |

**Note 43 - Other Disclosures**

Disclosure relating to investments, loans or security given by the Company as per requirements of section 186 (4) to the Companies Act'2013

| | Investment made / Loan given during the year | Balance of Investment as at March 31, 2021 | Rate of Interest | Purpose | Maturity Period |
|---|---|---|---|---|---|
| **Investment made** | | | | | |
| Federation of Oil Processors | - | 1.25<br>(March 31, 2020: ₹ 1.25)<br>(March 31, 2019: ₹ 1.25) | Not Applicable | Not Applicable | Not Applicable |

**Note 44 - Capital management**

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value. The following table summarises the capital of the Company.

| | | As at March 31, 2021 | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|---|---|
| (a) | Equity share capital | 102.88 | 102.88 | 102.88 |
| (b) | Other equity | 16,142.76 | 10,448.08 | 8,597.78 |
| | **Total equity** | **16,245.64** | **10,550.96** | **8,700.66** |
| (a) | Non-current borrowings | - | 434.00 | 565.00 |
| (b) | Current borrowings* | 7,981.88 | 7,214.88 | 6,355.17 |
| (c) | Current maturity of non current borrowings | - | 75.00 | 45.00 |
| | **Total debt** | **7,981.88** | **7,723.88** | **6,965.17** |
| (a) | Less : Cash and cash equivalents | 69.39 | 154.92 | 338.54 |
| | **Net debt** | **7,912.49** | **7,568.96** | **6,626.63** |
| | **Capital and net debts** | **24,158.13** | **18,119.92** | **15,327.29** |
| (a) | **Debt equity ratio** | **0.49** | **0.72** | **0.76** |
| (b) | **Capital gearing ratio** | **33.04%** | **42.63%** | **45.44%** |

*The current borrowings amounting to ₹6,320.18 (March 31, 2020: ₹4,511.64, March 31, 2019: ₹4,353.24) are availed against pledge of fixed deposits receipts ₹6,278.28 (March 31, 2020: ₹4,080.91, March 31, 2019: ₹4,365.92) and accrued interest thereon.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. There were no changes in the objectives, policies or processes for managing capital during the period under reporting.

**Note 45 - Financial instruments - fair values and risk management**

A. **Accounting classification and fair values**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at March 31, 2021, including their levels in the fair value hierarchy.

| | Carrying Amount | | | | Fair value | | | |
|---|---|---|---|---|---|---|---|---|
| | FVTPL | FVTOCI | Amortised cost | Total carrying amount | Level 1 | Level 2 | Level 3 | Total |
| **Financial assets** | | | | | | | | |
| Derivative assets not designated as hedges | 21.36 | - | - | 21.36 | 21.36 | - | - | 21.36 |
| Non-current investments | - | 1.25 | - | 1.25 | - | - | 1.25 | 1.25 |
| Loans | - | - | 0.91 | 0.91 | - | - | - | 0.91 |
| Trade receivables | - | - | 1,461.78 | 1,461.78 | - | - | - | 1,461.78 |
| Cash and cash equivalents ('CCE') | - | - | 69.39 | 69.39 | - | - | - | 69.39 |
| Bank balances other than CCE | - | - | 13,672.67 | 13,672.67 | - | - | - | 13,672.67 |
| Other financial assets | | | | | | | - | |
| - Non-current | - | - | 598.25 | 598.25 | - | - | - | 598.25 |
| - Current | - | - | 827.52 | 827.52 | - | - | - | 827.52 |
| | **21.36** | **1.25** | **16,630.52** | **16,653.13** | **21.36** | **-** | **1.25** | **16,653.13** |
| **Financial liabilities** | | | | | | | | |
| Derivative liabilities not designated as hedges | 4.37 | - | - | 4.37 | - | 4.37 | - | 4.37 |
| Borrowings | | | | | | | | |
| - Current | - | - | 7,981.88 | 7,981.88 | - | - | - | 7,981.88 |
| Trade payables | - | - | 5,382.45 | 5,382.45 | - | - | - | 5,382.45 |
| Other financial liabilities | | | | | | | - | |
| - Current | - | - | 2,512.34 | 2,512.34 | - | - | - | 2,512.34 |
| | **4.37** | **-** | **15,876.67** | **15,881.04** | **-** | **4.37** | **-** | **15,881.04** |

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at March 31, 2020, including their levels in the fair value hierarchy.

| | Carrying Amount | | | | Fair value | | | |
|---|---|---|---|---|---|---|---|---|
| | **FVTPL** | **FVTOCI** | **Amortised cost** | **Total carrying amount** | **Level 1** | **Level 2** | **Level 3** | **Total** |
| **Financial assets** | | | | | | | | |
| Derivative assets not designated as hedges | 131.45 | - | - | 131.45 | - | 131.45 | - | 131.45 |
| Non-current investments | - | 1.25 | - | 1.25 | - | - | 1.25 | 1.25 |
| Loans | - | - | 0.45 | 0.45 | - | - | - | 0.45 |
| Trade receivables | - | - | 814.55 | 814.55 | - | - | - | 814.55 |
| Cash and cash equivalents ('CCE') | - | - | 154.92 | 154.92 | - | - | - | 154.92 |
| Bank balances other than CCE | - | - | 7,547.93 | 7,547.93 | - | - | - | 7,547.93 |
| Other financial assets | | | | | | | - | |
| - Non-current | - | - | 372.93 | 372.93 | - | - | - | 372.93 |
| - Current | - | - | 671.55 | 671.55 | - | - | - | 671.55 |
| | **131.45** | **1.25** | **9,562.33** | **9,695.03** | **-** | **131.45** | **1.25** | **9,695.03** |
| **Financial liabilities** | | | | | | | | |
| Derivative liabilities not designated as hedges | 11.09 | - | - | 11.09 | 11.09 | - | - | 11.09 |
| Borrowings | | | | | | | | |
| - Non current | - | - | 434.00 | 434.00 | - | - | - | 434.00 |
| - Current | - | - | 7,214.88 | 7,214.88 | - | - | - | 7,214.88 |
| Trade payables | - | - | 4,981.91 | 4,981.91 | - | - | - | 4,981.91 |
| Other financial liabilities | | | | | | | | |
| - Current | - | - | 1,158.99 | 1,158.99 | - | - | - | 1,158.99 |
| | **11.09** | **-** | **13,789.78** | **13,800.87** | **11.09** | **-** | **-** | **13,800.87** |

The following table shows the carrying amounts and fair values of financial assets and financial liabilities as at March 31, 2019, including their levels in the fair value hierarchy.

| | Carrying Amount | | | | Fair value | | | |
|---|---|---|---|---|---|---|---|---|
| | **FVTPL** | **FVTOCI** | **Amortised cost** | **Total carrying amount** | **Level 1** | **Level 2** | **Level 3** | **Total** |
| **Financial assets** | | | | | | | | |
| Derivative assets not designated as hedges | 23.22 | - | - | 23.22 | 1.80 | 21.42 | - | 23.22 |
| Non-current investments | - | 1.25 | - | 1.25 | - | - | 1.25 | 1.25 |
| Loans | - | - | 0.86 | 0.86 | - | - | - | 0.86 |
| Trade receivables | - | - | 1,078.11 | 1,078.11 | - | - | - | 1,078.11 |
| Cash and cash equivalents ('CCE') | - | - | 338.54 | 338.54 | - | - | - | 338.54 |
| Bank balances other than CCE | - | - | 6,209.77 | 6,209.77 | - | - | - | 6,209.77 |
| Other financial assets | | | | | | | - | |
| - Non-current | - | - | 2.28 | 2.28 | - | - | - | 2.28 |
| - Current | - | - | 1,137.08 | 1,137.08 | - | - | - | 1,137.08 |
| | **23.22** | **1.25** | **8,766.63** | **8,791.10** | **1.80** | **21.42** | **1.25** | **8,791.10** |
| **Financial liabilities** | | | | | | | | |
| Derivative liabilities not designated as hedges | 43.09 | - | - | 43.09 | 43.09 | - | - | 43.09 |
| Borrowings | | | | | | | | |
| - Non current | - | - | 565.00 | 565.00 | - | - | - | 565.00 |
| - Current | - | - | 6,355.17 | 6,355.17 | - | - | - | 6,355.17 |
| Trade payables | - | - | 2,230.81 | 2,230.81 | - | - | - | 2,230.81 |
| Other financial liabilities | | | | | | | | |
| - Current | - | - | 891.10 | 891.10 | - | - | - | 891.10 |
| | **43.09** | **-** | **10,042.08** | **10,085.17** | **43.09** | **-** | **-** | **10,085.17** |

**Note:**
Fair value of financial assets and financial liabilities carried as amortised cost approximate their carrying amounts largely due to the short-term maturities of these instruments.

**Fair value hierarchy**

The fair value of financial instruments as referred (A) above has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities [Level 1 measurements] and lowest priority to unobservable inputs [Level 3 measurements]. The categories used are as follows:-

**Level 1:** Quoted prices for identical instruments in an active market;

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** Inputs which are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a net asset value or valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

There are no transfers between level 1 and level 2 during the year.

**Valuation technique used to determine fair value**

Specific valuation techniques used to value financial instruments include:

- the use of quoted market of similar instruments and have been included in level 1.
- the fair value of over the counter contracts is determined as per dealer quotes for similar instruments and have been included in level 2.
- the fair value of forward foreign exchange contracts is determined by reference to current forward exchange rates for contracts with similar maturity profiles as at the reporting date and have been included in level 2.
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis and have been included in level 3.

Changes in level 2 and 3 fair values are analysed at the end of each reporting period and there is no movement in level -3 fair value measurements.

B. **Financial Risk Management**

The Company has exposure to the following risks arising from financial instruments:

(a) credit risk;
(b) liquidity risk; and
(c) market risk

**Risk management framework**

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the processes to control risks through defined framework. The Company's risk management policy is established to identify and analyse the risks faced by the Company, to set appropriate controls. Risk management policy is reviewed by the board annually to reflect changes in market conditions and the Company's activities. The Company's Board of Directors oversees compliance with the Company's risk management policy, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Board of Directors is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and reviews of risk management controls and procedures, the results of which are reported to the Board of Directors.

**(a) Credit Risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from trade receivables, balances with banks, loans and other receivables. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivables. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹16,653.13, ₹9,695.03 and ₹8,791.10 as of March 31, 2021, March 31, 2020 and March 31, 2019 respectively, representing carrying amount of all financial assets with the Company.

Trade receivables are subject to credit limits, controls and approval processes. Due to large number of customers, the company is not exposed to material concentration of credit risk. Basis the historical experience, the risk of default in case of trade receivables is low. The Company creates allowances for impairment that represents its expected credit losses in respect of trade and other receivables. The management uses a simplified approach for the purpose of computation of expected credit loss for trade receivables.

**Movement in the loss allowance of trade receivables**

| | As at March 31, 2021 | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|---|
| Loss allowances at the beginning of the year | 14.30 | 4.70 | 4.09 |
| Add: Changes in loss allowances | 11.82 | 9.60 | 0.61 |
| **Loss allowances at the end of the year** | **26.12** | **14.30** | **4.70** |

**(b) Liquidity risk**

Liquidity risk is the risk that the Company may encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or any other financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risk damage to the Company's reputation.

The Company regularly monitors the cash flow projections to ensure it has sufficient cash on an on-going basis to meet operational needs. Any surplus cash generated over and above working capital and long term requirement is suitably invested in interest bearing term deposits and other highly marketable debt instruments with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

**Maturities of financial liabilities**

The following table shows, the maturity analysis of the company's financial liabilities based on contractually agreed undiscounted cash flows.

| | As at March 31, 2021 | | | | |
|---|---|---|---|---|---|
| | **Less than 1 year** | **1 year to 2 years** | **2 years to 3 years** | **3 years and above** | **Total** |
| **Non-derivatives** | | | | | |
| Borrowings | 7,981.88 | - | - | - | 7,981.88 |
| Trade payables | 5,382.45 | - | - | - | 5,382.45 |
| Other financial liabilities | 2,512.34 | - | - | - | 2,512.34 |
| | **15,876.67** | **-** | **-** | **-** | **15,876.67** |
| **Derivatives not designated as hedges** | | | | | |
| Foreign exchange forward contracts | 4.37 | - | - | - | 4.37 |
| | **4.37** | **-** | **-** | **-** | **4.37** |

| | As at March 31, 2020 | | | | |
|---|---|---|---|---|---|
| | **Less than 1 year** | **1 year to 2 years** | **2 years to 3 years** | **3 years and above** | **Total** |
| **Non-derivatives** | | | | | |
| Borrowings | 7,289.88 | 109.00 | 137.50 | 187.50 | 7,723.88 |
| Trade payables | 4,981.91 | - | - | - | 4,981.91 |
| Other financial liabilities | 1,083.99 | - | - | - | 1,083.99 |
| | **13,355.78** | **109.00** | **137.50** | **187.50** | **13,789.78** |
| **Derivatives not designated as hedges** | | | | | |
| Commodity forward contracts | 11.09 | - | - | - | 11.09 |
| | **11.09** | **-** | **-** | **-** | **11.09** |

| | As at March 31, 2019 | | | | |
|---|---|---|---|---|---|
| | **Less than 1 year** | **1 year to 2 years** | **2 years to 3 years** | **3 years and above** | **Total** |
| **Non-derivatives** | | | | | |
| Borrowings | 6,400.17 | 130.00 | 165.00 | 270.00 | 6,965.17 |
| Trade payables | 2,230.80 | - | - | - | 2,230.80 |
| Other financial liabilities | 846.09 | - | - | - | 846.09 |
| | **9,477.06** | **130.00** | **165.00** | **270.00** | **10,042.06** |
| **Derivatives not designated as hedges** | | | | | |
| Foreign exchange forward contracts | 43.10 | - | - | - | 43.10 |
| | **43.10** | **-** | **-** | **-** | **43.10** |

The Company has undrawn bank overdraft facilities which may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in Indian rupee and have an average maturity within a year.

**(c) Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and commodity price risk. Financial instruments affected by market risk include trade payables, trade receivables, borrowings, etc.

**(i) Currency risk**

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The Company is exposed to foreign exchange risk arising from foreign currency transactions mainly due to import of raw materials and stock in trade, primarily with respect to the USD and small exposure of EURO. The objective of the hedges is to minimise the volatility of the functional currency cash flows by hedging foreign currency outflow on regular basis. The Company also take help from external consultants who form views on the currency rates in volatile foreign exchange markets.

Currency risks related to the principal amounts of the Company's foreign currency payables, have been mostly hedged using forward contracts taken by the Company.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Company's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

**Significant foreign currency risk exposure relating to borrowings, derivatives and trade payable**

| | As at March 31, 2021 | | As at March 31, 2020 | | As at March 31, 2019 | |
|---|---|---|---|---|---|---|
| | USD | EUR | USD | EUR | USD | EUR |
| **Financial liabilities** | | | | | | |
| Foreign currency loan | 441.03 | - | 370.61 | - | 143.78 | - |
| Interest on foreign currency loan | 2.15 | - | - | - | - | - |
| Foreign currency creditors for import of goods | 66.13 | - | 59.87 | - | 18.10 | - |
| **Financial assets** | | | | | | |
| Other payable / (receivables) including advance for imports | 0.08 | - | (0.26) | (0.05) | (0.85) | (0.21) |
| **Exposure in foreign currency** | **509.39** | **-** | **430.22** | **(0.05)** | **161.03** | **(0.21)** |
| **Derivative liabilities not designated as hedges** | | | | | | |
| Foreign exchange forward contract to buy foreign currency | (375.91) | - | (327.63) | - | (116.79) | - |
| **Net exposure in foreign currency** | **133.48** | **-** | **102.59** | **(0.05)** | **44.24** | **(0.21)** |
| **Net exposure in ₹** | **9,811.25** | **-** | **7,733.73** | **(4.54)** | **3,059.62** | **(16.04)** |

**Following significant exchange rates have been applied**

| | As at March 31, 2021 | | As at March 31, 2020 | | As at March 31, 2019 | |
|---|---|---|---|---|---|---|
| | Average rate | Year end spot rate | Average rate | Year end spot rate | Average rate | Year end spot rate |
| USD 1 | 74.23 | 73.50 | 70.88 | 75.39 | 69.94 | 64.44 |
| EUR 1 | 86.58 | 86.10 | 78.80 | 83.05 | 80.96 | 75.42 |

**Sensitivity analysis:**

A reasonably possible strengthening (weakening) of the INR against USD/EUR at March 31 would have affected the measurement of financial instruments denominated in a foreign currency and affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

| | Impact on profit for the year ended | | |
|---|---|---|---|
| | March 31, 2021 | March 31, 2020 | March 31, 2019 |
| **USD Sensitivity** | | | |
| INR/USD increase by 5% | (490.54) | (384.05) | (157.63) |
| INR/USD decrease by 5% | 490.54 | 384.05 | 157.63 |

EUR Sensitivity has not been presented as management believes the outstanding in EUR is negligible and the corresponding risk is insignificant.

**(ii) Interest rate risk**

The company is exposed to fluctuation in interest rates on its borrowings.

The interest rate risk arises due to uncertainties about future index values to which borrowing cost is linked in case of variable rate borrowings of the Company. There is no risk of interest rate on investment made in Term deposit of banks.

Currently the Company's borrowings are within acceptable risk levels, as determined by the management, hence the Company has not taken any swaps to hedge the interest rate risk.

The exposure of the company's borrowing to interest rate changes at the end of the reporting period are as follows:

| | As at March 31, 2021 | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|---|
| Variable rate borrowings | - | 930.62 | 610.00 |
| Fixed rate borrowings | 7,981.88 | 6,793.26 | 6,355.17 |
| **Total borrowings** | **7,981.88** | **7,723.88** | **6,965.17** |

**Sensitivity analysis - Variable rate borrowings:**

A reasonably possible change in interest rates at the reporting date would have increased/ (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

| | Impact on profit for the year ended | | |
|---|---|---|---|
| | March 31, 2021 | March 31, 2020 | March 31, 2019 |
| **Interest rate Sensitivity** | | | |
| Effect of increase by 50 basis point (50 bps) | - | (4.65) | (2.99) |
| Effect of decrease by 50 basis point (50 bps) | - | 4.65 | 2.99 |

**Sensitivity analysis - Fixed rate borrowings:**

The Company does not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

**(iii) Commodity price risk**

The prices of agricultural commodities are subject to wide fluctuations due to unpredictable factors such as weather, government policies, changes in global demand resulting from population growth and changes in standards of living and global production of similar and competitive crops. During its ordinary course of business, the value of the Company’s open sales and purchases commitments and inventory of raw material changes continuously in line with movements in the prices of the underlying commodities.

While the Company is exposed to fluctuations in commodities prices, its policy is to minimise its risks arising from such fluctuations by hedging its sales either through direct purchases of a similar commodity or through futures contract, over the counter contracts (OTC) and commodity contracts on the commodity exchanges. No sensitivity analysis is presented as management believes that commodity price risk is not significant.

**Note 46 - Other notes**

**a.** COVID - 19 pandemic has caused serious disruption on the global economic and business environment. There is a huge uncertainty with regard to its impact which cannot be reasonably determined at this stage. However, the Company has evaluated and considered to the extent possible the likely impact that may arise from COVID-19 pandemic as well as all event and circumstances upto the date of approval of this Restated Financial Information on the carrying value of its assets and liabilities as on March 31, 2021. Based on the current indicators of future economic conditions, the Company estimates to recover the carrying amount of its assets. The Company has adequate liquidity to discharge its obligations. These estimates are subject to uncertainty and may be affected by the severity and duration of the pandemic. The Company is continuously monitoring any material changes in future economic conditions.

**b. Changes in liabilities from financing activities are as under:**

| | As at March 31, 2021 | Cash Flow | Non cash Changes (Foreign Exchange Movement) | As at March 31, 2020 |
|---|---|---|---|---|
| Non-current borrowings | - | (509.00) | - | 509.00 |
| Current borrowings | 7,981.88 | 950.38 | (183.38) | 7,214.88 |

| | As at March 31, 2020 | Cash Flow | Non cash Changes (Foreign Exchange Movement) | As at March 31, 2019 |
|---|---|---|---|---|
| Non-current borrowings | 509.00 | (101.00) | - | 610.00 |
| Current borrowings | 7,214.88 | 542.98 | 316.73 | 6,355.17 |

| | As at March 31, 2019 | Cash Flow | Non cash Changes (Foreign Exchange Movement) | As at March 31, 2018 |
|---|---|---|---|---|
| Non-current borrowings | 610.00 | 371.98 | - | 238.02 |
| Current borrowings | 6,355.17 | (8,080.33) | (6,302.36) | 20,737.87 |

**Note 47 - Events after the reporting period**

1 Pursuant to the special resolution passed in the extra-ordinary general meeting held on June 4, 2021, the face value of equity shares of the Company has been split from ₹ 10 to ₹ 1 per share with effect from June 4, 2021.

2 The amount of dividend recommended by the Board of the Directors of the Company to be paid in cash before the financial statements were approved for issue but not recognised as a distribution to owners during the year ended March 31, 2021 amounts to ₹2,499.86 (₹243 per equity share of par value ₹10 each) (March 31, 2020: ₹Nil (₹Nil per equity share of par value ₹10 each)) (March 31, 2019: ₹Nil (₹Nil per equity share of par value ₹10 each)).

**Note 48 - Statement of restatement adjustments to audited financial statements**
**Reconciliation of total equity**

| | As at March 31, 2021 | As at March 31, 2020 | As at March 31, 2019 |
|---|---|---|---|
| Total equity as per audited financial statements | 16,245.64 | 10,550.96 | 8,700.66 |
| Adjustments | - | - | - |
| **Total equity as per Restated Statement of Assets and Liabilities** | **16,245.64** | **10,550.96** | **8,700.66** |

**Reconciliation of profit after tax**

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|---|
| Profit after tax as per audited financial statements | 5,707.69 | 1,858.50 | 1,093.46 |
| Adjustments | - | - | - |
| **Profit after tax as per Restated Statement of Profit and Loss** | **5,707.69** | **1,858.50** | **1,093.46** |

**Reconciliation of total comprehensive income**

| Particulars | For the year ended March 31, 2021 | For the year ended March 31, 2020 | For the year ended March 31, 2019 |
|---|---|---|---|
| Total comprehensive income as per audited financial statements | 5,694.68 | 1,850.30 | 1,094.03 |
| Adjustments | - | - | - |
| **Restated Total Comprehensive Income for the period** | **5,694.68** | **1,850.30** | **1,094.03** |

**Part A -Non adjusting events**

**a) Audit qualifications for the respective years, which do not require any adjustments in the restated financial information are as follows:**
1. There are no audit qualification in auditor's report for the financial year ended March 31, 2021, March 31, 2020 and March 31, 2019.

**b) Other Matter not requiring adjustments to the Restated Financial Information:**
**1. Other matter for the year ended March 31, 2020**
Owing to the COVID-19 related lock-down, we were unable to participate in physical verification of inventories carried out by the management at the year-end. Consequently, we have performed alternative audit procedures to obtain comfort over the existence and condition of inventory at the year-end as per guidance provided by SA 501 “Audit Evidence – Specific Consideration for Selected Items” and have obtained sufficient audit evidence. Our opinion is not modified in respect of above matter.
The above matter do not require adjustment to the Restated Financial Information.

**Part B -Material regrouping**

Appropriate re-groupings have been made in the Restated Statement of assets and liabilities, statement of profit and loss and statement of cash flows, wherever required, by reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows, in order to bring them in line with the accounting policies and classification as per the restated financial information of the company for the year ended March 31, 2021 respectively prepared in accordance with Schedule III of Companies Act, 2013, requirements of Ind AS 1 and other applicable Ind AS principles and the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations,2018, as amended.

**Note 49 - Initial Public Offering (IPO)**

The Board of Directors (Board) of the Company in their board meeting dated July 23, 2021 has approved raising of capital for the Company through an Initial Public Offering (IPO). As part of the proposed IPO, the Company plans to file Draft Red Hearing Prospectus (DRHP) with the Securities Exchange Board of India (SEBI) in the coming period. Apart from the Company, existing shareholders also proposes to sell the stake of the Company.

This is the information referred to in our report of even date

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm Registration No.: 001076N/N500013

For and on behalf of the Board of Directors of
**Gemini Edibles & Fats India Limited**
**(formerly known as Gemini Edibles & Fats India Private Limited)**

**Mehulkumar Sharadkumar Janani**
Partner
Membership No.: 118617
Place: Hyderabad
Date: August 2, 2021

**Pradeep Kumar Chowdhry**
Managing Director
[DIN: 01154121]
Place: Hyderabad

**Govind Ambady**
Director
[DIN: 00057621]
Place: Gurugram

**Rajesh Kumar Aggarwal**
Company Secretary
Membership No.: A19736
Place: Hyderabad
Date: August 2, 2021

**Shobhit Agarwal**
Chief Financial Officer
Place: Hyderabad
Date: August 2, 2021

# OTHER FINANCIAL INFORMATION

The accounting ratios required under Clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below.

## Pre-share split

| Particulars | As of and for the year ended March 31, 2021 | As of and for the year ended March 31, 2020 | As of and for the year ended March 31, 2019 |
|---|---:|---:|---:|
| Basic earnings per share (₹) | 554.82 | 180.66 | 117.83 |
| Diluted earnings per share (₹) | 554.82 | 180.66 | 117.83 |
| Return on net worth (%) | 35.1 | 17.6 | 12.6 |
| NAV per share (₹) | 1,579.16 | 1,025.61 | 845.75 |
| Profit before tax (₹ million) | 7,651.02 | 2,436.62 | 1,695.40 |
| EBITDA (₹ million) | 7,636.68 | 2,788.82 | 2,048.54 |

**Notes:** *The ratios have been computed as under:*

1. *Basic and diluted EPS:*
   *Basic EPS and diluted EPS calculations are done in accordance with the notified Indian Accounting Standard (Ind AS) 33 "Earnings Per Share" prescribed by the Companies (Indian Accounting Standard) Rules, 2015 as per Restated Financial Information, as follows:*

   $$\text{Basic EPS} = \frac{\text{Net PAT, as restated, attributable to equity shareholders}}{\text{Weighted average number of equity shares outstanding during the year/period}}$$

   $$\text{Diluted EPS} = \frac{\text{Net PAT, as restated, attributable to equity shareholders}}{\text{Weighted average number of diluted equity shares outstanding during the year/period}}$$

2. *RoNW (%):*
   *RoNW (%) is calculated as PAT for the relevant year/period as a percentage of net worth as of the last day of the relevant year/period.*

3. *Net worth:*
   *Net worth as of the last day of the relevant year/period represents net worth which includes paid up share capital and all reserves and surplus and securities premium account as per the Restated Financial Information.*

4. *NAV per share (in ₹):*
   *NAV per equity share represents net worth as at the end of the fiscal year, as restated, divided by the number of Equity Shares outstanding at the end of the period/year.*

5. *Profit before tax:*
   *Profit before tax as per the Restated Financial Information.*

6. *EBITDA:*
   *EBITDA represents profit before tax after adding back finance costs and depreciation and amortization and reducing the other income (without trade finance income) of the relevant year/period as per the Restated Financial information.*

7. *Accounting and other ratios are derived from the Restated Financial Information.*

## Post-share split

| Particulars | As of and for the year ended March 31, 2021 | As of and for the year ended March 31, 2020 | As of and for the year ended March 31, 2019 |
|---|---:|---:|---:|
| Basic earnings per share (₹) | 55.48 | 18.07 | 11.78 |
| Diluted earnings per share (₹) | 55.48 | 18.07 | 11.78 |
| Return on net worth (%) | 35.1 | 17.6 | 12.6 |
| NAV per share (₹) | 157.92 | 102.56 | 84.57 |
| Profit before tax (₹ million) | 7,651.02 | 2,436.62 | 1,695.40 |
| EBITDA | 7,636.68 | 2,788.82 | 2,048.54 |

**Notes:** *The ratios have been computed as under:*

1. *Basic and diluted EPS:*

   *Basic EPS and diluted EPS calculations are done in accordance with the notified Indian Accounting Standard (Ind AS) 33 "Earnings Per Share" prescribed by the Companies (Indian Accounting Standard) Rules, 2015 as per Restated Financial Information, as follows:*

   $$\text{Basic EPS} = \frac{\text{Net PAT, as restated, attributable to equity shareholders}}{\text{Weighted average number of equity shares outstanding during the year/period}}$$

   $$\text{Diluted EPS} = \frac{\text{Net PAT, as restated, attributable to equity shareholders}}{\text{Weighted average number of diluted equity shares outstanding during the year/period}}$$

2. *RoNW (%):*
   *RoNW (%) is calculated as PAT for the relevant year/period as a percentage of net worth as of the last day of the relevant year/period.*

3. *Net worth:*
   *Net worth as of the last day of the relevant year/period represents net worth which includes paid up share capital and all reserves and surplus and securities premium account as per the Restated Financial Information.*

4. *NAV per share (in ₹):*
   *NAV per equity share represents net worth as at the end of the fiscal year, as restated, divided by the number of Equity Shares outstanding at the end of the period/year.*

5. *Profit before tax:*
   *Profit before tax as per the Restated Financial Information.*

6. *EBITDA:*
   *EBITDA represents profit before tax after adding back finance costs and depreciation and amortization and reducing the other income (without trade finance income) of the relevant year/period as per the Restated Financial information.*

7. *Accounting and other ratios are derived from the Restated Financial Information.*

## Reconciliation of Net Profit for the year to EBITDA

*(₹ million)*

| **Particulars** | **As of and for the year ended March 31, 2021** | **As of and for the year ended March 31, 2020** | **As of and for the year ended March 31, 2019** |
|---|---|---|---|
| Profit after tax for the year (I) | 5,707.69 | 1,858.50 | 1,093.46 |
| Total tax expense (II) | 1,943.33 | 578.12 | 601.94 |
| Finance cost (III) | 302.48 | 608.92 | 1,277.48 |
| Depreciation and amortization (IV) | 329.48 | 269.84 | 178.12 |
| Other income (V) | 971.46 | 710.61 | 1,112.26 |
| Trade finance income (VI) | 325.16 | 184.04 | 9.80 |
| Profit before tax (I+II) | 7,651.02 | 2,436.62 | 1,695.40 |
| EBITDA* (I+II+III+IV-V+VI) | 7,636.68 | 2,788.82 | 2,048.54 |

***** *EBITDA represents profit before tax after adding back finance costs and depreciation and amortization and reducing the other income (without trade finance income) of the relevant year/period as per Restated Financial Information*

In accordance with the SEBI ICDR Regulations, the audited financial statements of our Company as of and for the financial years ended March 31, 2021, March 31, 2020 and March 31, 2019 (collectively, the "**Audited Financial Statements**") are available on our website at www.gefindia.com/investors.html.

*Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Audited Financial Statements do not constitute, (i) a part of this Draft Red Herring Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document or recommendation or solicitation to purchase or sell any securities under the Companies Act, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere. The Audited Financial Statements should not be considered as part of information that any investor should consider* *subscribing for or purchase any securities of our Company or any entity in which it or its shareholders have significant influence (collectively, the "**Group**") and should not be relied upon or used as a basis for any investment decision.*

*None of our Company or any of its advisors, nor BRLMs or the Selling Shareholders, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.*

**Related Party Transactions**

For details of the related party transactions, as per the requirements under applicable Accounting Standards, i.e., Ind AS 24 'Related Party Disclosures' as of and for the financial years ended March 31, 2021, March 31, 2020 and March 31, 2019, and as reported in the Restated Financial Information, see "*Restated Financial Information—Note 39—Related Parties*" on page 245.

## CAPITALIZATION STATEMENT

The following table sets forth our Company's capitalization as of March 31, 2021, derived from Restated Financial Information, and as adjusted for the Offer. This table should be read in conjunction with the sections titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Risk Factors*" beginning on pages 265 and 25, respectively.

(₹ *million*)

| Particulars | Pre-Offer as of March 31, 2021 | As adjusted for the proposed Offer* |
|---|---|---|
| **Borrowings** | | |
| - Current borrowings** | 7,981.88 | **[●]** |
| - Non-current borrowings (including current maturities of long-term borrowings) | - | - |
| **Total borrowings (A)** | **7,981.88** | **[●]** |
| | | |
| **Equity** | | |
| - Equity share capital# | 102.88 | **[●]** |
| - Other equity# | 16,142.76 | **[●]** |
| **Total equity (B)** | **16,245.64** | **[●]** |
| | | |
| **Ratio: Total borrowings/total equity (A/B)** | **0.49** | **[●]** |

**These amounts (as adjusted for the Offer) are not determinable at this stage pending the completion of the book building process and hence have not been furnished.*

*# These terms carry the same meaning as per Schedule III of the Companies Act.*

*** Includes borrowings backed with equivalent amount of term deposits placed with banks amounting to ₹6,278.28 million and if the same be considered then borrowings to total equity ratio would be 0.10.*

<u>*Notes*</u>:

1) *The amounts disclosed above are based on the Restated Financial Information.*

2) *The above statement should be read with Note 2 to the Restated Financial Information at "Restated Financial Information—Summary of significant accounting policies" on page 217.*

3) *The corresponding post-Offer capitalization data for each of the amounts given in the above table is not determinable at this stage pending the completion of Book Building Process and hence the same has not been provided in the above statement.*

4) *Pursuant to the Board resolution dated June 2, 2021 and Shareholders' resolution dated June 4, 2021, each equity share of our Company of face value of ₹10 each and fully paid-up was sub-divided into 10 equity shares of our Company of face value of ₹1 each. Accordingly, the issued equity share capital of our Company was reclassified from ₹102,875,080 divided into 10,287,508 equity shares of our Company of face value of ₹10 each to ₹102,875,080 divided into 102,875,080 Equity Shares of our Company of face value of ₹1 each.*

## FINANCIAL INDEBTEDNESS

Our Company has availed loans in the ordinary course of its business, typically for the purposes of meeting its working capital and business requirements. For the purposes of the Offer, our Company has informed and obtained the necessary consents required under the relevant documentation for its borrowings, including for undertaking activities such as change in its capital structure, change in its shareholding pattern or change or amendment to the constitutional documents of our Company.

A brief summary of the aggregate financial indebtedness of our Company as of June 30, 2021 is disclosed below.

| Nature of Borrowing(1)(5) | Amount Sanctioned(1) (₹ million) | Amount Outstanding(1) (2) (₹ million) |
|---|---|---|
| **Cash credit, working capital and overdraft facilities** | | |
| *Secured Borrowings* | | |
| Fund based (3) | 5,440.00 | - |
| Non-fund based (4) | 54,670.00 | 21,053.77 |
| **Total cash credit, working capital and overdraft facilities (A)** | 60,110.00 | 21,053.77 |
| **Total term loans (B)** | - | - |
| **Total borrowings (A+B)** | **60,110.00** | **21,053.77** |

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*(1) As certified by Singhi & Co., Chartered Accountants, pursuant to their certificate dated August 7, 2021.*
*(2) Excludes interest accrued but not due.*
*(3) Interchangeable with non-fund based facilities.*
*(4) Excludes borrowings of ₹21,752.00 million offset against the linked term deposits as per offset principle prescribed in the applicable accounting standard.*
*(4) Above figures excludes loan equivalent risk and intraday of ₹ 850.00 million.*

Principal terms of the borrowings availed by our Company are disclosed below.

1. *Interest:* The floating interest rate applicable to our borrowing facilities typically includes a spread ranging from 15 to 245 basis points over LIBOR or the respective lender's MCLR prevailing at the time of drawdown or discounting, as applicable, and which may vary for each facility.

2. *Tenor:* The tenor of the facilities availed by us typically ranges from six months to one year. We have also availed certain working capital facilities that may be repayable on demand.

3. *Security:* Our borrowings are typically secured by a first exclusive charge by way of hypothecation on the designated current assets, both present and future, cash margins. The nature of the security described is indicative and there may be additional requirements for creation and perfection of security under various borrowing arrangements entered into by us.

4. *Pre-payment and premature redemption:* Facilities availed by us typically have pre-payment provisions which allow for pre-payment of the outstanding loan amount, by serving a notice to the relevant lender or on receiving prior approval from the relevant lender, subject to such pre-payment penalties as may be decided by the lender at the time of such prepayment, or as set out in the facility agreements. However, we have entered into arrangements with certain lenders that do not allow prepayment of the facility prior to the due date.

   Among the facilities which specify a pre-payment penalty, the pre-payment penalty is typically 2.00% of the amount proposed to be pre-paid in the case of our borrowing.

5. *Events of Default:* The financing arrangements entered into by us contain certain events of default including, among others:

   (i) non-payment or default of any amounts due on the facility or loan obligations;

   (ii) breach of covenants and conditions stipulated in the loan documents;

(iii) failure to create security as stipulated in the loan documents;

(iv) default on amounts due to or facilities extended by any other lenders;

(v) change in control of our Company;

(vi) change in ownership or management of our Company;

(vii) any event occurs or circumstances arise (including changes in the financial condition, operating environment, directorship our Company) which in the opinion of the lender would materially affect the ability of our Company to perform or comply with any one or more of its obligations to the lenders including obligations under any facility document;

(viii) proceedings relating to winding up, liquidation or insolvency being initiated against us; and

(ix) our Company ceasing or threatening to cease to carry on its business.

Events such as any amendment to the Memorandum and Articles of Association of our Company or any change in our management or shareholding without the prior consent of the lenders, or any other breach of the financing agreements may also amount to an event of default under the various financing arrangements entered into by us.

The consequences of the occurrence of an event of default or cross-default include appointment of nominee directors on the Board of our Company by our lenders, termination of facilities, security becoming enforceable and conversion of debt into equity.

6. *Penalty:* Facilities availed by us contain provisions prescribing penalties for delayed payment or delay in submission of documents required under such facility agreements, failure to create or perfect security and default in our repayment obligations. Such penalties typically range from 0.25% to 4.00% of the amounts due and payable.

7. *Restrictive Covenants:* Certain borrowing arrangements entered into by us contain restrictive covenants, including covenants restricting certain actions except with the prior approval of the lender. An indicative list of such restrictive covenants is disclosed below.

(i) lender’s unconditional right to revise or cancel the terms of the facility (including the credit limits, rates of interest and repayment schedule) at its sole discretion, without notice and without assigning reasons;

(ii) lender’s right to accelerate payments, recall the amount under the facility or cancel the undrawn portion of the sanctioned amount;

(iii) right of one of our lenders to appoint nominee directors, which right has been waived by such lender, in connection with the Offer;

(iv) lender’s absolute right to settle any indebtedness owed by our Company by adjusting balance of any account of our Company without prior notice;

(v) lender’s right to seek certain amendments to the constitutional documents of our Company;

(vi) lender’s right to seek conversion of debt into equity upon occurrence of a default;

(vii) lender’s right to place proportionate banking business of our Company with them;

(viii) restrictions on assignment of our Company’s obligations under the facility documents;

(ix) restrictions on undertaking guarantee obligations on behalf of other entities;

(x) restrictions on creation of any subsidiary or grant of permission to any company to become subsidiary of our Company;

(xi) restrictions on undertaking certain corporate actions except with the prior approval or intimation of the lender, including:

- effecting any change in our capital structure including by way of fresh issuance of Equity Shares;
- amendments to the Memorandum of Association and Articles of Association of our Company or constitutive documents relating to our borrowings powers or principal business activities;
- undertaking guarantee obligations on behalf of any third party;
- formulating any scheme of merger, amalgamation or reconstruction;
- change in the constitution of our Company, including shareholding pattern, ownership, controlling interest and control;
- dilution of promoter shareholding during tenure of facility;
- change in the management of our Company, including changes in the composition of the Board of Directors and the key managerial personnel of our Company;
- investment by way of share capital or extending loans or advances or placing deposits with any other entity (including our Group Companies and associate companies, if any);
- declaration of dividend except out of profits relating to the financial year;
- repay any principal or interest on any loans availed from the shareholders/ directors/ partners/ proprietors/ co-parceners/ relatives, friends or any affiliates;
- carrying out any change of business; and
- making any pre-payment of principal amounts due under the facilities.

The details provided above are indicative and there may be certain additional terms, conditions and requirements under the specific borrowing arrangements entered into by us. For further information, see "*Risk Factors—23. We are required to comply with certain restrictive covenants under our financing agreements, non-compliance with which may lead to, among others, suspension of further drawdowns*" on page 37.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*The following discussion is intended to convey our management's perspective on our financial condition and results of operations as of and for the fiscal years ended March 31, 2019, 2020 and 2021, as measured in accordance with Indian Accounting Standards ("Ind AS"). Unless otherwise stated, the financial information in this section has been derived from the Restated Financial Information. You should read the discussion and analysis below in conjunction with our Restated Financial Information, together with each of their related notes, included elsewhere in this Draft Red Herring Prospectus. You should also read the section "Selected Financial and Other Information" and are advised that any evaluation of our business should be made with reference to the information contained in the sections entitled "Presentation of Financial, Operational and Statistical Information and Use of Non-GAAP Financial Information,", "Forward-Looking Statements" and "Risk Factors". Our historical results presented in this Draft Red Herring Prospectus in general do not necessarily indicate results expected for any future period. Although the following discussion is based on assumptions we consider reasonable, our actual results may differ materially from the forward-looking statements described or implied herein.*

*Unless stated otherwise, industry and market data used in this section have been obtained or derived from publicly available information as well as industry publications and sources such as the "Indian Edible Oils & Fats Industry" dated August 4, 2021 that has been prepared by Technopak, which report has been commissioned, and paid for, by our Company for the purposes of confirming our understanding of the edible oils industry exclusively in connection with the Offer.*

### Overview

India's edible oil consumption is estimated to be approximately 21 million MT for the OY 2020 (i.e., from November 2019 to October 2020) and is forecasted to grow to 25 million MT by OY 2025. The growth in edible oil consumption in India will primarily be driven by increasing per capita consumption and a growing population. India's per capita consumption of edible oil is estimated to be 16 kgs to 17 kgs per annum versus the world average of 24 kgs per annum, which suggests significant opportunity for growth. In recent years, there has been a shift in consumption in India towards branded edible oils due to increasing health and hygiene consciousness, government policies, convenience and increasing purchasing power. The Indian edible oil retail market comprising of HoReCa is expected to grow at a CAGR of 6% for the period from Fiscal 2020 to Fiscal 2025. Within this, the branded edible oil retail market is forecasted to grow more rapidly at a CAGR of 7%, gaining a share of close to 90% of the total market share in terms of value. Within the branded edible oil retail market, sunflower oil has been growing at a rate of a CAGR of 10% for the period from Fiscal 2015 to Fiscal 2020, and is expected to grow at a CAGR of 8% for the period from Fiscal 2020 to Fiscal 2025. Other commonly consumed edible oils such as palm oil, soyabean oil and mustard oil are forecasted to grow by 5%, 6% and 11%, respectively, for the same period. (*Source: Technopak Report*)

Our Company is headquartered out of Hyderabad, India and we are one of the leading and the fastest growing edible oils and fats companies in India. (*Source: Technopak Report*). Our Company is engaged in the business of manufacturing, distribution and branding of edible oils and specialty fats in India.

We are the market leaders in the sunflower oil category with our *'Freedom'* brand, in the states of Telangana, Andhra Pradesh, and Odisha, and hold the third largest market share in the state of Karnataka. (*Source: Technopak Report*) Despite being a regional player, we are amongst the top two companies by market share in the branded sunflower oil category on a pan-India basis as of Fiscal 2021. (*Source: Technopak Report*) Our operations are integrated throughout the edible oils and fats value chain, from the importing of crude edible oil to the processing, packaging and distribution of our products. Our range of edible oils and fats are sold to our customers under three verticals, i.e., branded retail consumer, industrial consumer and bulk merchandising.

### Significant Factors Affecting our Financial Condition and Results of Operations

#### *Availability and price of raw materials*

Our business operations are primarily dependent on the availability of crude edible oils, and to a lesser extent, packaging used in production as well as our ability to procure sufficient amounts of these raw materials at commercially viable prices. Our materials and related costs (consisting of cost of materials consumed, purchases of stock-in-trade and changes in inventories of finished goods, stock-in-trade and work-in-progress) represented 92.7%, 92.7% and 93.3% of our total expenses for Fiscals 2019, 2020 and 2021, respectively. Our crude edible oils are primarily imported. We source crude sunflower oil from Ukraine, Russia and Argentina and crude palm oil and crude palm kernel oil from Indonesia and Malaysia. The availability and prices of crude edible oils are subject to various factors including global macro factors and changing supply and demand dynamics influenced by various factors such as weather conditions, seasonality, farmer planning and selling decisions, crop failure, reduced harvests, bumper harvests, currency fluctuations, inflation, pandemics (such as the COVID-19 pandemic), changes in government policies and regulatory measures or global inventory levels. Any interruption affecting the supply of crude edible oil may result in our inability to operate our production facilities at optimal capacities, leading to a decline in production and sales. In addition, competition for procuring raw materials may drive up raw material prices, while our ability to pass on such increases in overall operational costs may be limited. Furthermore, any increase in the cost of raw materials which results in an increase in prices of our products, may reduce demand for our products. This would affect our margins and profitability.

We regularly monitor the cost and prices of our raw materials, with a view to ensuring that we maintain the required level of supply at optimum cost levels. We have long standing relationships with a large number of suppliers to ensure adequate and timely supplies of crude edible oils. Crude edible oils prices may be in 'carry' when prices for delivery for nearby months are lower than forward months or in 'backwardation' when prices for forward months are lower than nearby months. Depending upon market conditions and our requirement of crude edible oils based on our estimated sales, we try to keep our raw material costs low by timing our purchases and delivery months. We typically do not enter into long term supply arrangements for procurement of our raw materials. Our market intelligence, relationship with suppliers, visibility in our forecasted sales and our financial position helps us to manage the sourcing of our raw material efficiently.

***Foreign exchange fluctuations***

A significant portion of our edible oils including crude sunflower oil, crude palm oil and refined palm oils are imported. 58.6%, 82.2% and 88.0% of our total purchase costs of edible oils for Fiscal 2019, 2020 and 2021, respectively, were incurred in foreign currencies. In view of the fluctuation in the value of the Indian Rupee against foreign currencies, we are impacted by foreign exchange risk. The value of the Indian Rupee against foreign currencies is affected by, among other things, the demand and supply of the Indian Rupee and changes in India's political and economic conditions. We have risk management policies in place to limit our foreign exchange risk, and we hedge a substantial portion of our foreign currency obligations either through our banks or currency exchanges. Since India imports a substantial portion of its edible oil requirements, domestic selling prices are largely dependent and correlated to the imported prices and prevalent exchange rates. Our foreign exchange fluctuations risk largely starts only at the time of sale in Indian Rupees. We limit our foreign currency fluctuation exposure by covering our foreign currency obligations for the imports with the banks or on the currency exchange.

A limited portion of our foreign currency obligations may not be hedged at any given time. These factors may expose us to exchange rate movements which may have a material effect on our operating results in a given period.

***Government regulations***

Our results of operations and financial condition are affected by Indian government policies, laws and regulations governing the import of raw materials to India and changes in these policies, laws and regulations, including, but not limited to, import/export regulations on crude and refined edible oils. Changes in government policy, legislation, regulatory interpretation or enforcement applicable to us may lead to a significant increase in compliance obligations and costs.

India's import/export policy is regulated by the Directorate General of Foreign Trade. Products are classified in three categories: (i) "Free" – products which can be imported without any government approval; (ii) "Restricted" – products which can be imported with government approval; and (iii) "Prohibited" – products which cannot be imported. Changes in the import/export policy are typically made by the Government based on multiple factors which include the impact the decisions will have on consumers, farmers, industry, the Government's budget or even political relationships amongst importing and exporting countries. For example, on January 8, 2020, the Government of India moved RBD palm oil and RBD palmolein from "Free" to "Restricted. This had a mixed impact on our operations. While it affected our ability to import RBD Palmolein for our bulk merchandising vertical, it helped us in increasing our palm refining capacity utilization.

In addition, the Government of India imposes duties and tariffs on the import of crude and refined edible oils which are subject to changes from time to time. During the last three fiscal years, the total customs duty, surcharge and cess on (i) crude palm oil ranged from 35.75% to 48.40%; and (ii) on crude sunflower oil ranged from 27.50 % to 38.50%.

When increases in duties and tariffs lead to an increase in cost of the crude edible oils, we may not be able to pass on the entire cost increases to the consumers for a period. This may have an impact on our margins and profitability for such period.

***Distribution Network***

As of June 30, 2021, our branded retail consumer products are sold across approximately 640 towns in Andhra Pradesh, Karnataka, Odisha and Telangana through a network of more than 1,100 distributors and traders. Our **'Freedom'** brand of sunflower oil is sold to more than 260,000 retail outlets across these states. In addition to retail stores, our 'Freedom' brand is sold to major regional and national supermarket chain in the states that we operate in. In addition to brick and mortar stores, our products are also distributed through online platforms.

We seek to grow our distribution network to increase the availability of our products in the market. However, we may not be successful in appointing new distributors to expand our network or increase our market presence. Further, we may also face disruptions in the delivery of our products for various reasons such as termination of any distributor agreements, poor handling of our products by distributors, transportation bottlenecks, competition activities, labor issues, natural disasters etc., which could lead to delayed or lost deliveries.

We recognize that a strong distribution network has been a key factor in our growth in market share over the years. In our key markets, such as Andhra Pradesh, Telangana and Odisha, more than 30.0% of our distributors have been distributing our goods for more than nine years and more than 50.0% have been with us for more than five years. Where as in Karnataka, where we commenced our business in Fiscal 2015, we have on average a relationship of three years with our distributors. Various factors, such as dedicated sales personnel deployed with each distributor, automated processes providing them with timely information and periodic incentive schemes, have helped us in establishing strong relationships with our distributors. As of Fiscal 2019, our distribution network comprised over 800 distributors and has now increased to over 1,100, as of June 30, 2021.

**Critical Accounting Policies**

***Basis of measurement***

The restated financial information has been prepared on the historical cost basis, except for the following items:

- Certain financial assets and liabilities (including derivative instruments) that are measured at fair value.
- Defined benefit liability/(assets) that is measured at present value of defined benefit obligation less fair value of plan assets.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, our Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the company can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

*Classification of Assets and Liabilities as Current and Non-Current*

The Company presents assets and liabilities in the Balance sheet based on current/ non-current classification. An asset is classified as current when it satisfies any of the following criteria:

(a). it is expected to be realized in, or is intended for sale or consumption in, our Company's normal operating cycle;

(b). it is held primarily for the purpose of being traded;

(c). it is expected to be realized within twelve months after the reporting date; or

(d). it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

(a). it is expected to be settled in our Company's normal operating cycle;

(b). it is held primarily for the purpose of being traded;

(c). it is due to be settled within twelve months after the reporting date; or

(d). our Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets/liabilities.

The operating cycle is the time between the acquisition of the assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

***Property, plant and equipment***

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss, if any. For this purpose, cost includes deemed cost which represents the carrying value of property, plant and equipment recognised as at April 1, 2017 measured as per the previous Generally Accepted Accounting Principles (GAAP). The cost of assets comprises of purchase price and directly attributable cost of bringing the assets to working condition for its intended use including borrowing cost attributable to qualifying assets and incidental expenditure during construction incurred unto the date when the assets are ready to use. Capital work in progress includes cost of assets at sites, construction expenditure and interest on the funds deployed less any impairment loss, if any. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as a separate item (major components) of property, plant and equipment. Subsequent expenditure is capitalised only if it is probable that there is an increase in the future economic benefits associated with the expenditure will flow to our Company.

Depreciation is calculated on Straight Line Method using the rates arrived at on the basis of estimated useful lives given in Schedule II of the Companies Act, 2013. Depreciation on additions to or on disposal of assets is calculated on pro-rata basis. Depreciation methods, useful lives and residual values are reviewed in each financial year end and changes, if any, are accounted for prospectively.

Expenditure incurred during the construction period, including all expenditure direct and indirect expenses, incidental and related to construction and eligible borrowing cost, is carried forward and on completion, the costs are allocated to the respective property, plant and equipment.

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

***Foreign currency transactions***

Transactions in foreign currencies are recorded by our Company at their respective functional currency at the exchange rates prevailing at the date of the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currency are translated to the functional currency at the exchange rates prevailing at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in the Statement of Profit and Loss with the exception of exchange differences on foreign currency borrowings included in the borrowing cost when they are regarded as an adjustment to interest costs on those foreign currency borrowings. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates at the date of initial transactions. Non-monetary items measure at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

***Revenue recognition***

*Sale of goods*

The Company recognizes revenue when it satisfies a performance obligation at a point in time in accordance with the provisions of contract with the customer. This is achieved when;

(i). effective control of goods along with significant risks and rewards of ownership has been transferred to customer;

(ii). it is probable that the economic benefits associated with the transaction will flow to our Company;

(iii). the amount of revenue can be measured reliably; and

(iv). the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue represents net value of goods and services provided to customers after deducting for certain incentives including, but not limited to discounts, volume rebates. Amount collected on behalf of third parties such as goods and service tax are excluded from revenue. For incentives offered to customers, our Company makes estimates related to customer performance and sales volume to determine the total amounts earned and to be recorded as deductions. The estimate is made in such a manner, which ensures that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The actual amounts may differ from these estimates and are accounted for prospectively.

*Interest income*

Interest income are recognised on an accrual basis using the effective interest method.

*Dividend income*

Dividend income is recognized at the time the right to receive payment is established.

***Inventories***

Inventories are valued at lower of cost and net realisable value except by-products is valued at net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and to make the sale. Cost comprises expenditure incurred in the normal course of business in bringing such inventories to its present location and condition and includes, where applicable, appropriate overheads based on normal level of activity.

Inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined by the first-in-first-out method for raw materials, packing material and work-in-progress and weighted average method for finished goods and consumables, stores and spares. Obsolete, slow moving and defective inventories are identified from time to time and, where necessary, a provision is made for such inventories.

***Provisions, Contingent Liabilities and Contingent Assets***

Based on the best estimate, provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable ("more likely than not") that it is required to settle the obligation, and a reliable estimate can be made of the amount of the obligation at reporting date. A contingent liability is a possible obligation that arises from a past event, with the resolution of the contingency dependent on uncertain future events, or a present obligation where no outflow is probable. Major contingent liabilities are disclosed in the financial statements unless the possibility of an outflow of economic resources is remote. Contingent assets are not recognized in the Restated Financial Information but disclosed, where an inflow of economic benefit is probable. Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

***Financial instruments***

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

*Financial assets*

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the date our Company commits to purchase or sale the financial assets.

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

*Debt instruments at amortised cost*

A 'debt instrument' is measured at the amortised cost if the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in Other Income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

*Debt instrument at FVTOCI*

A 'debt instrument' is measured as at FVTOCI if the objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and the contractual terms of the instrument give rise on specified dates to cash flows that are SPPI on the principal amount outstanding. Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, our Company recognises interest income, impairment losses and reversals and foreign exchange gain or loss in the profit or loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit or loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

*Debt instrument at FVTPL*

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL. In addition, our Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all the changes in the profit or loss.

*Equity instruments*

All equity instruments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, our Company may make an irrevocable election to present subsequent changes in the fair value in OCI. Our Company makes such election on an instrument by- instrument basis. The classification is made on initial recognition and is irrevocable. If our Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, including foreign exchange gain or loss and excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, our Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the profit or loss.

*Derecognition*

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from our Company's Balance Sheet) when the contractual rights to receive cash flows from the asset have expired, or our Company has transferred its rights to receive contractual cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement, and either (a) our Company has transferred substantially all the risks and rewards of the asset, or (b) our Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When our Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, our Company continues to recognise the transferred asset to the extent of our Company's continuing involvement. In that case, our Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that our Company has retained. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in OCI and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

*Impairment of financial assets*

In accordance with Ind AS 109, our Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or any contractual right to receive cash or another financial asset. The application of simplified approach does not require our Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. As a practical expedient, our Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

*Financial liabilities*

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and lease liabilities, financial guarantee contracts and derivative financial instruments. All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL. Financial liabilities are classified as at FVTPL when the financial liability is held for trading or is designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred principally for the purpose of repurchasing in the near term or on initial recognition it is part of a portfolio of identified financial instruments that our Company manages together and has a recent actual pattern of short-term profit-taking. This category also includes derivative financial instruments that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Gains or losses on liabilities held for trading are recognised in the profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For instruments not held-for-trading financial liabilities designated as at FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI, unless the recognition of the effects of changes in the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. These gains/losses are not subsequently transferred to profit or loss. All other changes in fair value of such liability are recognised in the statement of profit or loss.

Financial liabilities subsequently measured at amortised cost financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost in subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest rate (EIR) method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item in the profit or loss.

After initial recognition, such financial liabilities are subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the profit or loss.

*Financial guarantee contracts*

Financial guarantee contracts are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. If not designated as at FVTPL, are subsequently measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount initially recognised less cumulative amount of income recognised.

*Derecognition*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

*Derivative financial instruments and hedge accounting*

The Company uses derivative financial instruments, such as foreign exchange forward contracts/ options/ futures and commodity forwards/future contracts to hedge its foreign currency risks, commodity price risk and the exposure to changes in the fair value of a recognised assets or liability. Derivatives are initially recognised at fair value and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gains / losses are recognised in the Statement of Profit and Loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of recognition in profit or loss/inclusion in the initial cost of non-financial asset depends on the nature of the hedging relationship and the nature of the hedged item. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment.
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

At the inception of a hedge relationship, our Company formally designates and documents the hedge relationship to which our Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes our Company's risk management objective and strategy for undertaking hedge, the hedging/economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below.

*Fair value hedges*

Changes in fair value of the designated portion of derivatives that qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

*Cash flow hedges*

The effective portion of changes in the fair value of the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any ineffective portion is recognised immediately in profit or loss. The Company uses forward currency contracts as hedges of its exposure to foreign currency risk in forecast transactions and firm commitments. Amounts recognised as OCI are transferred to profit or loss when the hedged transaction affects profit or loss, such as when a forecast sale occurs. When the hedged item is the cost of a non-financial asset or nonfinancial liability, the amounts recognised as OCI are transferred to the initial carrying amount of the non-financial asset or liability.

If the hedging instrument expires or is sold, terminated or exercised or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

*Offsetting financial instruments*

Financial assets and financial liabilities are offset and the net amount is presented in the Balance Sheet when, and only when, our Company has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or realise the asset and settle the liability simultaneously.

*Cash dividends to equity holders*

The Company recognises a liability to make cash distributions to equity holders when the dividend distribution is authorised and the distribution is no longer at the discretion of our Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding reduction is recognised directly in equity.

***Expenditure on new projects, substantial expansion and during construction period***

Expenditure directly relating to construction activity is capitalised. Indirect expenditure incurred during construction period is capitalized as part of the indirect construction cost to the extent to which the expenditure is indirectly related to construction or is incidental thereto. Other indirect expenditure incurred during the construction period, which is not related to the construction activity nor is incidental thereto is charged to the Statement of Profit and Loss. Income earned during construction period is deducted from the total of the indirect expenditure. All direct capital expenditure on expansion is capitalised. As regards indirect expenditure on expansion, only that portion is capitalized which represents the marginal increase in such expenditure as a result of capital expansion. Both direct and indirect expenditure are capitalised only if they increase the value of the asset beyond its originally assessed standard of performance. Expenditure during construction/installation period is included under capital work-in-progress and the same is allocated to respective fixed assets on the completion of its construction.

**Impact of COVID-19**

COVID-19 pandemic has adversely affected the global economy. The World Health Organization declared the outbreak of COVID-19 a public health emergency of international concern on January 30, 2020, and a pandemic on March 11, 2020. The Government of India announced a nation-wide lockdown on March 24, 2020, which required us to halt our operations from March 25, 2020. We were able to resume operations in our refineries within a week. As an essential food business, we were allowed to operate our factories and warehouses, in accordance with guidelines issued by the Government of India and the respective State Governments.

Edible oils and fats are essential food items, therefore demand for our products did not get impacted materially. Changes in eating patterns, i.e., eating-at-home versus out-of-home also did not affect overall demand for our products materially as we cater to the both branded retail household segment as well as the HoReCa segment. During severe lockdowns in Fiscal 2021, household demand for cooking oils grew, while HoReCa demand fell. As the lockdowns were lifted, HoReCa demand recovered and household demand returned to normal levels. Similarly, the industrial consumer segment and the bulk merchandizing segment followed the same sales patterns. In addition, neither our supply chains nor our manufacturing processes have been significantly affected due to the COVID-19 pandemic.

Overall, our financial performance in fiscal year 2021 has been well-sustained, with our total revenue from operations in Fiscal 2021 being ₹77,659.62 million, as compared with our revenue from operation prior to the COVID-19 pandemic, in Fiscal 2020 being ₹65,002.49 million.

**Description of Key Line Items**

***Revenue from Operations***

Revenue from operations primarily accounts for the sale of products from our three business verticals, namely:

1. Branded retail consumer vertical comprising of packaged sales of sunflower oil, rice bran oil, mustard oil, groundnut oil and palmolein oil.

2. Industrial consumer vertical comprising of sales of specialty oils and fats such as high stability frying oil, palm oil, cocoa butter substitutes, interesterified vegetable fats and shortenings.

3. Bulk merchandizing vertical comprising of sales of palmolein oil, palm kernel oil, sunflower oil and soyabean oil in bulk form.

***Other income***

Other income largely includes interest income, trade finance income, insurance claims, net profits on sale of current investments, net gains on foreign currency transactions, and write-back of provisions that are no longer required.

***Cost of materials consumed***

Cost of materials consumed largely includes cost of raw materials such as crude and refined edible oils, and packing materials.

***Purchases of Stock-in-Trade***

Purchases of stock-in-trade primarily consist of cost of crude and refined oils for the Bulk Merchandising vertical.

***Changes in inventories of finished goods, stock-in-trade and work-in-progress***

Changes in inventories of finished goods, stock-in-trade and work-in-progress reflects the difference between our inventories at the start of the year and the end of the year.

***Employee benefits expense***

Employee benefits expense primarily consists of salaries, wages and bonuses, and other benefits.

***Finance costs***

Finance costs primarily consist of interest expenses on borrowings from banks and on security deposits received from customers, cost of hedging foreign currency exposure and foreign exchange differences regarded as adjustment to borrowing and other financing costs.

***Depreciation and amortization expense***

Depreciation and amortization expense primarily relates to depreciation of our property, plant and equipment and amortization of intangible assets.

***Other expenses***

Other expenses largely consist of power and fuel expenses, outward freight and forwarding expenses, and advertisement and sales promotion expenses.

***Current Tax***

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax assets and liabilities are offset only if, the Company:

(a). has a legally enforceable right to set off the recognised amounts; and

(b). intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously

***Taxes of earlier years***

Taxes of earlier years consists of difference between actual or revised tax estimate compared to provision made in earlier years.

***Deferred Tax***

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the Balance sheet and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Such reductions are reversed when the probability of future taxable profits improves.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

Accruals for uncertain tax positions require management to make judgments of potential exposures. Accruals for uncertain tax positions are measured using either the most likely amount or the expected value amount depending on which method the entity expects to better predict the resolution of the uncertainty. Tax benefits are not recognised unless the management based upon its interpretation of applicable laws and regulations and the expectation of how the tax authority will resolve the matter concludes that such benefits will be accepted by the authorities. Once considered probable of not being accepted, management reviews each material tax benefit and reflects the effect of the uncertainty in determining the related taxable amounts.

**Results of Operations**

The following table sets forth select financial data from our restated statement of profit and loss for fiscal years 2019, 2020 and 2021, the components of which are also expressed as a percentage of total income for such periods.

| | **Fiscal,** | | | | | |
|---|---|---|---|---|---|---|
| | **2019** | | **2020** | | **2021** | |
| | ***₹ million*** | **%** | ***₹ million*** | **%** | ***₹ million*** | **%** |
| ***Revenue*** | | | | | | |
| Revenue from Operations……………….... | 54,227.53 | 97.99 | 65,002.49 | 98.92 | 77,659.62 | 98.76 |
| Other income…………………………….... | 1,112.26 | 2.01 | 710.61 | 1.08 | 971.46 | 1.24 |
| **Total income**………………………………… | **55,339.79** | **100** | **65,713.10** | **100** | **78,631.08** | **100** |
| ***Expenses*** | | | | | | |
| Cost of materials consumed………………. | 33,203.31 | 60.00 | 40,803.28 | 62.09 | 59,960.09 | 76.25 |
| Purchases of Stock-in-Trade……………... | 17,552.71 | 31.72 | 16,893.84 | 25.71 | 7,333.05 | 9.33 |
| Changes in inventories of finished goods, stock-in-trade and work-in-progress…..……………………………….. | (1,029.16) | (1.86) | 941.67 | 1.43 | (1,053.17) | (1.34) |
| Employee benefits expense……................. | 430.76 | 0.78 | 771.57 | 1.17 | 2,019.81 | 2.57 |
| Finance costs…………………………....... | 1,277.48 | 2.31 | 608.92 | 0.93 | 302.48 | 0.38 |
| Depreciation and amortization expense…... | 178.12 | 0.32 | 269.84 | 0.41 | 329.48 | 0.42 |
| Other expenses…………………………… | 2,031.17 | 3.67 | 2,987.36 | 4.55 | 2,088.32 | 2.66 |
| **Total expenses**……………………………… | **53,644.39** | **96.94** | **63,276.48** | **96.29** | **70,980.06** | **90.27** |
| **Profit before tax** | **1,695.4** | **3.06** | **2,436.62** | **3.71** | **7,651.02** | **9.73** |
| ***Tax expense:*** | | | | | | |
| Current tax……………………………..…. | 604.97 | 1.09 | 693.59 | 1.06 | 2,258.00 | 2.87 |
| Taxes of earlier years………………...…. | 3.74 | 0.01 | (0.62) | 0.00 | (2.13) | 0.00 |
| Deferred tax…………………………..…. | (6.77) | (0.01) | (114.85) | (0.17) | (312.54) | (0.4) |
| **Total Tax expense**…………………….….. | **601.94** | **1.09** | **578.12** | **0.89** | **1,943.33** | **2.47** |
| **Profit for the year**…………………………... | **1,093.46** | **1.98** | **1,858.50** | **2.83** | **5,707.69** | **7.26** |
| ***Other comprehensive income*** | | | | | | |
| Items that will not be reclassified to profit or loss | | | | | | |
| Re-measurement of net defined benefit obligation…………………… | 0.88 | 0.00 | (10.96) | (0.02) | (17.38) | (0.02) |
| Income-tax relating to those items….. | (0.31) | 0.00 | 2.76 | 0.00 | 4.37 | 0.01 |
| **Other comprehensive income for the year**... | **0.57** | **0.00** | **(8.2)** | **(0.02)** | **(13.01)** | **(0.02)** |
| **Total comprehensive income for the year**.... | **1,094.03** | **1.98** | **1850.30** | **2.82** | **5,694.68** | **7.24** |

***Comparison of Fiscal Year 2020 and 2021***

*Revenue from operations.* Our revenue from operations increased by 19.5% from ₹65,002.49 million in Fiscal 2020 to ₹77,659.62 million in Fiscal 2021. The increase was largely due to the increase in sales volume of the 'branded retail consumer' vertical by 23.5% from 312,232 MTs in Fiscal 2020 to 385,619 MTs in Fiscal 2021. Sales of our Freedom sunflower oil variant increased by 20.9% from 293,862 MT in Fiscal 2020 to 355,369 MT in Fiscal 2021.

*Other income.* Our other income increased by 36.7% from ₹710.61 million in Fiscal 2020 to ₹971.46 million in Fiscal 2021 primarily due to increase in interest income from ₹372.87 million in Fiscal 2020 to ₹533.81 million in Fiscal 2021 driven by increase in average surplus funds invested in bank term deposits, and increase in trade finance income from ₹184.04 million in Fiscal 2020 to ₹325.16 million in Fiscal 2021. This increase in income was possible due to higher availability of funds, on account of an increase in cash flow generation from operations. We also saw a net gain on foreign currency transactions of ₹100.43 million in Fiscal 2021, on account of foreign currency fluctuations in our favour.

*Materials and related costs.* In line with 19.5% increase in our revenue from operations, our materials and related costs consisting of cost of materials consumed, purchases of stock-in-trade and changes in inventories of finished goods, stock-in-trade and work-in-progress increased by 13.0% from ₹58,638.8 million in Fiscal 2020 to ₹66,239.97 million in Fiscal 2021. Our cost of raw materials consumed increased by 46.9% from ₹40,803.28 million in Fiscal 2020 to ₹59,960.09 million in Fiscal 2021 and our purchases of stock-in-trade saw a 56.6% decrease from ₹16,893.84 million in Fiscal 2020 to ₹7,333.05 million in Fiscal 2021. Increase in materials and related cost was less than the increase in our revenue from operations as we were able to procure our raw materials timely and efficiently.

*Employee benefits expenses.* Our employee benefits expenses increased by 161.8% from ₹771.57 million in Fiscal 2020 to ₹2,019.81 million in Fiscal 2021. These increases resulted from a combination of factors, i.e., increase in the number of employees, increase in the salaries and higher performance linked variable bonuses based on improved operational and financial performance for past years.

*Finance costs.* Our finance costs decreased by 50.3% from ₹608.92 million in Fiscal 2020 to ₹302.48 million in Fiscal 2021. This was primarily due to repayment of term loan of ₹509.00 million reducing the corresponding interest expenses by ₹59.94 million in Fiscal 2021. In addition, there was a lower average daily utilisation of both fund based and non-fund based bank limits as we had adequate internal accruals to facilitate our working capital and capital expenditure requirements in Fiscal 2021, as compared to Fiscal 2020.

*Depreciation and amortization expense*. Depreciation and amortization increased by 22.1% from ₹269.84 million for Fiscal 2020 to ₹329.48 million for Fiscal 2021, capitalization of fixed assets amounting to ₹565.99 million primarily related to Kakinada and Krishnapatnam facilities during Fiscal 2021 and full year depreciation from the new Kakinada refinery that was commissioned in Fiscal 2020.

*Other expenses.* Other expenses decreased by 30.1% from ₹2,987.36 million in Fiscal 2020 to ₹2,088.32 million in Fiscal 2021. Fiscal 2020 included one-time expense of ₹307.89 million on account of write off of subsidy receivable. Fiscal 2020 also included toll manufacturing cost on production of biodiesel amounting to ₹329.71 million. No such tolling charges were incurred in 2021 as such activity was not commercially viable in Fiscal 2021. Fiscal 2020 also included a loss on foreign exchange fluctuations amounting to ₹343.33 million as compared to a gain on foreign exchange fluctuations of ₹100.43 million in Fiscal 2021 shown under Other incomes.

*Total tax expenses.* Total tax expenses increased by 236.1% from ₹578.12 million in Fiscal 2020 to ₹1,943.33 million in Fiscal 2021. This was largely driven by an increase in profit before tax by 214% from ₹2,436.62 million in Fiscal 2020 to ₹7,651.02 million in Fiscal 2021.

*Other comprehensive income for the year.* Other comprehensive loss increased by 58.7% from ₹(8.20) million in Fiscal 2020 to ₹(13.01) million in Fiscal 2021 due to additional adjustments regarding defined benefit obligations and related income taxes.

*Total Comprehensive Income.* As a result of the factors explained above, our total comprehensive income increased by 207.8% from ₹1,850.30 million in Fiscal 2020 to ₹5,694.68 million in Fiscal 2021.

***Comparison of Fiscal Year 2019 and 2020***

*Revenue from operations.* Our revenue from operations increased by 19.9% from ₹54,227.53 million in Fiscal 2019 to ₹65,002.49 million in Fiscal 2020, primarily due to an increase in overall sales volumes by 18.5% from 747,020 MT in Fiscal 2019 to 885,147 MT in Fiscal 2020. Sales volumes of the 'branded retail consumer' vertical increased by 15.7% from 269,899 MT in Fiscal 2019 to 312,232 MT in Fiscal 2020, driven largely by the sales of our Freedom sunflower oil variant which increased by 13.0% from 260,088 MT in Fiscal 2019 to 293,862 MT in Fiscal 2020. Sales volumes of the 'bulk merchandising' vertical also increased by 24.7% from 398,669 MT in Fiscal 2019 to 497,154 MT in Fiscal 2020.

*Other income.* Our other income decreased by 36.1% from ₹1,112.26 million in Fiscal 2019 to ₹710.61 million in Fiscal 2020. This was primarily driven by decrease in interest income from ₹1,086.16 million in Fiscal 2019 to ₹372.87 million in Fiscal 2020 due to a change in transaction methodology of representing trade finance income. This allowed us to set off interest expense with interest income and report it as a net figure, as opposed to reporting both separately. This methodology was adopted from January 2019 onwards.

*Materials and related costs.* In line with the 19.9% increase in our revenue from operations, our materials and related costs (consisting of cost of materials consumed, purchases of stock-in-trade and changes in inventories of finished goods, stock-in-trade and work-in-progress) increased by 17.9% from ₹49,726.87 million in Fiscal 2019 to ₹58,638.8 million in Fiscal 2020. Our cost of materials consumed increased by 22.9% from ₹33,203.31 million in Fiscal 2019 to ₹40,803.28 million in Fiscal 2020 and our purchases of stock in trade decreased by 3.8% from ₹17,552.71 million in Fiscal 2019 to ₹16,893.84 million in Fiscal 2020. Increase in materials and related costs was less than the increase in our revenue from operations as we were able to procure our raw materials timely and efficiently.

*Employee benefits expenses.* Our employee benefits expenses increased by 79.1% from ₹430.76 million in Fiscal 2019 to ₹771.57 million in Fiscal 2020. This was primarily driven by increase in the number of employees for the newly commissioned Kakinada refinery and due to higher performance linked variable bonuses based on improved operational and financial performance for the past years.

*Finance costs.* Our finance costs decreased by 52.3% from ₹1,277.48 million in Fiscal 2019 to ₹608.92 million in Fiscal 2020, primarily due to decrease in interest expenses, driven by a change in transaction methodology of representing trade finance income. This allowed us to set off interest expense with interest income and report it as a net figure, as opposed to reporting both separately. This methodology was adopted from January 2019 onwards.

*Depreciation and amortization expense*. Depreciation and amortization increased by 51.5% from ₹178.12 million for Fiscal 2019 to ₹269.84 million for Fiscal 2020. This was driven by additional depreciation from the new refinery in Kakinada completed during Fiscal 2020.

*Other expenses.* Our other expenses increased by 47.1% from ₹2,031.17 million in Fiscal 2019 to ₹2,987.36 million in Fiscal 2020. This was due to increase in toll manufacturing cost on production of biodiesel from ₹197.95 million in Fiscal 2019 to ₹505.46 million in Fiscal 2020. We also saw increase in outward freight and forwarding charges from ₹470.33 million in Fiscal 2019 to ₹577.75 million in Fiscal 2020, due to the increase in our sales volumes. Fiscal 2020 also included one-time expense of ₹307.89 million on account of write-off of subsidy receivable.

*Total tax expenses.* Total tax expenses decreased by 4.0% from ₹601.94 million in Fiscal 2019 to ₹578.12 million in Fiscal 2020, due to a reduction in the corporate tax rate applicable on the Company from 34.944% in fiscal 2019 to 25.168% in Fiscal 2020]. Our profit before tax had increased by 43.7% from ₹ 1,695.40 million in Fiscal 2019 to ₹ 2,436.62 million in Fiscal 2020.

*Other comprehensive income for the year.* Other comprehensive income decreased from ₹0.57 million in Fiscal 2019 to ₹(8.20) million in Fiscal 2020. This was driven by the re-measurement of net defined benefit obligations, and adjustments to income taxes in light of that re-measurement.

*Total Comprehensive Income.* As a result of the factors explained above, our total comprehensive income increased by 69.1% from ₹1,094.03 million in Fiscal 2019 to ₹1,850.30 million in Fiscal 2020.

**Liquidity and Capital Resources**

Our liquidity requirements relate to funding working capital, capital expenditure, debt service and maintaining adequate cash reserves. Net cash flows from operations is our main source of liquidity. Our investment policy for deployment of temporary surplus liquidity allows us to invest in Debt Mutual funds (basis risk profiling and limits) and Bank Term Deposits.

We have used long-term facilities and internal accruals to fund our capital expenditures in Fiscal 2019 and Fiscal 2020, and internal accruals to fund capital expenditures in Fiscal 2021. After servicing our bank repayment obligations, funding our operating expenses and working capital, surplus cash is used to bring our bank borrowings down. After taking into consideration future cash outflow requirements, any excess cash flow may be distributed to shareholders. Taking into consideration the availability of financial resources, including cash generated from our operating activities and working capital bank lines, we had sufficient liquidity to meet our working capital and operating requirements in Fiscal 2020 and Fiscal 2021. We do not have any long term debt as of March 31, 2021.

## Cash Flows

The following table sets forth our cash flows for the periods indicated:

| | Fiscal years ended March 31, | | |
|---|---|---|---|
| | 2019 | 2020 | 2021 |
| | *₹ million* | *₹ million* | *₹ million* |
| ***Cash flows from operating activities***: | | | |
| Net cash generated from / (used in) operating activities | **(210.83)** | **2,212.58** | **5,883.96** |
| ***Cash flow from investing activities:*** | | | |
| Net cash generated from / (used in) investing activities | **4,363.99** | **(2,539.28)** | **(6,229.42)** |
| ***Cash flow from financing activities*** | | | |
| Net cash generated from / (used in) financing activities | **(3,990.59)** | **143.08** | **259.93** |
| **Net increase/ (decrease) in cash and cash equivalents** | **162.57** | **(183.62)** | **(85.53)** |

### *Operating Activities*

Net cash used from operating activities was ₹210.83 million for Fiscal 2019. Our profit before tax was ₹1,695.40 million, which was adjusted for non-cash and other items, resulting in an operating profit before working capital changes of ₹1,429.09 million. Further adjustments from changes in working capital were made to arrive at the net cash used from operating activities, which primarily included, inter-alia, decrease in inventories of ₹225.45 million, increase in trade receivables and other assets of ₹696.67 million due to increase in MEIS licenses in hand and GST Input credit balance, and decrease in trade payables of ₹371.53 million. Net cash used in operating activities also included income taxes paid (net) of ₹(575.20) million.

Net cash generated from operating activities was ₹2,212.58 million for Fiscal 2020. Our profit before tax was ₹2,436.62 million, which was adjusted for non-cash and other items, resulting in an operating profit before working capital changes of ₹3,236.77 million. Further adjustments from changes in working capital were made to arrive at the net cash used from operating activities, which primarily included, inter-alia, increase in inventories of ₹4,323.00 million, decrease in trade receivables and other assets of ₹391.71 million; and increase in trade payables of ₹2,612.82 million. Net cash generated in operating activities also included income taxes paid (net) of ₹(742.60) million.

Net cash generated from operating activities was ₹5,883.96 million for Fiscal 2021. Our profit before tax was ₹7,651.02 million, which was adjusted for non-cash and other items, resulting in an operating profit before working capital changes of ₹7,570.62 million. Further adjustments from changes in working capital were made to arrive at the net cash generated from operating activities, which primarily included, inter-alia, increase in inventories of ₹591.18 million, increase in trade receivables of ₹659.05 million, and increase in trade payables and other financial liabilities of ₹1,732.76 million. Net cash generated in operating activities also included income taxes paid (net) of ₹(2,019.98) million.

### *Investing Activities*

Our purchase and sale of investments is driven by our cash flow requirements. We invest excess temporary liquidity in term deposits with banks and debt mutual funds. Year-to-year changes in cash from investing activities are primarily driven by fixed deposit investments and capital expenditure spends. Net cash generated from investing activities amounted to ₹4,363.99 million in Fiscal 2019, while net cash used in investing activities for Fiscal 2020 and Fiscal 2021 was ₹2,539.28 million and ₹6,229.42 million, respectively. The Fiscal 2019 inflow was primarily driven by ₹5,067.36 million derived from maturity of fixed deposits, partially offset by ₹1,761.69 million in capital expenditures. The outflows for Fiscal 2020 and Fiscal 2021 each resulted from investing free cash flows into fixed deposit investments on net basis and additional capital expenditures, aggregating to ₹1,708.16 million and ₹1,295.17 million and ₹6,350.06 million and ₹355.01 million for the two years, respectively.

### *Financing Activities*

In Fiscal 2019, our net cash used in financing activities was ₹3,990.59 million. This was primarily due to ₹8,080.33 million in net decreases in cash related to repayments of short-term borrowings, partially offset by ₹4,400.01 million in proceeds from the issue of equity shares. In Fiscal 2020 and Fiscal 2021, we had net cash generated of ₹143.08 million and ₹259.93 million respectively. This represented a year-on-year increase of 81.7%. The Fiscal 2020 cash generated from financing was a result of receiving ₹542.98 million in net proceeds from short-term borrowings, partially offset by a ₹298.90 million in finance costs. The Fiscal 2021 inflow was a result of receiving ₹950.38 million in net proceeds from short-term borrowings, offset by ₹509.00 million repayments on long-term borrowings and ₹181.45 million in finance costs.

### Capital Expenditures

We made payments for fixed assets (including capital work in progress and capital advances) aggregating to ₹1,761.69 million, ₹1,295.17 million and ₹355.01 million for Fiscal 2019, Fiscal 2020 and Fiscal 2021, respectively. Our capital expenditures primarily comprised expenditures relating to the building of our third refining complex in Kakinada. This was commissioned in August 1, 2019, with some of the related ancillary facilities being commissioned during Fiscal 2020 and Fiscal 2021. We also acquired a portion of land for future development of a refining complex in Krishnapatnam.

### Indebtedness

The following table sets forth our borrowings, including current maturities of long-term debt, as at March 31, 2021:

| | **As at March 31, 2021** |
|---|---|
| | ***₹ million*** |
| Non-Current Borrowings | — |
| Current Borrowings | 7,981.88 |
| Current maturities of long-term debts | — |
| Total | 7,981.88 |

### Contractual Obligations and Contingent Liabilities

#### *Contractual Obligations*

We have continuing payment obligations under borrowings, commercial contracts and finance leases. The following table sets forth our contractual obligations as of 31 March 2021:

| | **As at March 31, 2021** | | | |
|---|---|---|---|---|
| | **Less than 1 year** | **1 to 5 years** | **More than 5 years** | **Total** |
| | ***₹ million*** | | | |
| **Non-derivatives** | | | | |
| Borrowings | 7,981.88 | — | — | 7,981.88 |
| Trade payables | 5,382.45 | — | — | 5,382.45 |
| Other financial liabilities | 2,512.34 | — | — | 2,512.34 |
| | ***15,876.67*** | — | — | ***15,876.67*** |
| **Derivative not designated as hedges** | | | | |
| Foreign exchange forward contracts | 4.37 | — | — | 4.37 |
| | ***4.37*** | — | — | ***4.37*** |
| **Total** | **15,881.04** | — | — | **15,881.04** |

#### *Contingent Liabilities*

The following table sets forth our contingent liabilities as determined under Ind AS 37 as at March 31, 2021.

| | **As at March 31, 2021** |
|---|---|
| | ***₹ million*** |
| Demand under Goods and Services Tax Acts | 83.27 |
| Demand under Central Excise Act, 1944 | 12.14 |
| Demand under Value Added Tax / Entry Tax | 0.12 |
| Others | 7.99 |
| **Total** | **103.52** |

For more information, see note 36 to our restated financial information included elsewhere in this Draft Red Herring Prospectus.

**Non-GAAP Measures**

In evaluating our business, we consider and use certain non-GAAP measures, as presented below as a supplemental measure to review and assess our operating performance. The presentation of these non-GAAP financial measures are not intended to be considered in isolation or as a substitute for the Restated Financial Information. These non-GAAP measures are not defined under Ind AS and are not presented in accordance with Ind AS. The non-GAAP financial measures have limitations as analytical tools. Further, the non-GAAP financial measures may differ from other similar information used by other companies, including peer companies, and hence the comparability may be limited. Therefore, non-GAAP financial measures should not be considered in isolation or construed as an alternative to Ind AS measures of performance or as an indicator of our operating performance, liquidity, profitability or results of operation.

Reconciliation for the following non-GAAP financial measures included in this Draft Red Herring Prospectus are set out below.

*Reconciliation for EBITDA*

| Particulars | Fiscal Year 2019 | Fiscal Year 2020 | Fiscal Year 2021 |
|---|---|---|---|
| | *₹ million* | | |
| Profit before tax for the year (I) | 1,695.40 | 2,436.62 | 7,651.02 |
| Finance Cost (II) | 1,277.48 | 608.92 | 302.48 |
| Depreciation and amortization (III) | 178.12 | 269.84 | 329.48 |
| Other income (IV) | 1,112.26 | 710.61 | 971.46 |
| Trade finance income* (V) | 9.80 | 184.04 | 325.16 |
| **EBITDA (I+II+III-IV+V)** | 2,048.54 | 2,788.82 | 7,636.68 |

** Trade finance income is part of other income in the Restated Financial Information*

*Reconciliation for EBITDA Margin*

| Particulars | Fiscal Year 2019 | Fiscal Year 2020 | Fiscal Year 2021 |
|---|---|---|---|
| | *₹ million* | | |
| EBITDA (I) | 2,048.54 | 2,788.82 | 7,636.68 |
| Total Revenue (II) | 55,339.79 | 65,713.10 | 78,631.08 |
| EBITDA Margin (I/II) | 3.7% | 4.2% | 9.7% |

*Reconciliation for Net Worth/ Net Asset Value*

| Particulars | Fiscal Year 2019 | Fiscal Year 2020 | Fiscal Year 2021 |
|---|---|---|---|
| | *₹ million* | | |
| Equity share capital (I) | 102.88 | 102.88 | 102.88 |
| Other equity (II) | 8,597.78 | 10,448.08 | 16,142.76 |
| Net worth / Net Asset Value (I+II) | 8,700.66 | 10,550.96 | 16,245.64 |

*Reconciliation for Return on Net Worth*

| Particulars | Fiscal Year 2019 | Fiscal Year 2020 | Fiscal Year 2021 |
|---|---|---|---|
| | *₹ million* | | |
| PAT (I) | 1,093.46 | 1,858.50 | 5,707.69 |
| Net worth (II) | 8,700.66 | 10,550.96 | 16,245.64 |
| RoNW (I/II) | 12.6% | 17.6% | 35.1% |

*Reconciliation of Net Asset value (NAV) per share – pre split*

| Particulars | Fiscal Year 2019 | Fiscal Year 2020 | Fiscal Year 2021 |
|---|---|---|---|
| | ***₹ million*** | | |
| Net Asset Value (I) | 8,700.66 | 10,550.96 | 16,245.64 |
| Equity shares as at March 31 (II) | 10,287,508.00 | 10,287,508.00 | 10,287,508.00 |
| Net Assets Value per share (₹) (II/I) | 845.75 | 1,025.61 | 1,579.16 |

*NAV per share (in ₹): NAV per Share represents NAV per Equity Share as per Restated Financial Information. It is calculated as net assets value as of the end of relevant year divided by the number of Equity Shares outstanding at the end of such year*

*Reconciliation of Net Asset value (NAV) per share – post split*

| Particulars | Fiscal Year 2019 | Fiscal Year 2020 | Fiscal Year 2021 |
|---|---|---|---|
| | ***₹ million*** | | |
| Net Asset Value (I) | 8,700.66 | 10,550.96 | 16,245.64 |
| Equity shares as at March 31 (II) | 102,875,080.00 | 102,875,080.00 | 102,875,080.00 |
| Net Assets Value per share (₹) (II/I) | 84.58 | 102.56 | 157.92 |

*NAV per share (in ₹): NAV per Share represents NAV per Equity Share as per Restated Financial Information. It is calculated as net assets value as of the end of relevant year divided by the equivalent number of subdivided Equity Shares corresponding to equity shares outstanding at the end of such year.*

*Reconciliation of Equity*

| Particulars | Fiscal Year 2019 | Fiscal Year 2020 | Fiscal Year 2021 |
|---|---|---|---|
| | ***₹ million*** | | |
| Equity share capital (I) | 102.88 | 102.88 | 102.88 |
| Other equity (II) | 8,597.78 | 10,448.08 | 16,142.76 |
| Total equity (I+II) | 8,700.66 | 10,550.96 | 16,245.64 |
| Average equity* | 5,953.63 | 9,625.81 | 13,398.30 |

*Average equity has been calculated basis simple average of opening and closing balances of total equity for each fiscal year and the opening balance for the Fiscal year 2019 was ₹3,206.61 million.*

*Reconciliation for Return on Equity*

| Particulars | Fiscal Year 2019 | Fiscal Year 2020 | Fiscal Year 2021 |
|---|---|---|---|
| | ***₹ million*** | | |
| PAT (I) | 1,093.46 | 1,858.50 | 5,707.69 |
| Average equity (II) | 5,953.63 | 9,625.81 | 13,398.30 |
| RoE (I/II) | 18.4% | 19.3% | 42.6% |

*Reconciliation for Return on Capital Employed*

| Particulars | Fiscal Year 2019 | Fiscal Year 2020 | Fiscal Year 2021 |
|---|---|---|---|
| | ***₹ million*** | | |
| EBITDA (I) | 2,048.54 | 2,788.82 | 7,636.68 |
| Less: Depreciation and amortisation (II) | 178.12 | 269.84 | 329.48 |
| EBIT (I –II = III) | 1,870.43 | 2,518.97 | 7,307.20 |
| Total assets (IV) | 19,094.04 | 25,232.47 | 32,934.03 |
| Less: Current Liabilities (V) | 9,719.99 | 14,247.51 | 16,688.39 |
| Capital employed (IV – V) | 9,374.05 | 10,984.96 | 16,245.64 |
| Average capital employed (VI) | 6,468.52 | 10,179.50 | 13,615.30 |
| RoCE (III/VI) | 28.9% | 24.7% | 53.7% |

*Average capital employed has been calculated basis simple average of opening and closing balances of capital employed for each fiscal year and the opening balance for fiscal year 2019 is ₹ 3,563 million.*

*Reconciliation of Gross Margin*

| Particulars | Fiscal Year 2019 | Fiscal Year 2020 | Fiscal Year 2021 |
|---|---|---|---|
| | ***₹ million*** | | |
| Revenue from operations (I) | 54,227.53 | 65,002.49 | 77,659.62 |
| Incentives and trade promotions expenses* (II) | 266.81 | 377.25 | 344.52 |
| Cost of materials consumed (III) | 33,203.31 | 40,803.28 | 59,960.09 |
| Purchases of stock-in-trade (IV) | 17,552.71 | 16,893.84 | 7,333.05 |
| Changes in inventories of finished goods, stock-in-trade and work-in-progress (V) | (1,029.16) | 941.67 | (1,053.17) |
| | | | |
| Gross Profit (VI=I+II-III-IV-V) | 4,767.48 | 6,740.95 | 11,764.17 |
| Gross Profit Margin (VI/I) | 8.8% | 10.4% | 15.1% |

** Incentives and trade promotions are as disclosed in the note 40 of the Restated Financial Information.*

### Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements that we believe have or are reasonably likely to have a current or future material effect on our financial condition, change in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

### Changes in Accounting Policies

Other than the change in the accounting policy in relation to inventory valuation to first-in-first-out for crude oils in Fiscal 2019, there have been no changes in our accounting policies during Fiscal 2019, 2020 and 2021.

### Summary of Other Matters in the Examination Report

Our erstwhile statutory auditors has included a remark regarding their inability to participate in physical verification of inventories carried out by the management at the end of Fiscal 2020, due to COVID-19 related lock-downs. Consequently, they performed alternate audit procedures to obtain comfort over the existence and condition of inventory at the end of Fiscal 2020, as per the guidance provided by SA 501 "Audit Evidence – Specific Consideration for Selected Items" and have obtained sufficient audit evidence. The opinion of the erstwhile auditors is not modified in respect of the matter mentioned above. For further information, see "*Restated Financial Information*" beginning on page 207.

### Quantitative and Qualitative Disclosures about Market Risk

The board of directors has overall responsibility for the establishment and oversight of our risk management framework. Our risk management policy and reporting framework aim to identify and analyze risks and set appropriate controls. Our internal audit team assists the board of directors in regularly reviewing our risk management controls and procedures. Our primary market risk relates to fluctuations in exchange rates, interest rates, commodity prices, credit risks and liquidity.

***Foreign Exchange Rate Risk***

Changes in foreign currency exchange rates influence our results of operations. We maintain commercial contracts denominated in currencies other than INR for the import of raw materials and stock in trade. These primarily involve USD, with some exposure to Euro as well. With respect to other monetary assets and liabilities denominated in foreign currencies, our policy is to ensure that our net exposure is kept to an acceptable level. To hedge our exposure to currency fluctuations, we enter into forward exchange contracts at spot rates when necessary to address short-term imbalances.

As of March 31, 2019, 2020 and 2021, our significant foreign currency risk exposure relating to borrowings, derivatives and trade payables were equal to ₹3,059.62 million, ₹7,733.73 million and ₹9,811.25 million. As at each of these dates, transactions involving USD accounted for 100.6%, 100.1% and 100% of those totals, respectively.

***Interest Rate Risk***

India has experienced high inflation in the past, which has contributed to an increase in interest rates. High fluctuations in interest rates may make it more difficult for us to accurately estimate or control our costs. We do not account for any fixed-rate financial assets or financial liabilities at fair value through profit or loss, so a change in interest rates would not affect profit or loss. While there is no interest rate risk involved with investments in term deposits with banks, we are exposed to fluctuations in interest rates under variable rate borrowings. However, we consider our borrowings to be within acceptable levels of risk, so have not taken any swaps to hedge interest rate risk. For each the years ended March 31, 2019, 2020 and 2021, our total borrowings were ₹6,965.17 million, ₹7,723.88 million and ₹7,891.88 million. For each of these periods, our variable rate borrowings accounted for 8.8%, 12.0% and 0.0% of total borrowings, respectively. Therefore, a 50 basis point change in interest rates would result in variances of ₹2.99 million and ₹4.65 million in each Fiscal 2019 and 2020 and no change for Fiscal 2021.

***Commodity Price Risks***

The prices of agricultural commodities are subject to volatility caused by various external factors such as market fluctuations, weather conditions, seasonality, farmer planning and selling decisions, crop failure, reduced harvests, bumper harvests, currency fluctuations, inflation, pandemics (such as the COVID-19 pandemic), changes in government policies and regulatory measures or global inventory levels, which are beyond our control. During the ordinary course of business, the value of our open sales and purchases commitments and inventory of raw material changes continuously in line with movements in the prices of the underlying commodities. While we are exposed to fluctuations in commodities prices, our policy is to minimize risks by working within identified commodity price risk limits which would allow us to purchase crude edible oils without having to immediately put on a corresponding sale. When we do hedge, we usually do so by selling similar commodities through futures contracts.

***Credit Risks***

Credit risks concern financial losses if customers or other counterparties to financial instruments fail to meet their contractual obligations. These arise principally from trade receivables with clients, balances with banks, loans and other receivables.

When we assess the credit quality of our counterparties, we consider their financial position and past experience among other factors. Management uses a simplified approach to compute expected credit loss for trade receivables. Trade receivables are subject to credit limits, controls and approval processes. Due to large number of customers, we are not exposed to material concentration of credit risk. We create allowances for impairment that represent expected credit losses in respect of trade and other receivables. Given historical experience however, the risk of default involving trade receivables is low. With initial loss allowances of ₹4.09 million at the start of the coverage period, such allowances increased ₹0.61 million, ₹9.60 million and ₹11.82 million for the years ended March 31, 2019, 2020 and 2021, respectively.

The carrying amount of all our financial assets represents our maximum credit exposure. As of March 31, 2019, 2020, and 2021, maximum exposure to credit risk was ₹8,791.10 million, ₹9,695.03 million and ₹16,653.13 million, respectively.

***Liquidity Risks***

We may encounter difficulty in meeting obligations associated with our financial liabilities that are settled with cash or other financial assets. We look to ensure as far as possible that we will have sufficient liquidity to meet our liabilities when due not only under normal but also distressed conditions. In doing so, we look to avoid incurring unacceptable losses and risking damage to our reputation.

We regularly monitor cash flow projections to ensure we have sufficient cash on an on-going basis to meet operational needs. Any surplus cash generated over and above working capital and our long-term requirements is suitably invested in interest-bearing term deposits and other highly marketable debt instruments with appropriate maturities. This permits us to optimize returns on investments while ensuring sufficient liquidity to meet liabilities. In addition, we maintain undrawn bank overdraft facilities denominated in Indian rupee which may be drawn at any time subject to us maintaining satisfactory credit ratings. For more information regarding the maturities of our financial liabilities, see "*—Contractual Obligations and Contingent Liabilities—Contractual Obligations*" on page 280.

**Unusual or Infrequent Events or Transactions**

Except as described in this Draft Red Herring Prospectus, there have been no other events or transactions that, to our knowledge, may be described as "unusual" or "infrequent."

**Known Trends or Uncertainties**

Our business has been subject, and we expect it to continue to be subject, to significant economic changes. To our knowledge, except as discussed in this Draft Red Herring Prospectus, there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on income from our continuing operations. For more information regarding trends and uncertainties, please see "*—Significant Factors Affecting Our Financial Condition and Results of Operations*" on page 265 and "*Risk Factors*" on page 25.

**New Products or Business Segments**

Except as disclosed in this Draft Red Herring Prospectus, we have not publicly announced any new products or business segments. For more information regarding new products, please see "*Our Business*" on page 139.

**Future Relationship between Cost and Income**

Except as disclosed in this Draft Red Herring Prospectus, there are no known factors that will have a material adverse impact on our operations and finances. For more information, see "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 25, 139 and 265, respectively.

**Seasonality of Business**

There is no material seasonal variation in our operations.

**Significant Dependence on a Single or Few Customers or Suppliers**

We are dependent on a limited number of suppliers for the supply of crude edible oil. For details see "*Risk Factors*" on page 25.

**Significant Economic Changes**

Our business has been subject, and we expect it to continue to be subject, to significant economic changes that materially affect or are likely to affect income from continuing operations. See "*Risk Factors" and "—Significant Factors Affecting Our Financial Condition and Results of Operations*."

### Competitive Conditions

We expect competition in our industry from existing and potential competitors to intensify. See "*Risk Factors"* on page 25.

### Material Developments since March 31, 2021

Our Company has, pursuant to a Board resolution dated June 2, 2021 and Shareholders resolution dated June 4, 2021, sub-divided the equity shares of face value of ₹10 each to Equity Shares of face value of ₹1 each. For further details, see "*Capital Structure*" beginning on page 69.

We have, pursuant to Board resolution dated June 2, 2021, declared dividend of ₹24.30 per Equity Share, aggregating to ₹2,499.864 million. For further details, see "*Dividend Policy*" beginning on page 206.

We have purchased (i) 2.46 acres of land parcel in Krishnapatnam pursuant to an agreement dated May 18, 2021 for expansion of existing production facilities at Krishnapatnam; and (ii) 1.6 acres of land parcel in Kakinada pursuant to an agreement dated June 18, 2021 to set up additional tank farm capacities.

## SECTION VI: LEGAL AND OTHER INFORMATION

## OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as stated in this section, as of the date of this Draft Red Herring Prospectus there were no outstanding (i) criminal proceedings, (ii) actions taken by statutory or regulatory authorities, (iii) claims related to direct or indirect tax matters, (iv) litigation proceedings that are otherwise material, in each case, involving our Company, our Promoters and our Directors ("**Relevant Parties**"), and (v) legal proceedings involving any of our Group Companies that have a material impact on our Company. Further, except as disclosed in this section, as of the date of this Draft Red Herring Prospectus, there were no disciplinary actions, including penalties imposed by SEBI or the Stock Exchanges, against our Promoters in the last five Financial Years, including any outstanding actions.*

*For the purpose of identification of material litigation in (iv) above, our Board has considered and adopted the following policy on materiality with regard to outstanding litigation involving the Relevant Parties to be disclosed by our Company in this Draft Red Herring Prospectus pursuant to resolution dated August 2, 2021 of our Board:*

*a.* *notices received by the Relevant Parties from third parties (excluding notices from statutory, regulatory or tax authorities or notices threatening criminal action) shall not be evaluated for materiality until the Relevant Parties are impleaded as defendants in proceedings before any judicial forum; and*

*b.* *all outstanding litigation, including any litigation involving the Relevant Parties (other than criminal proceedings, actions taken by statutory or regulatory authorities, direct or indirect tax claims, and disciplinary actions including penalties imposed by SEBI or the Stock Exchanges against our Promoters) shall be disclosed: if (i) the monetary amount of claim by or against the entity or person in any such pending proceeding is individually in excess of 0.50% of the PAT of our Company, i.e., ₹28.54 million (as per the Restated Financial Information as of and for the financial year ended March 31, 2021); or (ii) where the decision in one case is likely to affect the decision in similar cases, even though the amount involved in an individual litigation may not exceed 0.50% of the profit after tax of the Company, i.e., ₹28.54 million (as per the Restated Financial Information as of and for the financial year ended March 31, 2021); or (iii) where monetary liability is not quantifiable or any other outstanding legal proceedings, the outcome which may have a material and adverse bearing on the business, operations, performance, prospects, financial position or reputation of the Company, irrespective of the amount involved in such litigation.*

*Further, pursuant to resolution dated August 2, 2021 of our Board, our Board has considered and adopted a policy on materiality for the purpose of disclosure of material creditors in this Draft Red Herring Prospectus according to which all creditors of our Company to whom the amount due from our Company exceeds 1% of the total trade payables of the Company as per the Restated Financial Information disclosed in this Draft Red Herring Prospectus are material creditors (i.e., ₹53.82 million based on the Restated Financial Information as of and for the Financial Year ended March 31, 2021). Further, for outstanding dues to any party which is a micro, small or medium enterprise, the disclosure will be based on information available with our Company regarding status of the creditor as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006, as amended, as has been relied upon by the Statutory Auditors.*

### I. Litigation involving our Company

*(a)* *Criminal Proceedings by our Company*

As of the date of this Draft Red Herring Prospectus, there were no outstanding criminal proceedings initiated by our Company, other than as disclosed below.

1. Our Company filed a FIR dated January 29, 2021 under Sections 408, 420 and 120B read with Section 34 of the IPC at the Muthukur Police Station, Sri Potti Sri Ramulu, Nellore against Janu Srinivas Rao, Jayaguru and Amrusha (together, the "**Accused JS JJ A**"), alleging, among other things, (i) criminal breach of trust by Janu Srinivasulu, and (ii) criminal conspiracy among the Accused JS JJ A to pilfer palm oil from our facilities. Our Company also filed an application under

Sections 451 and 457 of the IPC before the Court of the Special Judicial Magistrate, First Class, Railways, Nellore (the "**SJM**") for gaining custody of the pilfered palm oil. Pursuant to orders dated March 2, 2021 and March 25, 2021, the SJM allowed our Company the custody of the pilfered palm oil and the proceeds of the sale of pilfered palm oil, on the condition that our Company produce sureties. The matter is currently pending.

2. Our Company filed a FIR dated May 10, 2016 under Sections 406 and 420 of the IPC at the Chaderghat police station, Hyderabad against Sachin Jaju and Sheetal Jaju (the "**Accused SJ**"), alleging, among other things, that the Accused SJ absconded after failing to pay us an amount of ₹1.09 million for the edible vegetable oil supplied to the Accused SJ, who were acting as distributors in Dilsukhnagar area, Hyderabad. The matter is currently pending.

3. Our Company filed a criminal complaint (the "**Complaint**") before the Chief Judicial Magistrate, Dantewada, Bastar, Chattisgarh for offences under Section 420 of the IPC and Section 138 of the Negotiable Instruments Act, 1938 against Vijay Kumar and Maa Santoshi Trading and Co. (together, the "**Accused**"), who are distributors for our Company. The Complaint related to the dishonour of a cheque issued by the Accused for ₹1.08 million to our Company towards a business transaction. The matter is currently pending.

*(b) Actions and Proceedings initiated by Statutory/Regulatory Authorities involving our Company*

As of the date of this Draft Red Herring Prospectus, there were no outstanding actions or proceedings by regulatory or statutory authorities involving our Company, other than as disclosed below.

1. Our Company received eight notices dated June 18, 2016, November 28, 2017, December 4, 2017, September 25, 2020, September 25, 2020, January 27, 2020, February 7, 2020 and March 5, 2020 (the "**Notices**") from the Assistant Food Controller and Food Safety Designated Officer, Guntur District, Guntur (the "**AFCFSDO Guntur**"), the Assistant Food Controller and Designated Officer, Guntur (the "**AFCDO Guntur**"), the Food Safety Designated Officer, Guntur (the "**FSDO, Guntur**"), Food Safety Officer, Guntur District, Food Safety Officer, Division – III and Food Safety Officer, Division – I, Guntur District, Guntur (collectively the "**Food Safety Authorities**") under the provisions of the FSS Act. According to the five of the Notices and based on the reports of the Food Analyst, State Food Laboratory, Nacharam, (the "**Reports**") the packaging of samples of 'Freedom Refined Sunflower Oil', and 'Physically Refined Rice Bran Oil (Freedom)' (collectively, the "**Samples**"), manufactured by us, collected by the Food Safety Officer, Division-II, Guntur District (the "**FSO Guntur**"), FSDO, Guntur and AFCFSDO Guntur from certain general stores, the Samples were 'misbranded' and did not conform to the requirements under the Food Standards Regulations, the Food Safety and Standards (Packaging and Labelling) Regulations, 2011 and the Food Safety and Standards (Advertising and Claims) Regulations, 2018. As per the Reports, the statements on the labels of the Samples were an exaggeration of the quality of the product. Subsequently, our Company filed appeals before the Food Safety Authorities, challenging the findings of the Reports and stating that the Reports failed to record the relevant evidence to support the claims and that the samples were manufactured and sold in accordance with the specifications under the FSS Act, as applicable. According to the other three Notices, the Food Safety Authorities have collected samples of our products and sent them for analysis. Additionally, we have been directed to furnish details of authorised signatory, nominee appointed under the FSA Act along with copy of license obtained under FSS Act. We have provided the required information and await further communication from the Food Safety Authorities. The matters in relation to the Notices are currently pending.

2. Our Company received a notice dated May 24, 2016 (the "**Notice**") from the Food Safety Designated Officer, Railnilayam, Secunderabad (the "**FSDO, Secunderabad**") under the provisions of the FSS Act. According to the Notice and based on the report of the Food Analyst, State Food Laboratory, Nacharam, Hyderabad (the "**Report**"), the sample of 'Freedom Refined Sunflower Oil' ("the "**Sample**"), manufactured by us, collected from the Guntakal railway station, was misbranded as it did not contain Vitamin A which was an ingredient as per the statement on the label of the Sample. As per the Report, the statements on the label of the Sample were an exaggeration of the quality of

the product and the Sample was therefore misbranded. We filed an appeal before the FSDO, Secunderabad challenging the findings of the Report stating that the Sample was manufactured and sold in accordance with the prescribed parameters under the FSS Act as evidenced by our Company's laboratory report. The matter is currently pending.

3. Our Company received a notice dated April 24, 2018 from the Food Safety Designated Officer, Mahabubabad, (the "**FSDO Mahabubabad**") under the provisions of the FSS Act. According to the Notice and based on the laboratory report of the Food Analyst, State Food Laboratory, Nacharam, Hyderabad (the "**Report**"), the sample of "First Klass Vanaspati" ("the "**Sample**"), manufactured by us, was substandard in quality as it did not conform to the prescribed standards of free fatty acid and did not contain Vitamin A. We filed an appeal before the FSDO Mahabubabad challenging the findings of the Report on the basis that the shelf life of the Sample in question had already expired and any future analysis of the Sample would lead to improper results. The matter is currently pending.

4. Our Company received a notice dated February 3, 2014 (the "**Notice**") from the Adjudicating Officer & Joint Commissioner (Food), Food & Drug Administration, Thane (the "**AOJC Thane**") under the provisions of the FSS Act. According to the Notice, the Food Safety Officer, Thane (the "**FSO Thane**") had collected samples of "Vanaspati (Fabula)" (the "**Sample**"), manufactured by us from a trader and based on the laboratory report of the Food Analyst, District Public Health Laboratory, Navi Mumbai (the "**Report**"), the Sample was in contraventions of the FSS Act and the regulations thereunder. We filed a written submission before the AOJC Thane on April 26, 2019 stating, *inter alia,* (i) the FSO Thane had not specified the manner in which the Sample was sub-standard; (ii) our Company was denied an opportunity to contest the Report by requesting for analysis of a second sample; (iii) the Report was not shared with our Company and FSO Thane has directly proceeded to file the adjudication proceedings before the AOJC Thane; and (iv) our Company did not receive the notice for personal hearing issued by the AOJC Thane. The matter is currently pending.

5. Our Company received a notice dated December 30, 2016 (the "**Notice**") from the Government of Tamil Nadu, through the District Collector, District Supply and Consumer Protection Office, Tiruvannamalai (the "**CPO**") directing us to appear before the CPO. According to the Notice and based on the report of the Food Analysis Laboratory, Chennai (the "**Report**"), the sample of 'Vanaspathi' (the "**Sample**") collected from a general store, the Sample was 'sub-standard' as the content of free fatty acid was beyond the threshold specified under FSS Act. Subsequently, our Company filed written submissions on January 30, 2017 contesting the findings of the Report on the basis that the Sample was beyond its expiry date on the date of the analysis. The matter is currently pending.

6. Our Company received three notices dated May 14, 2015, April 8, 2019 and November 13, 2015 (the "**Notices**") from the Food Safety Officer, Krishna District, Machilipatnam (the "**FSO Machilipatnam**") and Assistant Food Controller and Designated Officer, Machilipatnam (the "**AFCDO Machilipatnam**") and Food Safety Designated Officer (the "**FSDO Machilipatnam**" and together with FSO Machilipatnam and AFCDO Machilipatnam, the "**Food Safety Authorities**") under the provisions of FSS Act. According to the Notices and based on the laboratory reports of Food Analyst, State Food Laboratory, Hyderabad (the "**Reports**"), the samples of 'Refined Palmolein Oil – First Class' and 'Freedom Refined Sunflower Oil' (the "**Samples**") collected from our depot located at Vijayawada and from the premises of certain general stores, the Samples did not conform to the standard under the FSS Act and were 'sub-standard' in quality and were misbranded. As per the Reports, the statements on the labels of the Samples were an exaggeration of the quality of the product, the Samples did not conform to the standards of Saponification Value and Halphen's test on the Samples returned positive. We filed appeals before the Food Safety Authorities stating that: (i) there was no evidence that the said product was manufactured by us; (ii) the Samples drawn were manufactured and sold in accordance with the specifications under the FSS Act; and (iii) according to our laboratory report, the acid value for the product in question was within the parameters prescribed under the FSS Act, as applicable. The matters are currently pending.

7. Our Company received two notices dated October 17, 2012 (the "**Notice 1**") and February 2, 2016 (the "**Notice 2**", together with Notice 1, the "**Notices**") from the FSO, Khammam District (the "**FSO Khammam**") under the provisions of the FSS Act. According to the Notice 1 and based on the analysis report of Food Analyst, State Food Laboratory, Hyderabad dated October 18, 2013 (the "**Report**") on samples of 'Vanaspati – First Class' (the "**Sample**") collected from a general store by the FSO, Khammam, the Sample collected were 'sub-standard' in nature due to non-compliance with melting point standards prescribed under the FSS Act. Thereafter, the FSO Khammam filed an application for adjudication against us before the Joint Collector and Adjudication Officer, Khammam District (the "**JCAO Khammam**"). We filed a written submission before the JCAO Khammam on May 20, 2017 denying the findings of the Report and stating that the Sample was manufactured and sold in accordance with the prescribed parameters under the FSS Act as evidenced by our Company's laboratory report. Further the Notice 2 indicated that the FSO Khammam had collected sample of our product and sent it for analysis. Additionally, we have been directed to furnish details of authorised signatory, nominee appointed under the FSA Act along with copy of license obtained under FSS Act. We have provided the required information and await further communication from the FSO, Khammam. The matters in relation to the Notices are currently pending.

8. Our Company received a notice dated May 5, 2013 (the "**Notice**") from the Food Safety Officer-B, Kurnool District (the "**FSO Kurnool**") under the provisions of the FSS Act. According to the Notice and based on the report of Food Analyst, State Food Laboratory, Hyderabad dated May 15, 2012 (the "**Report**"), the samples of 'Vanaspati – First Class' (the "**Sample**") collected from us were reported as 'sub-standard' in nature as it did not conform to the standard of melting point and tested negative for Vitamin A. Further, the FSO Notice stated that an application for adjudication had been filed against us and our employee, Subhendu Sekhar Manna, alleging contravention of Sections 3, 26, 27, 49 and 51 of the FSS Act before the Joint Collector and Additional District Magistrate and Adjudicating Officer, Kurnool. The matter is currently pending.

9. Our Company received a notice dated March 31, 2016 (the "**Notice**") from the Food Safety Designated Officer, Rangareddy District (the "**FSO RRD**") under the provisions of the FSS Act. According to the Notice and based on the report of Food Analyst, State Food Laboratory, Hyderabad dated March 26, 2016 (the "**Report**"), the samples of 'Freedom Physically Refined Rice Bran Oil' (the "**Samples**") collected by the FSO RRD from the premises of M/s Tirumala Oil Chem India Private Limited, the packaging of the Sample was reported as 'misbranded' and that the package exaggerated the quality of the product with statements such as 'Nutritionally Superior' and 'Close to WHO recommendations'. Our Company filed an appeal before the FSO RRD, challenging the findings of the Report. Thereafter, the FSO RRD filed an application for adjudication against us before the Adjudication Officer and Joint Collector, Rangareddy District ("**AOJC RRD**"). We filed written submissions before the AOJC RRD stating that the Samples drawn by the FSO RRD were manufactured and sold in accordance with the specifications under the FSS Act and that the package was not misleading or deceptive in nature and did not amount to 'misbranding'. The matter is currently pending.

10. Our Company received a notice dated April 6, 2017 (the "**Notice**") from the FSO, Food and Drug Administration M.S., Jalna (the "**FSO Jalna**") under the provisions of the FSS Act. According to the Notice and based on the report of the Food Analyst, State Public Health Laboratory, Pune dated March 6, 2017 (the "**Report**"), the packaging of the samples of 'Vanaspati – First Class' (the "**Samples**") collected by the FSO Jalna from the premises of M/s Vardhaman Agencies, manufactured by us, the packaging of the Samples was reported as 'sub-standard'. Our Company filed an appeal before the FSO Jalna, challenging the findings of the Report and requested for analysis of a second sample by the Referral Food Laboratory, Mysore, which, in its report issued on August 9, 2017 also found the Samples to be 'sub-standard' as the Samples tested positive for rancidity and was beyond the prescribed content for trans fats. Thereafter, the FSO Jalna filed an application for adjudication against us before the Adjudicating Officer, Food and Drug Administration, Aurangabad (the "**AO Aurangabad**"). We filed written submissions on March 14, 2018 before the AO Aurangabad stating that we had not been provided with details of the Samples

collected, in the absence of which we were unable to verify the specification or standard of the Samples collected. The matter is currently pending.

11. Our Company received two notices on November 12, 2015 and December 4, 2017 (the "**Notices**") from the FSO Srikakulam (the "**FSO Srikakulam**") and Assistant Food Controller and Designated Officer, Srikakulam (the "**AFCDO Srikakulam**") under the provisions of the FSS Act. According to the Notices and based on the reports of Food Analyst, State Food Laboratory (the "**Reports**"), Hyderabad, the samples of 'Freedom Refined Sunflower Oil', which was manufactured by us and 'Fortune edible Palmolein oil' (the "**Samples**") collected by the FSO Srikakulam, the packaging of the Samples was reported as 'misbranded' and 'sub-standard' as the statements on the labels of the Samples were an exaggeration of the quality of the product and the Samples did not conform to the prescribed standard of iodine, as applicable. We filed an appeal before the FSO Srikakulam, on December 10, 2015 challenging the findings of the relevant Report and requested for analysis of a second sample by the Referral Food Laboratory, Ghaziabad, which issued its report on May 4, 2016, and also found the Samples to be 'misbranded'. Thereafter, the FSO Srikakulam filed an application for adjudication dated March 25, 2015 against us before the Joint Collector and Adjudication Officer, Srikakulam (the "**AO Srikakulam**"). We filed written submissions before the AO Srikakulam stating that: (i) the Samples drawn were manufactured and sold in accordance with the specifications under the FSS Act; (ii) that the packaging was not misleading or deceptive in nature and did not amount to 'misbranding'; and (iii) that the statement in the packaging did not harm any consumers. Pursuant to order dated March 25, 2017 (the "**JCA Order**") by the Joint Collector and Adjudicating Officer, Srikakulam (the "**JCA**"), the JCA held us guilty of selling substandard products and imposed a fine of ₹0.20 million. Our Company filed a review petition dated May 9, 2017 against the JCA Order. In relation to the notice from the AFCDO Srikakulam, our Company filed an appeal on December 28, 2017 stating the Samples drawn were manufactured and sold in accordance with the specifications under the FSS Act, and that the statements on the package were not misleading or deceptive in nature and did not amount to 'misbranding'. Additionally, the FSO Srikakulam filed an application for adjudication against us before the Joint Collector & Adjudicating Officer, Srikakulam (the "**JCAO Srikakulam**") in relation to a sample of loose edible Palmolein oil purchased by a third party from our Company. Pursuant to order dated August 21, 2017 (the "**JCAO Order**"), the JCAO Srikakulam held us guilty of selling substandard products and imposed a fine of ₹0.20 million. We have filed a review application against the JCAO Order stating, *inter alia,* that the Sample drawn was from bulk oil stored by the third-party and there was no evidence that the Sample was supplied by us. The matters are currently pending.

12. Our Company received two notices on April 28, 2016 and November 14 2018 (the "**Notices**") from the FSO, Visakhapatnam (the "**FSO Visakhapatnam**") and Assistant Food Controller and Designated Officer, Visakhapatnam (the "**AFCDO Visakhapatnam**") under the provisions of the FSS Act. According to the Notices and based on the reports of Food Analyst, State Food Laboratory, Hyderabad and State Food Laboratory, Nacharam, Hyderabad ("**Food Safety Reports**"), the samples of 'Rice Bran Oil (Freedom)' and 'Freedom Physically Refined Rice Bran Oil' (the "**Samples**") collected by the FSO Visakhapatnam from the premises of M/s. Sri Ram Enterprises and M/s. Gudla Girish Gupta, which was manufactured by us, the packaging of the Samples was reported as 'misbranded', and the quality of the Samples was reported to be 'sub-standard'. As per the Reports, the Samples did not conform to the prescribed acid value and the statements on the labels were an exaggeration of the quality of the product. Our Company filed appeals before the FSO Visakhapatnam and AFCDO Visakhapatnam, challenging the findings of Food Safety Reports and requested for analysis of a second sample by the Referral Food Laboratory, Mysore ("**RFL, Mysore**"), as applicable. RFL, Mysore issued its report on September 20, 2016, and also found the samples to be 'misbranded'. Thereafter, the FSO Visakhapatnam filed an application for adjudication dated December 17, 2016 against us before the Joint Collector and Adjudicating Officer, Visakhapatnam. The matters are currently pending.

13. Our Company received a notice dated November 20, 2017 (the "**Notice**") from the FSO, West Godavari, Eluru (the "**FSO Eluru**") under the provisions of the FSS Act. According to the Notice and based on the report of Food Analyst (the "**Report**"), the samples of 'Refined Sunflower Oil (Freedom)' (the "**Samples**") collected by the FSO Eluru from the premises of a general store, which

was manufactured by us, the packaging of the Samples was reported as 'misbranded'. Thereafter, the FSO Eluru filed an application for adjudication dated June 14, 2018 against us before the Adjudicating Officer and Joint Collector, West Godavari, Eluru ("**AOJC Eluru**"). Our Company filed a written submission dated June 23, 2018 before the AOJC Eluru stating that we had not received any communication from FSO Eluru after providing the requested details. We also stated that we had not been provided an opportunity to contest the findings in the Report as the Report was not provided to us. The matter is currently pending.

14. Our Company received a notice dated December 19, 2015 (the "**Notice**") from the FSO, Sangli (the "**FSO Sangli**") under the provisions of the FSS Act. According to the Notice and based on the report of the Food Analyst, Food Testing Laboratory, Food and Drug Administration, Mumbai, dated November 30, 2015 (the "**Report**"), the quality of the samples of 'Vanaspati – First Klass' (the "**Samples**") collected by the FSO Sangli, from the premises of M/s. Krishna Vhali Corporation manufactured by us, the quality of the Samples was reported to be 'sub-standard' as the Samples tested positive on the Baudouin's test. Thereafter, the FSO Sangli filed an application for adjudication dated July 18, 2016 against us before the Adjudicating Officer and Joint Commissioner (Food), Pune. The matter is currently pending.

15. Our Company received a notice dated November 20, 2017 (the "**Notice**") from the Food Safety Designated Officer, Mahabubnagar (the "**FSDO Mahabubnagar**") under the provisions of the FSS Act. According to the Notice and based on the report of the State Food Laboratory, Hyderabad dated November 13, 2017 (the "**Report**") the packaging of the samples of 'Freedom Refined Sunflower Oil' (the "**Samples**") collected by Food Safety Officer, Mahabubnagar (the "**FSO Mahabubnagar**") from the premises of M/s Venkateshwara Super Market, manufactured by us, was 'misbranded' as the statements on the label of the Samples were an exaggeration of the quality of the product. Our Company filed an appeal before the FSDO Mahabubnagar stating that the Samples drawn by FSO Mahabubnagar were manufactured and sold in accordance with the specifications under the FSS Act and that the statements on the package were not misleading or deceptive in nature and did not amount to 'misbranding'. The matter is currently pending.

16. Our Company received two notices on November 7, 2017 and November 14, 2017 (the "**Notices**") from the Assistant Food Controller, Food Safety and Designated Officer, Ongole (the "**AFCFSDO Ongole**") under the provisions of the FSS Act. According to the Notices and based on the reports of the FASFL Hyderabad and State Food Laboratory, Hyderabad, the packaging of the samples of 'Freedom Refined Sunflower Oil' (the "**Samples**") collected from the premises of certain general stores, manufactured by us, was 'misbranded' as the statements on the label of the Samples were an exaggeration of the quality of the product. Our Company filed appeals before the AFCFSDO Ongole stating that: (i) the Samples drawn by FSO Ongole were manufactured and sold in accordance with the specifications under the FSS Act; (ii) that the statements on the package were not misleading or deceptive in nature and did not amount to 'misbranding'. The matters are currently pending.

17. Our Company received two notices on June 25, 2015 and September 12, 2015 (the "**Notices**") from the Food Safety Designated Officer, Chittoor (the "**FSDO Chittoor**") under the provisions of the FSS Act. According to the Notices and based on the reports of Food Analyst, State Food Laboratory, Hyderabad (the "**Reports**") the quality of the samples of 'Fabula Vanaspati' and 'Vanaspathi – First Class' (the "**Samples**") collected by Food Safety Officer, Chittoor (the "**FSO Chittoor**") from the premises of M/s Nutrine Confectionary and M/s Bhaskara Varma Tiffin Centre, manufactured by us, the quality of the Samples was reported as 'sub-standard' as the Samples were deficient in Vitamin A. Our Company filed appeals before the FSDO Chittoor contesting the Reports and stating that the products were within the parameters prescribed under the Food Standards. The matters are currently pending.

18. Our Company received a notice dated May 10, 2016 (the "**Notice**") from the Assistant Food Controller and Zonal Designated Officer, Kadapa (the "**AFCZDO Kadapa**") under the provisions of the FSS Act. According to the Notice and based on the report of the Food Analyst, State Food Laboratory, Hyderabad dated April 30, 2016 (the "**Report**"), the packaging and quality of the samples of 'Freedom Refined Sunflower Oil' (the "**Samples**") collected by Food Safety Officer –

Division I, Ananthapuram district (the "**FSO Kadapa**") from the premises of M/S Enuguru Nagabhushanam & Sons, manufactured by us, the packaging of the Sample was reported as 'misbranded' as the Samples do not contain Vitamin A as indicated in the label of the Samples. Our Company filed an appeal dated June 6, 2016 before the AFCZDO Kadapa contesting the Report and stating that, according to our laboratory report, the vitamin A present in the product was within the parameters prescribed under the Food Standards Regulations and that the samples drawn by FSO Kadapa were manufactured and sold in accordance with the specifications under the FSS Act. The matter is currently pending.

19. Our Company received a notice dated August 24, 2016 (the "**Notice**") from the Food Safety Officer, Akola (the "**FSO Akola**") under the provisions of the FSS Act. According to the Notice and based on the report of Food Analyst, Maharashtra dated July 29, 2016 (the "**Report**") on sample of 'Vanaspathi – First Class' (the "**Sample**") collected from us by the FSO Akola, the Sample collected was 'sub-standard' in nature due to higher melting point than the prescribed standards under the FSS Act and containing a high value of fatty acids. Our Company filed a reply on September 2, 2016 before the FSO Akola contesting the findings of the Report on the basis that the Sample was beyond its expiry date on the date of the analysis and stating that the product was manufactured and sold in accordance with the parameters prescribed under the FSS Act as evidenced by our Company's laboratory report. We stated that according to our laboratory report, the product was within the parameters prescribed under the Food Standards Regulations and that the Samples drawn by FSO Akola were manufactured and sold in accordance with the specifications under the FSS Act. The matter is currently pending.

20. Our Company received a notice dated November 11, 2020 (the "**Notice**") from the Food Safety Designated Officer, Ghaziabad (the "**FSDO Ghaziabad**") under the provisions of the FSS Act. According to the Notice and based on the report of the Food Analyst, Government Public Analyst Laboratory, Lucknow dated June 27, 2020 (the "**Report**") the packaging and the quality of the samples of 'GEF Fabula – Interesterified Vegetable Fat' (the "**Samples**") collected by Food Safety Officer Ghaziabad (the "**FSO Ghaziabad**"), manufactured by us,, the packaging of the Samples was reported as 'misbranded' and the quality of the Samples was reported as 'sub-standard' as the Samples did not conform to the prescribed standard of interesterified vegetable fat with respect to Bauduin test and Vitamin A. Our Company filed an appeal dated December 15, 2020 before the FSDO Ghaziabad contesting the Report stating that the analysis in the Report was conducted in part prior to the lockdown imposed on account of COVID-19 and in part post the lockdown, due to which the Samples had a high degree of deterioration because of the unusual storage conditions. We also stated that we were denied the opportunity to contest the Report as the shelf life of the Sample in question had already expired and any future analysis of the Sample would lead to improper results and that the samples drawn by FSO Ghaziabad were manufactured and sold in accordance with the specifications under the FSS Act. Our Company has requested for adjournment of the hearing scheduled on March 8, 2021 due to prevailing circumstances due to COVID-19. The matter is currently pending.

21. Our Company received a show cause notice dated December 24, 2019 from the Senior Inspector, Legal Metrology, Lucknow, Uttar Pradesh (the "**Legal Metrology Inspector Lucknow**") alleging that our product 'Freedom Refined Sunflower Oil 5 Litre Jar' was placed for sale on the online platform Paytm.com ("**Paytm")** and the unit of measurement displayed in the declaration of the product as 'Ltr' on the Paytm platform was not recognised under the Legal Metrology (Packaged Commodities) Rules, 2011 (the "**Legal Metrology Packaging Rules**") and directing to show cause why legal proceedings should not be initiated against our Company. Our Company filed a reply dated January 21, 2019 before the Legal Metrology Inspector Lucknow stating that the product was not sold directly to Paytm by us nor did we have any sale arrangements of the product through Paytm. We further stated that the declaration of net weight or content of the product was as per the units of measurement prescribed under Legal Metrology Packaging Rules and that it was the responsibility of Paytm as the e-commerce entity for the declarations displayed on its digital platform as per the Legal Metrology Packaging Rules. The matter is currently pending.

22. The Government of Andhra Pradesh issued a notice dated July 25, 2011 according to which, our Company was eligible for reimbursement of 50.00% VAT and CST / SGST for a period of five years from the date of commercial production. Accordingly, our unit in Nellore availed 50.00% of the sales tax paid by it as reimbursement. By way of notice dated February 3, 2021, Joint Director challenged the reimbursement due to us and alleged that our unit in Nellore had not fulfilled the ₹1,500 million investment and the realised employment details were also not available. We have filed a reply providing clarification that our Company has met the investment criteria and fulfilled the employment requirements. The matter is currently pending.

23. Our Company received a notice dated November 3, 2020 (the "**TPCB Notice**") from the Senior Environmental Engineer, Telangana Pollution Control Board directing us to obtain registration under the Plastic Waste Management Rules, 2016 (the "**Plastic Waste Rules**"). Further, the TPCB Notice directed that our Company fulfil the extended producer responsibility as required under the Plastic Waste Rules within 15 days from the date of the order of the Central PCB, i.e., October 6, 2020. The Plastic Waste Rules provide for state PCBs to identify the brand owners or producers operating without registration under the Plastic Waste Rules. Failure to register under the Plastic Waste Rules may result in action being initiated against us, including closure of operations and levy of environmental penalty. We have applied to the Central Pollution Control Board, Delhi for relevant registrations under the Plastic Waste Rules and the registration is currently pending.

*(c) Material Civil Litigation against our Company*

As of the date of this Draft Red Herring Prospectus, there were no outstanding material civil proceedings against our Company, other than as disclosed below.

1. Vedavathi ("**Vedavathi**") filed an application dated November 16, 2015 (the "**NGT Application**") before the National Green Tribunal (South Zone), Chennai ("**NGT Chennai**") against our Company represented by our Managing Director, Pradeep Chowdhry and certain other companies (together, the "**Respondents**") alleging that the Respondents were causing water and air pollution by discharging effluents without treatment, which was leading to the water of the area becoming unfit for drinking and irrigation and the factories established by us and the other Respondents had not installed pollution control equipment as mandated by law. Vedavathi prayed that an order be issued by NGT Chennai, among other things, restraining us and the other Respondents from discharging effluents from our factories into irrigation channels at the location of the factories. We filed an affidavit in reply on March 4, 2016 before NGT Chennai contesting Vedavathi's allegations and prayed for dismissal of the NGT Application. Vedavathi filed a rejoinder dated August 31, 2017 before NGT Chennai reiterating the allegations made in the NGT Application. Andhra Pradesh Pollution Control Board ("**APPCB**") issued an order against us on December 27, 2018 directing us to comply with certain technical requirements in the interest of public health and environment. Pursuant to an order dated March 16, 2020, NGT Chennai appointed a joint committee (the "**NGT Joint Committee**") for inspecting the area and submitting a report. The NGT Joint Committee submitted its report on December 1, 2020 (the "**NGT Joint Committee Report**") and found our Company to be in partial compliance of the standards stipulated by APPCB. Further, the NGT Joint Committee Report recommended imposition of a fine of ₹6.60 million on our Company. We filed objections to the NGT Joint Committee Report on February 17, 2021 and prayed against imposition of the proposed fine contending, *inter alia*, that our Company is in compliance with all norms prescribed the APPCB, providing paragraph wise objections to the NGT Joint Committee Report. The matter is currently pending.

2. Our Company received a notice of opposition by ITC Limited ("**ITC**") dated June 3, 2020 (the "**ITC Opposition Notice**") from the Registrar of Trade Marks (the "**Registrar**") to the trademark application filed by our Company for registration of the mark 'MANIDEEP' (the "**Impugned Mark**") on certain grounds including, that the Impugned Mark was deceptively similar to the mark "MANGALDEEP", which is owned by ITC and has been in use since 1985. Our Company has filed counter statements to the ITC Opposition Notice on July 7, 2020. ITC has filed evidence in support of opposition on September 15, 2020 stating, *inter alia,* that the registration of the Impugned Mark would be detrimental to ITC's business under its well-known trade mark 'MANGALDEEP' and

that an average consumer cannot distinguish between ITC's well-known 'MANGALDEEP' mark and the Impugned Mark. Our Company has filed evidence in support of trademark application on November 3, 2020 (the "**Trademark Application**"). Additionally, Mysore Deep Perfumery House, a partnership firm ("**Mysore Deep**"), has also filed an opposition notice dated May 19, 2020 to the trademark application filed by our Company for registration of the Impugned Mark stating, *inter* alia, that the Impugned Mark is identical and deceptively similar to a mark registered in the name of Mysore Deep. Our Company has filed evidence on October 29, 2020 in support of the Trademark Application. Our Company is not using the Impugned Mark currently. The matters are currently pending.

3. Sri Sapthagiri Industries ("**Sapthagiri**") has filed 6 notices of opposition (the "**Opposition Notices**") and an application for rectification (the "**Rectification Application**") against various trademarks associated with our brand 'Freedom' (the "**Impugned Marks**") which is registered in the name of our Company, stating *inter* alia, that the Impugned Marks are generic in nature, holds no creative intellect, and our Company holds no substantial goodwill with respect to the Impugned Marks. Sapthagiri has prayed for removal of the Impugned Marks from the register of trademarks in the Rectification Application. Our Company has filed counter statements to the Opposition Notices and the Rectification Application stating, *inter alia*, that the extensive use of the Impugned Marks by our Company for several products has led to the Impugned Marks acquiring distinctiveness, goodwill and reputation among the customers. Additionally, our Company has filed an application before the High Court of Delhi at New Delhi, praying for injunction to be granted against Sapthagiri from *inter alia* using the 'TASTYDROPS' trade mark/ trade dress/ label/ packaging as it is deceptively and confusingly similar to our 'FREEDOM' trade mark/ trade dress/ label/ packaging. The matters are currently pending.

4. The Assistant Commissioner of Income Tax, Circle 2(2), Hyderabad (the "**Assistant CIT**"), through an assessment order dated March 31, 2015, (the "**Order**") disallowed foreign exchange loss (in purchases of capital assets, on commodity hedging and fluctuation loss) of ₹245.85 million for the assessment year 2012-13, under section 143(3) of the Income Tax Act, 1961 (the "**IT Act**"). Thereafter, our Company filed an appeal with Commissioner of Income Tax - Appeals, Hyderabad (the "**CIT-A**") on April 29, 2015. Pursuant to an order dated May 31, 2017 (the "**CIT-A Order**"), the Order was overturned by the CIT-A. The Assistant CIT further filed an appeal with Income Tax Appellate Tribunal (the "**ITAT**") on August 4, 2017 against the CIT-A Order, which was dismissed by ITAT pursuant to order dated July 31, 2018 (the "**Impugned Order**"). The Principal Commissioner of Income Tax - 2, Hyderabad filed an appeal against the Impugned Order before the High Court of Telangana, Hyderabad. The matter is currently pending.

5. Our Company received a show cause notice dated May 2, 2018 (the "**Show Cause Notice**") from the Office of the Commissioner of Customs Preventive, Vijayawada (the "**CCP**") seeking recovery of, with applicable penalty, ₹41.07 million from our Company as customs duty on account of import of crude sunflower seed oil under Section 28(4) of the Customs Act towards integrated goods and services tax ("**IGST**"). As per the Show Cause Notice, our Company declared wrong warehousing dates and filed ex-bond bills of entry to evade payment of IGST. Our Company filed a reply to the Show Cause Notice and appeared before the CCP for hearings, through an authorized representative, on July 24, 2018 and August 3, 2018. The CCP passed an order dated August 23, 2018 ("**Impugned Order**") imposing ₹41.07 million on our Company as recovery along with applicable interest. The CCP also imposed a penalty of ₹42.17 million for contravention of various provisions of the Customs Act section 114A and 114AA and the regulations thereunder. Further, the CCP also ordered cancellation of customs private bonded warehouse license obtained by our Company. Our Company has filed an appeal against the Impugned Order before the Office of the Customs, Excise and Service Tax Appellate Tribunal, Hyderabad. The matter is currently pending. For further details see, "*Government and Other Approvals – Pending Approvals*" on page 301.

6. Our Company received a notice dated June 23, 2021 (the "**Notice**") from the Office of the Principal Commissioner of Customs, Chennai-III (Preventive) ("**PCC**") stating that, in view of registration of an offence regarding misuse of Merchandise Exports from India Scheme ("**MEIS**") in the Directorate of Revenue Intelligence ("**DRI**") database ("**DRIN SCN**"), we would not be allowed to

continue using our warehouse. Our Company responded to the Notice on June 25, 2021 submitting *inter alia* that the Notice was issued without authority of law. Our Company received another notice (the "**Hearing Notice**") dated July 13, 2021 from PCC for appearing before PCC to make submission for non-cancellation of the warehouse license issued to us under the Customs Act. Further, the Hearing Notice also stated that apart from the DRI SCN, an investigation regarding non-payment of Integrated Goods and Sales Tax ("**IGST**") was also ongoing against our Company. In this regard, our Company made written submissions to the PCC on July 22, 2021 submitting *inter alia* that: (i) DRI SCN is not sustainable in law; and (ii) in relation to non-payment of IGST, our Company was not required to pay IGST in accordance with judicial precedents and consequently, the suspension or cancellation of our warehouse license was not warranted. Subsequently, we received a communication dated July 27, 2021 (the "**Communication**") from the PCC instructing our Company to execute an indemnity bond for an amount of ₹57.70 million (the "**Bond**"), which could be our approximate IGST liability depending on the outcome of the stated investigation. Further, the Communication also allowed the continuation of the warehouse license for a period of six months subject to submission of the Bond. Consequently, our Company executed the Bond on July 30, 2021 in favor of the Assistant/Deputy Commissioner of Customs, Chennai. The matter is currently pending. For details in relation to proceedings involving MEIS duty credit scrips, please see "—*Tax Proceedings involving our Company, Directors and Promoters*" on page 297.

**II. Legal proceedings involving our Group Companies**

(a) *Material legal proceedings involving Leo Global*

The SEBI issued a show cause notice dated September 25, 2018 (the "**2018 SCN**") against one of our Group Companies and Individual Promoters' Promoter Group entity, Leo Global Commodities Private Limited ("**Leo Global**"), a stock broker registered with SEBI in the commodities derivatives segment and, along with other brokers, under Regulations 24 and 25(1) of the Securities and Exchange Board of India (Intermediaries) Regulation, 2008 (the "**Intermediaries Regulations**") and Section 19 of the Securities and Exchange Board of India Act, 1992 (the "**SEBI Act**"). Leo Global was a member of the National Spot Exchange Limited ("**NSEL**"). The 2018 SCN stated, among other things, that: (i) Leo Global issued "paired contracts" (wherein investors entered into a short-term buy along with a long-term sell contract) in violation of the Forward Contracts (Regulation) Act, 1952 ("**FCRA**") and Central Government Notification dated June 5, 2007 which required, *inter alia,* that no short sale should be undertaken by members of NSEL and that all outstanding positions at the end of the day should result in delivery; and (ii) Leo Global participated in, and/or facilitated participation by its clients in, such paired contracts during the period of September 2009 to August 2013 (the "**Violation Period**"), and had violated Regulation 9(b) and 9(f) of the Securities and Exchange Board of India (Stock Brokers) Regulations, 1992 (the "**Broker Regulations**") read with Clause A(1), A(2) and A(5) of the Schedule II of the Broker Regulations and was not a "fit and proper person" to hold the registration as a trading/clearing member under the Broker Regulations. A designated authority ("**DA**") had been appointed to enquire into the alleged violation of the conditions of registration under the Broker Regulations and the Intermediaries Regulations by Leo Global. The 2018 SCN called to question why appropriate action should not be taken against Leo Global under the Intermediaries Regulations. Subsequently, the DA submitted an enquiry report (the "**Enquiry Report**") and recommended that the registration of Leo Global as a commodity derivatives broker be cancelled in terms of Regulation 27 of the Intermediaries Regulation and Section 12(3) of the SEBI Act.

Further, basis the Enquiry Report, the SEBI issued another show cause notice dated January 15, 2021 ("**2021 SCN**") under the Intermediaries Regulations against Leo Global. The 2021 SCN called to question whether Leo Global is a 'fit and proper person' for holding the certificate of registration as a trading / clearing member under the Broker Regulations and why the action recommended by the DA in the Enquiry Report, or any other appropriate action under Regulation 28(2) of the Intermediaries Regulations, should not be taken against Leo Global.

Leo Global responded to the 2018 SCN and the 2021 SCN on October 29, 2018 and March 1, 2021, respectively, denying the allegations and stated, *inter alia*, that: (i) principles of natural justice had not been adhered to; (ii) Leo Global merely traded and facilitated trades on the trading platform provided by NSEL and it had no say in the matter of designing the commodities contracts, including the alleged paired contracts, as they were entirely within the domain of NSEL. The erstwhile Forward Markets Commission, which was responsible to check NSEL's compliance with FCRA, failed to take timely action against NSEL during the Violation Period; (iii) the interim report of the Enforcement Offences Wing, Office of the Police Inspector, WOW, SIT-NSEL, Mumbai ("**EOW**"), which the Enquiry Report relied upon, stated no specific charges against Leo Global and the amount of ₹165.44 million referred to in the EOW report was, in fact, receivable by Leo Global from the NSEL; (iv) the Enquiry Report's conclusion that Leo Global should have conducted proper due diligence before entering into paired contracts on behalf of its clients was erroneous as it was not within the power of a broker to question the legality of any trading contracts and all clients who dealt through Leo Global were duly registered clients with proper KYC checks and all trades were carried out in accordance with the rules and bye-laws set by NSEL; (v) NSEL had confirmed that the alleged paired contracts were legal and permissible within the ambit of the notification dated June 5, 2007 granting it exemption from compliance with the provisions of FCRA; (vi) Leo Global executed trades only for few clients who had approached it and it neither marketed, nor intended to market, the paired contracts; and (vii) the allegation that it was not a "fit and proper" person to hold registration as a trading / clearing member, and the related penalty being sought to be imposed, defied the doctrine of the principle of proportionality as the penalty was proposed to be levied on all members of NSEL irrespective of the value of trades entered into by them in the alleged paired contracts. Leo Global prayed that in view of its submissions, the DA's observation that Leo Global was not a "fit and proper person", and its recommendation that Leo Global's registration as a commodity derivative broker be cancelled, should not be accepted.

On April 12, 2021, the EOW issued a notice to Uttam Singhal, a director of Leo Global, directing him to appear at an in-person hearing along with certain documents. Uttam Singhal responded to the notice from the EOW on June 2, 2021 and attended a personal hearing with EOW on July 29, 2021 where he submitted the documents requested by EOW. Leo Global remains registered as a commodity derivatives broker while this matter is still pending with EOW and SEBI.

## III. Tax Proceedings involving our Company, Directors and Promoters

Details of outstanding tax proceedings involving our Company, our Directors and our Promoters, as of the date of this Draft Red Herring Prospectus, are disclosed below.

| Nature of Proceedings | Number of Proceedings | Amount involved (₹ million)^ |
|---|---|---|
| **Direct Tax** | | |
| *Company* | 1 | Nil |
| **Sub-Total (A)** | **1** | **Nil** |
| **Indirect Tax^^** | | |
| *Company* | 14 | 112.06 |
| **Sub-Total (B)** | **14** | **112.06** |
| **TOTAL (A+B)*** | **15** | **112.06** |

* *Such amount excludes any interest and includes any penalty in relation to such direct tax proceedings.*
^ *To the extent quantifiable.*
^^ *As of the date of this Draft Red Herring Prospectus, our Company had received 11 show cause notices (the "**Notices**") under the Customs Act, in relation to payment for import of goods utilizing MEIS duty credit scrips ("**MEIS Scrips**"). Our Company has responded to the Notices stating, inter alia, that: (i) the MEIS Scrips, which were originally issued to other exporters (the "**Exporters**"), are freely transferable and obtained by our Company from the Exporters; and (ii) the Exporters, being the original holders of the MEIS Scrips were liable for the actions proposed to be implemented and not the Company. The matters in relation to the Notices are currently pending.*

## IV. Outstanding Dues to Creditors

In accordance with the SEBI ICDR Regulations, our Company, pursuant to a resolution dated August 2, 2021 of our Board, considers all creditors to whom the amount due by our Company exceeds 1.00% of the total trade payables (i.e., ₹53.82 million) of our Company as of March 31, 2021, as provided in the Restated Financial Information, as material creditors of our Company. Details of outstanding dues owed to material creditors, MSME creditors and other creditors of our Company based on such determination are disclosed below.

| Types of Creditors | Number of Creditors | Amount (₹ million) |
|---|---|---|
| Material creditors | 4 | 4,796.00 |
| MSME creditors | 74 | 42.16 |
| Other creditors* | 373 | 392.63 |
| **Total** | **451** | **5,230.79** |

** Excludes ₹89.91 million towards provision for expenses for which vendor invoices are awaited and loss of ₹ 61.75 million on exchange translation at the year end.*

For details pertaining to outstanding dues owed to our material creditors, along with their names and amount involved for each such material creditor are available on the website of our Company at www.gefindia.com/investors.html.

*Information provided on the website of our Company is not a part of this Draft Red Herring Prospectus. Anyone placing reliance on any other source of information, including our Company's website, www.gefindia.com, would be doing so at their own risk.*

**V. Material Developments since the Last Balance Sheet**

Other than as disclosed in "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on page 265, in the opinion of our Board, no circumstances have arisen since the date of our last balance sheet as disclosed in this Draft Red Herring Prospectus which materially and adversely affect, or are likely to affect, our operations or profitability, or the value of our assets, or our ability to pay our liabilities within the next 12 months.

## GOVERNMENT AND OTHER APPROVALS

*Disclosed below is an indicative list of necessary and material approvals, licenses, consents, registrations and permits, in view of which, our Company can undertake the Offer and its business activities as currently conducted and disclosed in this Draft Red Herring Prospectus. Unless otherwise stated, these approvals, licenses, consents, registrations or permits were valid as of the date of this Draft Red Herring Prospectus. Certain approvals, licenses, consents, registrations and permits may expire periodically in the ordinary course and we submit applications for their renewal in accordance with applicable requirements and procedures. We have disclosed below the material approvals for which we had filed an application which were pending as of the date of this Draft Red Herring Prospectus. There are no material approvals for which we have not yet filed an application. For details in connection with the regulatory and legal framework within which we operate, see "Key Regulations and Policies" beginning on page 161.*

### I. Approvals in Relation to the Offer

For details in relation to the approvals and authorizations in relation to the Offer, see "*Other Regulatory and Statutory Disclosures—Authority for the Offer*" on page 305.

### II. Approvals in Relation to our Company

*(a) Corporate Approvals*

1. Certificate of incorporation dated April 17, 2008 was issued to our Company by the RoC.
2. Fresh certificate of incorporation dated July 8, 2021 consequent upon conversion into a public limited company was issued to our Company by the RoC.

For further details, see "*History and Certain Corporate Matters*" beginning on page 168.

*(b) Tax Registrations*

1. The permanent account number of our Company is AADCG5150F, issued by the Income Tax Department, Government of India.
2. The tax deduction account number of our Company is HYDG09219A, issued by the Income Tax Department, Government of India.
3. We have obtained GST registration numbers issued by the Government of India under central and state goods and service tax legislations in various states, where our business operations are situated.
4. We have obtained registrations under the applicable professional tax statutes in various states where are business operations are situated.

### III. Approvals in Relation to our Business

As of the date of this Draft Red Herring Prospectus, our Company operated three refineries, located in Krishnapatnam and Kakinada (two-units).

*(a) Material Licenses and Approvals obtained by our Company*

1. Licenses to work a factory issued under the Factories Act, 1948 in respect of the refinery located at Krishnapatnam and the two-unit refineries located at Kakinada.

2. Certificate issued under the Indian Boilers Act, 1923 for use of boilers in respect of the refinery located at Krishnapatnam and the two-unit refinery located at Kakinada.

3. Private bonded warehouse license issued under the Customs Act in respect of the refinery located at Krishnapatnam and one of our unit refinery located at Kakinada.

4. License granted under the Food Safety and Standards Act, 2006 in respect of the depots and the refinery located at Krishnapatnam and the two-unit refinery located at Kakinada.

5. No objection certificate issued under the applicable fire law in respect of the refinery located at Krishnapatnam and the two-unit refinery located at Kakinada.

6. License for manufacture of, and trade in, vegetable oils and fats granted by the Gram Panchayat for the two-unit refinery located at Kakinada and by Hyderabad Municipal Corporation for the refinery located at Krishnapatnam.

7. Certificate of registration as a manufacturer/packer issued under the Legal Metrology (Packaged Commodities) Rules, 2011 for two unit refinery located at Kakinada.

8. Certificate of registration as a manufacturer and packer issued under the Standards of Weights and Measures (Packaged Commodities) Rules, 1977 for the refinery located at Krishnapatnam.

9. Certificate of verification of stamping the weights and measures belonging to the refinery located at Krishnapatnam and the two-unit refinery located at Kakinada issued by Office of the Assistant Controller, Legal Metrology under the Legal Metrology Act, 2009.

10. Registration granted under the Solvent Extracted Oil, De-oiled Meal and Edible Flour (Control) Order, 1967 for the refinery located at Krishnapatnam.

11. License granted to store compressed gas in cylinders under the Explosives Act, 1884 for the refinery located at Krishnapatnam.

12. License granted to import and store petroleum under the Petroleum Act, 1934 for the refinery located at Krishnapatnam.

13. Industrial Entrepreneur Memorandum issued in respect of the refinery located at Krishnapatnam and the two-unit refinery located at Kakinada granting exemption for certain products from compliance with the requirements of industrial licensing under the Industries (Development and Regulation) Act, 1951.

14. Roundtable on Sustainable Palm Oil (RSPO) Certification and Food Safety System Certification (FSSC) 2000 granted for the refinery located at Krishnapatnam.

15. Halal India Certificate granted to our Company certifying that its certain products are in compliance with Shariah (Islamic) Board Guidelines.

16. Certification granted by OK Kosher Certification to our Company certifying that its certain products are Kosher.

17. Our Company has obtained trade licenses for its depots situated in the states of Telangana, Andhra Pradesh and Karnataka.

18. Importer-Exporter Code has been granted to our Company and has been extended to our Registered and Corporate Office, the refinery located at Krishnapatnam and the two-unit refinery located at Kakinada.

*(b)* *Approvals under environment protection laws*

1. Consent to operate an industrial plant issued by various pollution control boards under the Water (Prevention and Control of Pollution) Act, 1974, the Air (Prevention and Control of Pollution) Act, 1981 and the Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2016 in respect of the refinery located at Krishnapatnam and the two-unit refinery located at Kakinada.

*(c)* *Approvals under labor and employment laws*

1. Our Company has obtained registrations under the applicable state-level shops and establishments legislations for its depots and head office. Certain of these approvals may have lapsed in their normal course and our Company has either made an application to the appropriate authorities for renewal of such registration or is in the process of making such applications. The term of such registrations and renewal requirements may differ under various state legislations.

2. Employees' state insurance code registration, issued by the Employees' State Insurance Corporation under the Employees' State Insurance Act, 1948, as amended, and as applicable.

3. Certificates of registration of establishment issued under Andhra Pradesh (Issuance of Integrated Registration and Furnishing of Combined returns under various Labour Laws by certain Establishments) Act, 2015 evidencing registration under:

   a. the Contract Labour (Regulation and Abolition) Act, 1970, as amended (i) dated June 13, 2014 for the refinery located at Krishnapatnam; and (ii) dated February 9, 2011 and February 1, 2019 for refinery Unit 1 and Unit 3, respectively, located at Kakinada.

   b. the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979, as amended (i) dated June 13, 2014 for the refinery located at Krishnapatnam; and (ii) dated February 9, 2011 and June 17, 2021 for refinery Unit 1 and Unit 3, respectively, located at Kakinada.

   c. the Payment of Gratuity Act, 1972, as amended (i) dated June 13, 2014 for the refinery located at Krishnapatnam; and (ii) dated February 9, 2011 and June 17, 2021 for the two-unit refinery located at Kakinada.

   d. Certificate of registration of establishment issued by the Office of the Regional Provident Fund Commissioner, Andhra Pradesh under the Employees' Provident Fund and Miscellaneous Provision Act, 1952.

**IV. Pending Approvals**

*(a)* Trade licenses for our depots situated at Ongole, Vizianagram, Warangal, Jagityal, Bellary, Guntur, Tirpurati, Sambalpur, Raipur, Gudivada and Mysore.

*(b)* Registrations under the relevant shops and establishments legislations for our depots situated at Mangalore and Bellary.

*(c)* Private bonded warehouse license issued under the Customs Act in respect of one of our refinery units located at Kakinada (the "**Warehouse License**"). In this regard, the Warehouse License has been cancelled pursuant to an order by the Commissioner of Customs Preventive, Vijayawada. This cancellation has been contested by our Company. For further details, see "*Outstanding Litigation and Material Developments—Material Civil Litigation against our Company*" and "*Risk Factors—21. Any delay or inability in obtaining, renewing or maintaining our permits, licenses, registrations and approvals could result in an adverse effect on our results of operations*" on pages 294 and 37, respectively.

## V. Intellectual Property

*(a) Registrations obtained by our Company*

**Trademarks**

As of the date of this Draft Red Herring Prospectus, our Company had obtained the following trademarks:

| S. No. | Description | Class | Trademark Number |
|---|---|---|---|
| 1. | Freedom (device) | 29 | 1885635 |
| 2. | GEF Xpert Food Services | 29 | 2026823 |
| 3. | GEF Fabula | 29 | 2031901 |
| 4. | GEF Pastry Club | 29 | 2031902 |
| 5. | GEF Chillo | 29 | 2031903 |
| 6. | GEF Munch magic | 29 | 2031904 |
| 7. | GEF Chocomate | 29 | 2031905 |
| 8. | GEF smart cream | 29 | 2031906 |
| 9. | GEF Center Magik | 29 | 2296133 |
| 10. | GEF Choco Magik | 29 | 2296134 |
| 11. | GEF Cream Magik | 29 | 2296136 |
| 12. | GEF Puff Magik | 29 | 2296137 |
| 13. | GEF Munch Magik | 29 | 2296138 |
| 14. | GEF Magik Food Services | 29 | 2296139 |
| 15. | GEF Kern Magik | 29 | 2296140 |
| 16. | GEF Fry Magik | 29 | 2296141 |
| 17. | GEF Ice Magik | 29 | 2296142 |
| 18. | First Klass (Logo) | 29 | 2748314 |
| 19. | Leaf in Colour | 29 | 4335520 |
| 20. | AMOGA (word mark) | 29 | 4174771 |
| 21. | Freedom with leaf in colour | 40 | 4714261 |
| 22. | Freedom in black & white | 40 | 4715388 |
| 23. | Leaf | 9 | 4715392 |
| 24. | Leaf | 30 | 4715393 |
| 25. | Leaf | 31 | 4715642 |
| 26. | Leaf | 40 | 4715644 |
| 27. | Freedom to eat. Freedom to enjoy | 40 | 4715677 |
| 28. | Freedom with leaf in colour | 9 | 4714257 |

**Copyright**

As of the date of this Draft Red Herring Prospectus, our Company had obtained the following copyrights:

| S. No. | Description | Copyright Number |
|---|---|---|
| 1. | Freedom Refined Sunflower Oil Package | A-135846/2021 |

**Design**

As of the date of this Draft Red Herring Prospectus, our Company had obtained the following designs:

| S. No. | Description | Class(es) | Design Number |
|---|---|---|---|
| 1. | Bottle with side handle | 09-01 | 288624 |

| | | | |
|---|---|---|---|
| 2. | Container | 09-03 | 323032-001 |

*(b) Applications filed by our Company including status of such applications*

**Trademarks**

| S. No. | Description | Class | Application Number | Status |
|---|---|---|---|---|
| 1. | GEF Coat Magik | 29 | 2296135 | Objected |
| 2. | MANIDEEP ( word mark) | 3 | 4174772 | Opposed |
| 3. | FREEDOM (word mark) | 29 | 4318371 | Opposed |
| 4. | Freedom (Device) - Freedom with leaf in colour | 29 | 4335517 | Opposed |
| 5. | Freedom in colour | 29 | 4335518 | Objected |
| 6. | Freedom (Device) - Freedom in black & white | 29 | 4335519 | Objected |
| 7. | Freedom refined Sunflower Oil 15 litres label | 29 | 4335521 | Opposed |
| 8. | With Vitamins A, D & E triangle in colour | 29 | 4335522 | Objected |
| 9. | Freedom Refined Sunflower Oil 5 litres label (Device) | 29 | 4335523 | Opposed |
| 10. | Freedom to eat. Freedom to enjoy | 29 | 4335524 | Objected |
| 11. | Freedom Refined Sunflower Oil 1 litre pack (Device) | 29 | 4335525 | Opposed |
| 12. | Freedom Groundnut Oil 1 litre pack (Device) | 29 | 4335526 | Opposed |
| 13. | Freedom Kachi Ghani Mustard Oil 1 litre pack (Device) | 29 | 4335527 | Objected |
| 14. | Freedom Physically Refined Rice Bran oil 1 litre pack | 29 | 4335528 | Objected |
| 15. | Freedom with leaf in colour | 3 | 4714255 | Objected |
| 16. | Freedom with leaf in colour | 5 | 4714256 | Objected |
| 17. | Freedom with leaf in colour | 30 | 4714258 | Objected |
| 18. | Freedom with leaf in colour | 31 | 4714259 | Objected |
| 19. | Freedom with leaf in colour | 35 | 4714260 | Objected |
| 20. | Freedom with leaf in colour | 43 | 4714262 | Objected |
| 21. | Freedom in black & white | 3 | 4714263 | Objected |
| 22. | Freedom in black & white | 5 | 4714264 | Objected |
| 23. | Freedom in black & white | 9 | 4715384 | Objected |
| 24. | Freedom in black & white | 30 | 4715385 | Objected |
| 25. | Freedom in black & white | 31 | 4715386 | Objected |
| 26. | Freedom in black & white | 5 | 4715387 | Objected |
| 27. | Freedom in black & white | 43 | 4715389 | Objected |
| 28. | Leaf | 3 | 4715390 | Objected |
| 29. | Leaf | 5 | 4715391 | Objected |
| 30. | Leaf | 35 | 4715643 | Objected |
| 31. | Leaf | 43 | 4715645 | Objected |
| 32. | Freedom to eat. Freedom to enjoy | 3 | 4715646 | Objected |
| 33. | Freedom to eat. Freedom to enjoy | 5 | 4715647 | Objected |
| 34. | Freedom to eat. Freedom to enjoy | 9 | 4715648 | Objected |
| 35. | Freedom to eat. Freedom to enjoy | 30 | 4715649 | Objected |

| S. No. | Description | Class | Application Number | Status |
|---|---|---|---|---|
| 36. | Freedom to eat. Freedom to enjoy | 31 | 4715650 | Objected |
| 37. | Freedom to eat. Freedom to enjoy | 35 | 4715651 | Objected |
| 38. | Freedom to eat. Freedom to enjoy | 43 | 4715678 | Objected |
| 39. | Freedom Refined Sunflower Oil 1 Litre Pack | 30 | 4715679 | Objected |
| 40. | Freedom Refined Sunflower Oil 1 Litre Pack | 31 | 4715680 | Objected |
| 41. | GEF India | 42 | 1951161 | Applied |
| 42. | Associate trademark for "Freedom"" for the logo color scheme and style | 29 | 2185421 | Applied |

**Design**

| S. No. | Description | Class | Application Number | Status |
|---|---|---|---|---|
| 1. | Bottle | 09-00 | 305396 | Applied |
| 2. | Container | 09-00 | 327846-001 | Applied |

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Offer

The Offer for Sale has been authorized by the board of directors of each of GAIE, Black River and ICE pursuant to the resolutions passed at their meetings held on August 2, 2021. The Offer for Sale has also been authorized by the Selling Shareholders through their respective letters of consent as disclosed in "*The Offer*" beginning on page 53. Our Board has approved the Offer pursuant to its resolution dated July 23, 2021 and has taken the letters of consent issued by the Selling Shareholders on record pursuant to its resolution dated August 2, 2021.

The Equity Shares being offered by the Selling Shareholders in the Offer for Sale have been held by them for a period of at least one year prior to the filing of this Draft Red Herring Prospectus with SEBI, calculated in the manner as set out under Regulation 8 of the SEBI ICDR Regulations and are eligible for being offered in the Offer for Sale.

Each of the Selling Shareholders have confirmed that they have not been prohibited from dealings in the securities market and the Equity Shares proposed to be offered by them in the Offer for Sale are free from any lien, encumbrance, transfer restrictions or third-party rights.

This Draft Red Herring Prospectus has been authorized by a resolution dated August 6, 2021 passed by our Board and a resolution dated August 7, 2021 passed by our IPO Committee. Our Company has received in-principle approvals from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively.

### Prohibition by the SEBI or Other Governmental Authorities

Our Company, the Selling Shareholders, our Promoters, members of our Promoter Group, our Directors and the persons in control of our Company and of our Promoters and Selling Shareholders are not prohibited from accessing the capital market or debarred from buying, selling or dealing in securities under any order or direction passed by the SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

None of the companies with which our Promoters and Directors are promoters, directors or persons in control have been debarred from accessing capital markets under any order or direction passed by SEBI or any other authorities.

Except for our Managing Director, Pradeep Chowdhry's association with Leo Global, which is a stock broker registered with SEBI in the commodities derivatives segment, none of our Directors are associated with the securities market in any manner. Except as disclosed in "*Outstanding Litigation and Material Developments—Legal proceedings involving our Group Companies—Material legal proceedings involving Leo Global*" beginning on page 296, no outstanding action has been initiated against them by SEBI in the five years preceding the date of this Draft Red Herring Prospectus.

None of our Company, our Directors or our Promoters has been identified as a Wilful Defaulter by any bank or financial institution or consortium thereof in accordance with the guidelines on Wilful Defaulters issued by the RBI.

Our Promoters or Directors have not been declared as "fugitive economic offenders" under Section 12 of the Fugitive Economic Offenders Act, 2018.

The Equity Shares held by the Promoters are in dematerialized form.

All the Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as of the date of filing of this Draft Red Herring Prospectus.

### Compliance with Companies (Significant Beneficial Owners) Rules, 2018

Our Company, Promoters, each of the Selling Shareholders and members of our Promoter Group, severally and not jointly, have confirmed that they are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, to the extent applicable, as of the date of this Draft Red Herring Prospectus.

**Eligibility for the Offer**

Our Company is eligible for the Offer in accordance with Regulation 6(1) of the SEBI ICDR Regulations, as disclosed below.

- Our Company has net tangible assets of at least ₹30 million, calculated on a restated basis, in each of the preceding three full years (of 12 months each).
- Our Company has an average operating profit of ₹150 million, calculated on a restated basis, during the preceding three years (of 12 months each), with operating profit in each of these preceding three years.
- Our Company has a net worth of at least ₹10 million in each of the preceding three full years (of 12 months each), calculated on a restated basis.
- Our Company has not changed its name in the last one year.

Our Company's net tangible assets, pre-tax operating profit and net worth derived from the Restated Financial Information included in this Draft Red Herring Prospectus as of and for the three immediately preceding Financial Years are disclosed below.

*Derived from the Restated Financial Information*

| Particulars | As at and for the year ended | | |
|---|---|---|---|
| | March 31, 2021 (₹ million) | March 31, 2020 (₹ million) | March 31, 2019 (₹ million) |
| Net tangible assets (A)[(1)] | 16,235.99 | 10,539.31 | 8,684.93 |
| Pre-tax operating profit (B)[(2)] | 6,982.04 | 2,334.93 | 1,860.62 |
| Net worth (C)[(3)] | 16,245.64 | 10,550.96 | 8,700.66 |

*Source: Certificate on eligibility dated August 7, 2021 issued by the Auditors.*

*Notes:*

1) *"Net tangible assets" means the sum of all the net assets of our Company excluding intangible assets, as defined in Indian Accounting Standard (Ind AS) 38 issued by the ICAI, in accordance with Regulation 2(1)(gg) of the SEBI ICDR Regulations.*
2) *"Pre-tax Operating profit" is defined as profit before finance costs, other income and tax expense.*
3) *"Net worth" means the aggregate value of the paid-up share capital and all reserves created out of the profits and securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation, in accordance with Regulation 2(1)(hh) of the SEBI ICDR Regulations.*

We are currently eligible to undertake the Offer as per Rule 19(2)(b) of the SCRR read with Regulations 6(1) of the SEBI ICDR Regulations. Accordingly, in terms of Regulation 32(1) of the SEBI ICDR Regulations we are required to allocate: (i) not more than 50% of the Offer to QIBs, 5% of which shall be allocated to Mutual Funds exclusively; (ii) not less than 15% of the Offer to Non-Institutional Bidders; and (iii) not less than 35% of the Offer to RIBs, subject to valid Bids being received at or above the Offer Price. In the event we fail to do so, the full application money shall be refunded to the Bidders.

Further, in accordance with Regulation 49(1) of the SEBI ICDR Regulations, our Company and the Selling Shareholders shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted shall not be less than 1,000, failing which the entire application monies shall be refunded forthwith. In case of delay, if any, in refund within such timeline as prescribed under applicable laws, our Company shall be liable to pay interest on the application money in accordance with applicable laws. None of the Selling Shareholders shall be liable to reimburse our Company for any interest paid by it on behalf of the Selling Shareholders on account of any delay with respect to Allotment of the respective portion of the respective Equity Shares offered by such Selling Shareholder in the Offer for Sale, or otherwise, unless such delay is solely accountable to such Selling Shareholder.

Our Company is in compliance with conditions specified in Regulations 5 and 7(1) of the SEBI ICDR Regulations to the extent applicable and will ensure compliance with Regulation 7(2) of the SEBI ICDR Regulations.

**Disclaimer Clause of SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED TO MEAN THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BRLMS, AXIS CAPITAL LIMITED, CREDIT SUISSE SECURITIES (INDIA) PRIVATE LIMITED, KOTAK MAHINDRA CAPITAL COMPANY LIMITED AND NOMURA FINANCIAL ADVISORY AND SECURITIES (INDIA) PRIVATE LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI ICDR REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE OUR COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS AND THE SELLING SHAREHOLDERS ARE, SEVERALLY AND NOT JOINTLY, RESPONSIBLE ONLY FOR THE STATEMENTS SPECIFICALLY CONFIRMED OR UNDERTAKEN BY THEM IN THIS DRAFT RED HERRING PROSPECTUS IN RELATION TO THEMSELVES FOR THE RESPECTIVE PORTION OF THE EQUITY SHARES OFFERED BY THEM IN THE OFFER FOR SALE, THE BRLMS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT OUR COMPANY AND THE SELLING SHAREHOLDERS DISCHARGE THEIR RESPECTIVE RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLMS, BEING AXIS CAPITAL LIMITED, CREDIT SUISSE SECURITIES (INDIA) PRIVATE LIMITED, KOTAK MAHINDRA CAPITAL COMPANY LIMITED AND NOMURA FINANCIAL ADVISORY AND SECURITIES (INDIA) PRIVATE LIMITED, HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED AUGUST 7 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF SEBI ICDR REGULATIONS.**

**THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013, OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BRLMS ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.**

All legal requirements pertaining to the Offer will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act, 2013. All legal requirements pertaining to the Offer will be complied with at the time of filing of the Prospectus with the RoC in terms of Sections 26, 32, 33(1) and 33(2) of the Companies Act, 2013.

**Caution - Disclaimer from our Company, the Selling Shareholders, our Directors and the BRLMs**

Our Company, our Directors and the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance. Each Selling Shareholder, and as applicable, its directors, affiliates, associates and officers, accepts or undertakes no responsibility for any statements made other than those specifically made by the respective Selling Shareholder in this Draft Red Herring Prospectus in relation to itself and its respective proportion of the Offered Shares in the Offer for Sale. Anyone placing reliance on any other source of information, including our Company's website www.gefindia.com or any website of any of our Promoters, Promoter Group, Group Companies or any affiliates of our Company or the Selling Shareholders, would be doing so at his or her own risk.

All information, to the extent required in relation to the Offer, shall be made available by our Company, the Selling Shareholders (to the extent that the information pertains to them and their respective proportion of the Offered Shares) and the BRLMs to the public and investors at large and no selective or additional information would be made available by our Company, the Selling Shareholders and the BRLMs for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at Bidding Centers or elsewhere.

None of our Company, our Directors, the Selling Shareholders or any member of the Syndicate shall be liable for any failure in (i) uploading the Bids due to faults in any software/hardware system or otherwise; or (ii) the blocking of Bid Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on account of any errors, omissions or non-compliances by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not sell, pledge or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, each of the Selling Shareholders, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLMs and their respective associates and affiliates in their capacity as principals or agents may engage in transactions with, and perform services for, our Company, the Selling Shareholders, our Promoters, members of our Promoter Group and our Group Companies, and their respective directors and officers, affiliates, associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, the Selling Shareholders, our Promoters, members of our Promoter Group and our Group Companies, and their respective directors and officers, affiliates, associates or third parties, for which they have received, and may in the future receive, compensation.

**Disclaimer in Respect of Jurisdiction**

The Offer is being made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, as amended, including Indian nationals resident in India, HUFs, companies, other corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Indian Mutual Funds registered with the SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), Systemically Important NBFCs registered with the RBI or trusts under applicable trust law and who are authorized under their constitution to hold and invest in equity shares, insurance companies registered with the IRDAI, permitted provident funds and pension funds, National Investment Fund, insurance funds set up and managed by the army, navy and air force of the Union of India, insurance funds set up and managed by the Department of Posts, Government of India and to Eligible FPIs, Eligible NRIs and other eligible foreign investors, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, state industrial development corporations and registered multinational and bilateral development financial institutions.

This Draft Red Herring Prospectus shall not, however, constitute an offer to sell or an invitation to purchase Equity Shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus is required to inform himself or herself about, and to observe, any such restrictions. Invitations to subscribe to or purchase the Equity Shares in the Offer will be made only pursuant to the Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Offer, which comprises the Red Herring Prospectus and the preliminary international wrap for the Offer, if the recipient is outside India. No person outside India is eligible to bid for Equity Shares in the Offer unless that person has received the preliminary offering memorandum for the Offer, which contains the selling restrictions for the Offer outside India. Any dispute arising out of the Offer will be subject to the jurisdiction of appropriate court(s) in Hyderabad, Telangana, India only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with the SEBI for its observations. Accordingly, the Equity Shares represented thereby may not be issued, directly or indirectly, and the Red Herring Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any offer or sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company, the Selling Shareholders or our Group Companies since the date of this Draft Red Herring Prospectus or that the information contained herein is correct as of any time subsequent to this date. Invitations to subscribe to or purchase the Equity Shares pursuant to the Offer shall be made only pursuant to the Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Offer, which comprises the Red Herring Prospectus and the preliminary international wrap for the Offer, if the recipient is outside of India.

**The Equity Shares have not been and will not be registered under the U.S. Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) within the United States to "qualified institutional buyers" (as defined in Rule 144A and referred to in the Draft Red Herring Prospectus as "U.S. QIBs") pursuant to the private placement exemption set out in Section 4(a)(2) of the U.S. Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S and the applicable laws of the jurisdiction where those offers and sales occur  For the avoidance of doubt, the term "U.S. QIBs" does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Draft Red Herring Prospectus as "QIBs". The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

**Important Information for Investors – Eligibility and Transfer Restrictions**

Until the expiry of 40 days after the commencement of the Offer, an offer or sale of the Equity Shares within the United States by a dealer (whether or not it is participating in the Offer) may violate the registration requirements of the U.S. Securities Act, unless made pursuant to Rule 144A under the U.S. Securities Act or another available exemption from the registration requirements of the U.S. Securities Act and in accordance with applicable securities laws of any state or other jurisdiction of the United States.

**Important Information for Investors – Eligibility and Transfer Restrictions**

**Until the expiry of 40 days after the commencement of the Offer, an offer or sale of the Equity Shares within the United States by a dealer (whether or not it is participating in the Offer) may violate the registration requirements of the U.S. Securities Act, unless made pursuant to Rule 144A under the U.S. Securities Act or another available exemption from the registration requirements of the U.S. Securities Act and in accordance with applicable securities laws of any state or other jurisdiction of the United States. The Equity Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Draft Red Herring Prospectus or approved or disapproved the Equity Shares. Any representation to the contrary is a criminal offence in the United States. In making an investment decision investors must rely on their own examination of our Company and the terms of the Offer, including the merits and risks involved.**

***Eligible Investors***

The Equity Shares are being offered and sold

(i) in the United States, to U.S. QIBs, in transactions exempt from or not subject to the registration requirements of the U.S. Securities; and

(ii) outside the United States, in offshore transactions in reliance on Regulation S and the applicable laws of the jurisdiction where those offers and sales occur;

and in each case who are deemed to have made the representations set forth immediately below.

***Equity Shares Offered and Sold within the United States***

Each purchaser that is acquiring the Equity Shares offered pursuant to the Offer within the United States, by its acceptance of the Red Herring Prospectus and of the Equity Shares, will be deemed to have acknowledged, represented and warranted to and agreed with our Company, the Selling Shareholders and the BRLMs that it has received a copy of the Red Herring Prospectus and such other information as it deems necessary to make an informed investment decision and that:

1. the purchaser is authorized to complete the purchase of the Equity Shares offered pursuant to the Offer in compliance with all applicable laws and regulations;

2. the purchaser acknowledges that the Equity Shares offered pursuant to the Offer have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and accordingly, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act;

3. the purchaser (i) is a U.S. QIB, (ii) is aware that the sale to it is being made in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act, and (iii) is acquiring such Equity Shares for its own account or for the account of one or more persons, each of which is a U.S. QIB with respect to which it exercises sole investment discretion;

4. the purchaser is not an affiliate of our Company or the Selling Shareholders or a person acting on behalf of an affiliate of the Company or the Selling Shareholders;

5. if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred, only (i) to a person reasonably believed to be a U.S. QIB in a transaction meeting the requirements of Rule 144A, or (ii) outside the United States in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S. The purchaser understands that the transfer restrictions will remain in effect until our Company determines, in its sole discretion, to remove them;

6. is not subscribing to, or purchasing, the Equity Shares with a view to, or for the offer or sale in connection with, any distribution thereof (within the meaning of the U.S. Securities Act) that would be in violation of the securities laws of the United States or any state thereof;

7. the Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 under the U.S. Securities Act for resales of any such Equity Shares;

8. the purchaser will not deposit or cause to be deposited such Equity Shares into any depositary receipt facility established or maintained by a depositary bank;

9. the purchaser agrees that neither the purchaser, nor any of its affiliates, nor any person acting on behalf of the purchaser or any of its affiliates, will make any "directed selling efforts" as defined in Regulation S in the United States with respect to the Equity Shares or any "general solicitation" or "general advertising" (as defined in Regulation D under the U.S. Securities Act) in the United States in connection with any offer or sale of the Equity Shares;

10. the purchaser is not acquiring the Equity Shares as a result of any form of "general solicitation" or "general advertising" (within the meaning of Rule 502(c) under the U.S. Securities Act) or any "directed selling efforts" (as that term is defined in Regulation S under the U.S. Securities Act);

11. the purchaser understands that such Equity Shares (to the extent they are in certificated form), unless our Company determines otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

**"THE EQUITY SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON WHOM THE SELLER OR ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE U.S. SECURITIES ACT IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE U.S. SECURITIES ACT, OR (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.**

**THE EQUITY SHARES ARE NOT TRANSFERABLE EXCEPT IN ACCORDANCE WITH THE RESTRICTIONS DESCRIBED HEREIN. EACH TRANSFEROR OF THE EQUITY SHARES AGREES TO PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE COMPANY'S OFFER DOCUMENTS TO THE TRANSFEREE AND TO ANY EXECUTING BROKER."**

12. the Company will not recognize any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above-stated restrictions;

13. the purchaser is knowledgeable, sophisticated and experienced in business and financial matters, fully understands the limitations on ownership and transfer and the restrictions on sales of the Equity Shares and is aware that there are substantial risks incidental to the purchase of the Equity Shares and is able to bear the economic risk of such purchase; and

14. the purchaser acknowledges that our Company, the Selling Shareholders, the BRLMs, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify our Company and the BRLMs, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

***All other Equity Shares Offered and Sold in the Offer***

Each purchaser that is acquiring the Equity Shares offered pursuant to the Offer outside the United States, by its acceptance of the Red Herring Prospectus and of the Equity Shares offered pursuant to the Offer, will be deemed to have acknowledged, represented and warranted to and agreed with our Company, the Selling Shareholders and the BRLMs that it has received a copy of the Red Herring Prospectus and such other information as it deems necessary to make an informed investment decision and that:

1. the purchaser is authorized to consummate the purchase of the Equity Shares offered pursuant to the Offer in compliance with all applicable laws and regulations;

2. the purchaser acknowledges that the Equity Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and accordingly may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act;

3. the purchaser is purchasing the Equity Shares offered pursuant to the Offer in an offshore transaction meeting the requirements of Rule 903 of Regulation S under the U.S. Securities Act;

4. the purchaser is not an affiliate of our Company or the Selling Shareholders or a person acting on behalf of an affiliate of the Company or the Selling Shareholders;

5. the purchaser agrees that neither the purchaser, nor any of its affiliates, nor any person acting on behalf of the purchaser or any of its affiliates, will make any "directed selling efforts" as defined in Regulation S under the U.S. Securities Act in the United States with respect to the Equity Shares;

6. the purchaser is not acquiring the Equity Shares as a result of any "directed selling efforts" (within the meaning of Rule 902(c) under the U.S. Securities Act);

7. the Company will not recognize any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above-stated restrictions; and

8. the purchaser acknowledges that our Company, the Selling Shareholders, the BRLMs, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify our Company, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

**Disclaimer Clause of BSE**

As required, a copy of this Draft Red Herring Prospectus shall be submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to filing with the RoC.

**Disclaimer Clause of NSE**

As required, a copy of this Draft Red Herring Prospectus shall be submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to filing with the RoC.

**Listing**

Applications will be made to the Stock Exchanges for permission to deal in and for an official quotation of the Equity Shares being issued and sold in the Offer. [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalized.

If the permission to deal in and for an official quotation of the Equity Shares is not granted by the Stock Exchanges, our Company shall forthwith repay, without interest, all monies received from the applicants in pursuance of the Red Herring Prospectus in accordance with applicable law. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of Equity Shares at the Stock Exchanges are taken within such time prescribed by SEBI. If our Company does not Allot Equity Shares pursuant to the Offer within such timeline as prescribed by SEBI, it shall repay without interest all monies received from Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delayed period or such other rate prescribed by SEBI.

The Selling Shareholders undertake to provide such reasonable assistance as may be requested by our Company, to the extent such assistance is required from the Selling Shareholders in relation to their respective proportion of the Offered Shares to facilitate the process of listing and commencement of trading of the Equity Shares on the Stock Exchanges within such time prescribed by SEBI.

**Consents**

Consents in writing of: (a) the Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, the Auditors, the Indian legal counsel to our Company, the Indian legal counsel to the BRLMs, the international legal counsel to the BRLMs, the bankers to our Company, the BRLMs, the Registrar to the Offer, Singhi & Co., Chartered Accountants, Nielsen (India) Private Limited and Technopak and (b) the Syndicate Members, the Escrow Collection Bank(s), the Refund Bank(s), the Public Offer Account Bank(s), the Sponsor Bank, to act in their respective capacities, have been obtained/will be obtained prior to filing of the Red Herring Prospectus with the RoC and filed (as applicable) along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act, 2013 and such consents that have been obtained had not been withdrawn as of the date of this Draft Red Herring Prospectus.

**Experts**

Except as stated below, our Company has not obtained any expert opinions.

Our Company has received written consent dated August 7, 2021 from our Statutory Auditors, namely, Walker Chandiok & Co LLP, Chartered Accountants, to include their name in this Draft Red Herring Prospectus as required under Section 26(5) of the Companies Act read with SEBI ICDR Regulations and as an "expert" as defined under Section 2(38) of the Companies Act to the extent and in their capacity as a statutory auditor of our Company and in respect of the examination report of the Statutory Auditors on the Restated Financial Information dated August 7, 2021 and the statement of possible special tax benefits dated August 7, 2021, included in this Draft Red Herring Prospectus and such consent has not been withdrawn until the filing of this Draft Red Herring Prospectus with the SEBI.

Our Company has received a written consent dated August 7, 2021 from our Past Statutory Auditors, namely, from Singhi & Co., Chartered Accountants, to include their name in this Draft Red Herring Prospectus as required under Section 26(5) of the Companies Act and as an "expert" as defined under Section 2(38) of the Companies Act in respect of certain operational and financial data being certified by them and included in this Draft Red Herring Prospectus and such consent has not been withdrawn until the filing of this Draft Red Herring Prospectus with the SEBI.

Our Company has received a written consent dated August 4, 2021 from Technopak for inclusion of its name under Section 26(5) of the Companies Act and as an "expert" as defined under Section 2(38) of the Companies Act in respect of certain industry data extracted from the "*Indian Edible Oils & Fats Industry*" and included in this Draft Red Herring Prospectus and such consent has not been withdrawn until the filing of this Draft Red Herring Prospectus with the SEBI.

The term "expert" shall not be construed to mean an expert as defined under the U.S. Securities Act.

**Particulars regarding public or rights issues during the last five years**

Our Company has not made any public or rights issue of Equity Shares during the five years immediately preceding the date of this Draft Red Herring Prospectus.

**Capital Issues during the Previous Three Years by our Company and Listed Group Companies, during the last three years**

Our Company has not made any public issue of Equity Shares during the three years immediately preceding the date of this Draft Red Herring Prospectus. For details of capital issuances during the previous three years by our Company, see "*Capital Structure*" beginning on page 69.

None of our Group Companies are listed on any stock exchange in India or overseas. Our Company does not have any subsidiaries or associate entities.

**Commission and Brokerage paid on previous issues of the Equity Shares in the last five years**

Since this is an initial public offer of the Equity Shares, no sum has been paid or has been payable as commission or brokerage for purchasing or procuring or agreeing to procure purchasers for any of the Equity Shares since our Company's incorporation.

**Performance vis-à-vis Objects – Details of Public or Rights Issues by our Company**

Our Company has not made any public or rights issue of Equity Shares during the five years immediately preceding the date of this Draft Red Herring Prospectus, other than as set out in "*Capital Structure*" beginning on page 69.

**Performance vis-à-vis Objects – Details of Public or Rights Issues by listed subsidiaries/listed Promoter of our Company**

Our Promoters are not listed on any stock exchange. Our Company does not have any subsidiaries.

**Price Information of Past Issues Handled by the BRLMs**

**A. <u>Axis Capital Limited</u>**

1. Price information of past public issues (during the current Financial Year and the two Financial Years immediately preceding the current Financial Year) handled by Axis Capital Limited:

| S. No. | Issue Name | Issue Size (₹ million) | Issue Price (₹) | Listing Date | Opening Price on Listing Date (₹) | +/-% Change in the Closing Price, [+/-% Change in Closing Benchmark] – 30th Calendar Day from Listing | +/-% Change in the Closing Price, [+/-% Change in Closing Benchmark] – 90th Calendar Days from Listing | +/-% Change in the Closing Price, [+/-% Change in Closing Benchmark] – 180th Calendar Day from Listing |
|---|---|---|---|---|---|---|---|---|
| 1. | Clean Science And Technology Limited | 15,466.22 | 900.00 | July 19, 2021 | 1,755.00 | - | - | - |
| 2. | India Pesticides Limited | 8,000.00 | 296.00 | July 5, 2021 | 350.00 | +12.64%, [+1.87%] | - | - |
| 3. | Krishna Institute of Medical Sciences Limited! | 21,437.44 | 825.00 | June 28, 2021 | 1,009.00 | +48.10%, [-0.43%] | - | - |
| 4. | Dodla Dairy Limited | 5,201.77 | 428.00 | June 28, 2021 | 550.00 | +44.94%, [-0.43%] | - | - |
| 5. | Shyam Metalics And Energy Limited@ | 9,085.50 | 306.00 | June 24, 2021 | 380.00 | +40.95%, [+0.42%] | - | - |
| 6. | Macrotech Developers Limited | 25,000.00 | 486.00 | April 19, 2021 | 436.00 | +30.22%, [+5.21%] | +75.43%, [+10.89%] | - |
| 7. | Barbeque – Nation Hospitality Limited | 4,528.74 | 500.00 | April 7, 2021 | 489.85 | +18.77%, [-0.64%] | +76.97%, [+6.85%] | - |
| 8. | Suryoday Small Finance Bank Limited$ | 5,808.39 | 305.00 | March 26, 2021 | 292.00 | -18.38%, [-1.14%] | -26.87%, [+8.13%] | - |
| 9. | Kalyan Jewellers India Limited# | 11,748.16 | 87.00 | March 26, 2021 | 73.95 | -24.60%, [-1.14%] | -7.07%, [+8.13%] | - |

| S. No. | Issue Name | Issue Size (₹ million) | Issue Price (₹) | Listing Date | Opening Price on Listing Date (₹) | +/-% Change in the Closing Price, [+/-% Change in Closing Benchmark] – 30th Calendar Day from Listing | +/-% Change in the Closing Price, [+/-% Change in Closing Benchmark] – 90th Calendar Days from Listing | +/-% Change in the Closing Price, [+/-% Change in Closing Benchmark] – 180th Calendar Day from Listing |
|---|---|---|---|---|---|---|---|---|
| 10. | Craftsman Automation Limited | 8,236.96 | 1,490.00 | March 25, 2021 | 1,359.00 | -13.82%, [+0.11%] | +16.81%, [+10.11%] | - |

*Source: www.nseindia.com*

*$ Offer Price was ₹275.00 per equity share to Eligible Employees*

*# Offer Price was ₹79.00 per equity share to Eligible Employees*

*@ Offer Price was ₹291.00 per equity share to Eligible Employees*

*! Offer Price was ₹785.00 per equity share to Eligible Employees*

*Notes:*

*a) Issue Size derived from Prospectus/final post issue reports, as available.*

*b) The CNX NIFTY is considered as the Benchmark Index.*

*c) Price on NSE is considered for all of the above calculations.*

*d) In case 30th/90th/180th day is not a trading day, closing price on NSE of the previous trading day has been considered.*

*e) Since 30 calendar days, 90 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available*

2. Summary statement of price information of past public issues (during the current Financial Year and the two Financial Years immediately preceding the current Financial Year):

| Financial Year | Total No. of IPOs | Total Funds Raised (₹ million) | Nos. of IPOs Trading at Discount – 30th Calendar Days from Listing | | | Nos. of IPOs Trading at Premium – 30th Calendar Day from Listing | | | Nos. of IPOs Trading at Discount – 180th Calendar Day from Listing | | | Nos. of IPOs Trading at Premium – 180th Calendar Day from Listing | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Over 50% | Between 25%-50% | Less than 25% | Over 50% | Between 25%-50% | Less than 25% | Over 50% | Between 25%-50% | Less than 25% | Over 50% | Between 25%-50% | Less than 25% |
| 2021-2022* | 7 | 88,179.67 | - | - | - | - | 4 | 2 | - | - | - | - | - | - |
| 2020-2021 | 11 | 93,028.90 | - | - | 6 | 2 | 1 | 2 | - | - | - | 2 | 1 | 1 |
| 2019-2020 | 5 | 161,776.03 | - | 1 | 2 | - | - | 2 | 1 | 1 | - | - | - | 3 |

** The information is as of the date of the document*

*The information for each of the financial years is based on issues listed during such financial year.*

*Note: Since 30 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.*

**B. <u>Credit Suisse Securities (India) Private Limited</u>**

1. Price information of past public issues (during the current Financial Year and the two Financial Years immediately preceding the current Financial Year) handled by Credit Suisse Securities (India) Private Limited:

| S. No. | Issue Name | Issue Size (₹ million) | Issue Price (₹) | Listing Date | Opening Price on Listing Date (₹) | +/-% Change in the Closing Price, (=/-% Change in Closing Benchmark) – 30th Calendar Day from Listing | +/-% Change in the Closing Price, (=/-% Change in Closing Benchmark) – 90th Calendar Days from Listing | +/-% Change in the Closing Price, (=/-% Change in Closing Benchmark) – 180th Calendar Day from Listing |
|---|---|---|---|---|---|---|---|---|
| 1. | Metropolis | 12,042.90 | 880.00 | April 15, | 958.00 | 3.75%, [-4.01%] | 21.39%, [-1.18%] | 45.93%, |

| S. No. | Issue Name | Issue Size (₹ million) | Issue Price (₹) | Listing Date | Opening Price on Listing Date (₹) | +/-% Change in the Closing Price, (=/-% Change in Closing Benchmark) – 30th Calendar Day from Listing | +/-% Change in the Closing Price, (=/-% Change in Closing Benchmark) – 90th Calendar Days from Listing | +/-% Change in the Closing Price, (=/-% Change in Closing Benchmark) – 180th Calendar Day from Listing |
|---|---|---|---|---|---|---|---|---|
| | Healthcare Limited | | | 2019 | | | | [-3.30%] |
| 2. | Sterling and Wilson Solar Limited | 28,809.42 | 780.00 | August 20, 2019 | 706.00 | -21.88%, [-1.60%] | -48.63%, [7.97%] | -64.78%, [9.95%] |
| 3. | Home First Finance Company India Limited | 11,537.19 | 518.00 | February 03, 2021 | 618.80 | 4.98%, [1.97%] | -5.64%, [-1.05%] | 15.86%, [6.58%] |
| 4. | Sona BLW Precision Forgings Limited | 55,500.00 | 291.00 | June 24, 2021 | 301.00 | 45.45%, [0.42%] | NA* | NA* |
| 5. | Krishna Institute of Medical Sciences Limited | 21,437.44 | 825.00 | June 28, 2021 | 1,009.00 | 48.10%, [-0.43%] | NA* | NA* |
| 6. | Zomato Limited | 93,750.00 | 76.00 | July 23, 2021 | 116.00 | NA* | NA* | NA* |

*Source: www.nseindia.com for the price information and prospectus for issue details.*
**Data not available*
*Note:*
1. *30th, 90th, 180th calendar days from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th, 90th, 180th calendar day is a holiday, in which case we have considered the closing data of the previous trading date.*
2. *% of change in closing price on 30th/ 90th / 180th calendar day from listing day is calculated vs issue price. % change in closing benchmark index is calculated based on closing index on listing day vs closing index on 30th/ 90th / 180th calendar day from listing day.*
3. *NIFTY is considered as the benchmark index*

2. Summary statement of price information of past public issues (during the current Financial Year and the two Financial Years immediately preceding the current Financial Year):

| Financial Year | Total No. of IPOs | Total Funds Raised (₹ million) | Nos. of IPOs Trading at Discount – 30th Calendar Days from Listing | | | Nos. of IPOs Trading at Premium – 30th Calendar Day from Listing | | | Nos. of IPOs Trading at Discount – 180th Calendar Day from Listing | | | Nos. of IPOs Trading at Premium – 180th Calendar Day from Listing | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Over 50% | Between 25%-50% | Less than 25% | Over 50% | Between 25%-50% | Less than 25% | Over 50% | Between 25%-50% | Less than 25% | Over 50% | Between 25%-50% | Less than 25% |
| 2021-22 | 3 | 1,70,687.44 | - | 2 | - | - | - | - | - | - | - | - | - | - |
| 2020-21 | 1 | 11,537.19 | - | - | - | - | - | 1 | - | - | - | - | - | 1 |
| 2019-20 | 2 | 40,852.32 | - | - | 1 | - | - | 1 | 1 | - | - | - | 1 | - |

## C. Kotak Mahindra Capital Company Limited

1. Price information of past public issues (during the current Financial Year and the two Financial Years immediately preceding the current Financial Year) handled by Kotak Mahindra Capital Company Limited:

| S. No. | Issue Name | Issue Size (₹ million) | Issue Price (₹) | Listing Date | Opening Price on Listing Date (₹) | +/-% Change in the Closing Price, (=/-% Change in Closing Benchmark) – 30th Calendar Day from Listing | +/-% Change in the Closing Price, (=/-% Change in Closing Benchmark) – 90th Calendar Days from Listing | +/-% Change in the Closing Price, (=/-% Change in Closing Benchmark) – 180th Calendar Day from Listing |
|---|---|---|---|---|---|---|---|---|
| 1. | Glenmark Life Sciences Limited | 15,136.00 | 720 | August 6, 2021 | 750 | | | |
| 2. | Zomato Limited | 93,750.00 | 76 | July 23, 2021 | 116.00 | - | - | - |
| 3. | Clean Science and Technology Limited | 15,466.22 | 900 | July 19, 2021 | 1,755.00 | - | - | - |
| 4. | G R Infraprojects Limited | 9,623.34 | 837[1] | July 19, 2021 | 1,715.85 | - | - | - |
| 5. | Krishna Institute of Medical Sciences Limited | 21,437.44 | 825[2] | June 28, 2021 | 1,009.00 | +48.10%, [-0.43%] | - | - |
| 6. | Sona BLW Precision Forgings Limited | 55,000.00 | 291 | June 24, 2021 | 301.00 | +45.45%, [+0.42%] | - | - |
| 7. | Macrotech Developers Limited | 25,000.00 | 486 | April 19, 2021 | 436.00 | +30.22%, [+5.21%] | +75.43%, [+10.89%] | - |
| 8. | Home First Finance Company India Limited | 11,537.19 | 518 | February 3, 2021 | 618.80 | +4.98%, [+1.97%] | -5.64%, [-1.05%] | +64.83%, [+6.58%] |
| 9. | Indigo Paints Limited | 11,691.24 | 1,490[3] | February 2, 2021 | 2,607.50 | +75.72%, [+4.08%] | +55.40%, [-0.11%] | +74.84%, [+7.61%] |
| 10. | Burger King India Limited | 8,100.00 | 60 | December 14, 2020 | 115.35 | +146.50%, [+7.41%] | +135.08%, [+10.86%] | +168.25%, [+16.53%] |

*Source: www.nseindia.com*

*Notes:*

1. *In G R Infraprojects Limited, the issue price to eligible employees was ₹ 795 after a discount of ₹ 42 per equity share*
2. *In Krishna Institute of Medical Sciences Limited, the issue price to eligible employees was ₹ 785 after a discount of ₹ 40 per equity share*
3. *In Indigo Paints Limited, the issue price to eligible employees was ₹ 1,342 after a discount of ₹ 148 per equity share*
4. *In the event any day falls on a holiday, the price/index of the immediately preceding trading day has been considered.*
5. *The 30th, 90th, 180th calendar days from listed day have been taken as listing day plus 29, 89 and 179 calendar days.*
6. *Restricted to last 10 equity initial public issues.*

2. Summary statement of price information of past public issues (during the current Financial Year and the two Financial Years immediately preceding the current Financial Year):

| Financial Year | Total No. of IPOs | Total Funds Raised (₹ million) | Nos. of IPOs Trading at Discount – 30th Calendar Days from Listing | | | Nos. of IPOs Trading at Premium – 30th Calendar Day from Listing | | | Nos. of IPOs Trading at Discount – 180th Calendar Day from Listing | | | Nos. of IPOs Trading at Premium – 180th Calendar Day from Listing | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Over 50% | Between 25%-50% | Less than 25% | Over 50% | Between 25%-50% | Less than 25% | Over 50% | Between 25%-50% | Less than 25% | Over 50% | Between 25%-50% | Less than 25% |
| 2021-2022 | 7 | 235,413.00 | - | - | - | - | 3 | - | - | - | - | - | - | - |
| 2020-2021 | 6 | 140,143.77 | - | - | 1 | 2 | 1 | 2 | - | - | - | 4 | 1 | 1 |
| 2019-2020 | 4 | 136,362.82 | - | 1 | - | - | 1 | 2 | - | - | 1 | - | 1 | 2 |

*Notes:*

1. *The information is as of the date of this Draft Red Herring Prospectus.*
2. *The information for each of the financial years is based on issues listed during such financial year.*

## D. <u>Nomura Financial Advisory and Securities (India) Private Limited</u>

1. Price information of past public issues (during the current Financial Year and the two Financial Years immediately preceding the current Financial Year) handled by Nomura Financial Advisory and Securities (India) Private Limited:

| S. No. | Issue Name | Issue Size (₹ million) | Issue Price (₹) | Listing Date | Opening Price on Listing Date (₹) | +/-% Change in the Closing Price, (=/-% Change in Closing Benchmark) – 30th Calendar Day from Listing | +/-% Change in the Closing Price, (=/-% Change in Closing Benchmark) – 90th Calendar Days from Listing | +/-% Change in the Closing Price, (=/-% Change in Closing Benchmark) – 180th Calendar Day from Listing |
|---|---|---|---|---|---|---|---|---|
| 1. | Sona BLW Precision Forgings Limited | 55,500 | 291 | June 24, 2021 | 301.00 | +45.45, [+0.47%] | Not applicable | Not applicable |
| 2. | Nazara Technologies Limited | 5,826.91 | 1,101[1] | March 30, 2021 | 1,990.00 | +62.57%, [+0.13%] | +38.22%, [+6.84%] | Not applicable |
| 3. | Gland Pharma Limited | 64,795.45 | 1,500 | November 20, 2020 | 1,710.00 | +48.43%, [+7.01%] | +57.27%, [+18.27%] | +104.17%, [17.49%] |
| 4. | Computer Age Management Services Limited | 22,421.05 | 1,230[2] | October 1, 2020 | 1,518.00 | +5.43%, [+2.37%] | +49.52%, [+23.04%] | +43.80%, [+26.65%] |
| 5. | Happiest Minds Technologies Limited | 7,020.16 | 166 | September 17, 2020 | 350.00 | +96.05%, [+2.14%] | +93.25%, [+17.82%] | +221.27%, [+29.64%] |
| 6. | SBI Cards & Payment Services Limited | 103,407.88 | 755[3] | March 16, 2020 | 661.00 | -33.05%, [-2.21%] | -21.79%, [+8.43%] | +12.50%, [+24.65%] |
| 7. | Affle (India) Limited | 4,590.00 | 745 | August 8, 2019 | 926.00 | +12.56%, [-0.78%] | +86.32%, [+8.02%] | +135.49%, [+6.12%] |

*Source: www.nseindia.com*

1. *Discount of INR110.00 per Equity Share was offered to eligible employees bidding in the Employee Reservation Portion*
2. *Discount of INR122.00 per Equity Share was offered to eligible employees bidding in the Employee Reservation Portion*
3. *Price for Eligible Employees bidding in the Employee Reservation Portion was INR680.00 per equity share*

*Notes:*

a) *Nifty is considered as the benchmark index except for Computer Age Management Services Limited where SENSEX is considered as benchmark index*

b) *Price on NSE is considered for all of the above calculations except for Computer Age Management Services Limited.*
c) *In case 30th/90th/180th day is not a trading day, closing price on NSE of the previous trading day has been considered.*
d) *Not applicable – Period not completed*

2. Summary statement of price information of past public issues (during the current Financial Year and the two Financial Years immediately preceding the current Financial Year):

| Financial Year | Total No. of IPOs | Total Funds Raised (₹ million) | Nos. of IPOs Trading at Discount – 30th Calendar Days from Listing | | | Nos. of IPOs Trading at Premium – 30th Calendar Day from Listing | | | Nos. of IPOs Trading at Discount – 180th Calendar Day from Listing | | | Nos. of IPOs Trading at Premium – 180th Calendar Day from Listing | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Over 50% | Between 25%-50% | Less than 25% | Over 50% | Between 25%-50% | Less than 25% | Over 50% | Between 25%-50% | Less than 25% | Over 50% | Between 25%-50% | Less than 25% |
| 2021-2022 | 1 | 55,500.00 | - | - | - | - | 1 | - | - | - | - | - | - | - |
| 2020-2021 | 4 | 100,063.57 | - | - | - | 2 | 1 | 1 | - | - | - | 2 | 1 | - |
| 2019-2020 | 2 | 107,997.88 | - | 1 | - | - | - | 1 | - | - | - | 1 | - | 1 |

*Source: www.nseindia.com*

***Notes:***
a) *The information is as of the date of this document.*
b) *The information for each of the financial years is based on issues listed during such financial year.*

**Track record of past issues handled by the BRLMs**

For details regarding the track record of the BRLMs, as specified in the SEBI circular dated January 10, 2012, bearing reference number CIR/MIRSD/1/2012, please see the websites of the BRLMs, as provided in the table below.

| S. No. | Name of the BRLM | Website |
|---|---|---|
| 1. | Axis | www.axiscapital.co.in |
| 2. | Credit Suisse | www.credit-suisse.com/in/en/investment-banking-apac/investment-banking-in-india/ipo.html |
| 3. | Kotak | www.investmentbank.kotak.com |
| 4. | Nomura | www.nomuraholdings.com/company/group/asia/india/index.html |

**Stock Market Data of the Equity Shares**

This being an initial public offer of our Company, the Equity Shares were not listed on any stock exchange as of the date of this Draft Red Herring Prospectus, and accordingly, no stock market data is available for the Equity Shares.

**Mechanism for Redressal of Investor Grievances**

The Registrar Agreement provides for the retention of records with the Registrar to the Offer for a period of at least eight years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges, to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

All Offer-related grievances may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder DP ID, Client ID, UPI ID, PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

Further, Bidders shall also enclose a copy of the Acknowledgment Slip or specify the application number duly received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

All grievances relating to Bids submitted with Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Offer. The Registrar to the Offer shall obtain the required information from the SCSBs and the Sponsor Bank for addressing any clarifications or grievances of ASBA Bidders. Our Company, the Selling Shareholders, the BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs or the Sponsor Bank including any defaults in complying with its obligations under applicable SEBI ICDR Regulations.

Investors can contact our Company Secretary and Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode.

Anchor Investors are required to address all grievances in relation to the Offer to the BRLMs. Our Company does not have any subsidiaries. None of our Group Companies are listed on any stock exchange, in India or overseas.

**Disposal of Investor Grievances by Our Company**

Our Company has obtained authentication on the SCORES and shall comply with the circular no. CIR/OIAE/1/2014 dated December 18, 2014 issued by the SEBI in relation to redressal of investor grievances through SCORES.

Our Company estimates that the average time required by our Company or the Registrar to the Offer or the relevant Designated Intermediary for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company had not received any investor grievances during the three years preceding the date of this Draft Red Herring Prospectus and there were no investor complaints pending as of the date of this Draft Red Herring Prospectus.

Our Company has constituted a Stakeholders' Relationship Committee comprising, Chitranjan Dar (chairperson), Govind Ambady, Pradeep Chowdhry, and Rajesh Chopra as its members, to review and redress shareholder and investor grievances. See "*Our Management – Committees of the Board – Stakeholders' Relationship Committee*" on page 188.

Our Company has also appointed Rajesh Kumar Aggarwal, Company Secretary and Compliance Officer for the Offer. See "*General Information*" beginning on page 59.

## SECTION VII: OFFER RELATED INFORMATION

## TERMS OF THE OFFER

The Equity Shares Allotted pursuant to the Offer shall be subject to the provisions of the Companies Act, the SEBI ICDR Regulations, the SCRA, the SCRR, our Memorandum of Association and our Articles of Association, the SEBI Listing Regulations, the terms of the Red Herring Prospectus, the Prospectus, the abridged prospectus, the Bid cum Application Form, the Revision Form, the CAN/Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advice and other documents/certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by the SEBI, the Government of India, the Stock Exchanges, the RBI, the RoC and/or any other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as may be prescribed by the SEBI, the RBI, the Government of India, the Stock Exchanges, the RoC and/or any other authorities while granting its approval for the Offer.

### The Offer

The Offer comprises an Offer for Sale by the Selling Shareholders. Except for listing fees, which shall be borne by the Company, all other fees and expenses relating to the Offer shall be borne by the Selling Shareholders in proportion to the number of Equity Shares transferred by each Selling Shareholders in the Offer. Further, the Selling Shareholders shall reimburse our Company for all expenses incurred by our Company in relation to the Offer on each of their behalf in proportion to the respective Equity Shares offered by them in the Offer for Sale, and in accordance with applicable law. For details in relation to Offer expenses, see "*Objects of the Offer*" and "*Other Regulatory and Statutory Disclosures*" beginning on pages 78 and 305, respectively.

### Ranking of the Equity Shares

The Equity Shares being Allotted pursuant to the Offer shall be subject to the provisions of the Companies Act, our Memorandum of Association and our Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares, including in respect of the right to receive dividend and voting. The Allottees, upon Allotment of Equity Shares under the Offer, will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, see "*Description of Equity Shares and Terms of the Articles of Association*" beginning on page 352.

### Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to our Shareholders in accordance with the provisions of Companies Act, our Memorandum of Association and our Articles of Association and provisions of the SEBI Listing Regulations and other applicable law including guidelines or directives that may be issued by Government of India in this respect. Dividends, if any, declared by our Company after the date of Allotment (pursuant to the Allotment of Equity Shares from the Offer for Sale), will be payable to the Allottees, for the entire year, in accordance with applicable law. For further details in relation to dividends, see "*Dividend Policy*" and "*Description of Equity Shares and Terms of the Articles of Association*" beginning on pages 206 and 352, respectively.

### Face Value, Offer Price, Floor Price and Price Band

The face value of each Equity Share is ₹1 and the Offer Price at the lower end of the Price Band is ₹[●] per Equity Share ("**Floor Price**") and at the higher end of the Price Band is ₹[●] per Equity Share ("**Cap Price**"). The Anchor Investor Offer Price is ₹[●] per Equity Share.

The Price Band and the minimum Bid Lot will be decided by our Company, in consultation with the BRLMs and advertised in [●] editions [●], an English national daily newspaper, [●] editions of [●], a Hindi national daily newspaper, and [●] edition of [●], a Telugu newspaper (Telugu being the regional language of Telangana, where our Registered and Corporate Office is located), each with wide circulation, at least two Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the websites of the Stock Exchanges. The Offer Price shall be determined by our Company, in consultation with the BRLMs, after the Bid/Offer Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process.

At any given point of time, there shall be only one denomination of Equity Shares.

**Compliance with Disclosure and Accounting Norms**

Our Company shall comply with all disclosure and accounting norms as specified by the SEBI from time to time.

**Rights of Shareholders**

Subject to applicable laws, rules, regulations and guidelines and our Articles of Association, our Shareholders shall have the following rights:

- right to receive dividends, if declared;
- right to attend general meetings and exercise voting rights, unless prohibited by law;
- right to vote on a poll either in person or by proxy and e-voting, in accordance with the provisions of the Companies Act;
- right to receive offers for rights Equity Shares and be allotted bonus Equity Shares, if announced;
- right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- right of free transferability of the Equity Shares, subject to applicable laws including any rules and regulations prescribed by the RBI; and
- such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the SEBI Listing Regulations, our Memorandum of Association and Articles of Association and other applicable laws.

For a detailed description of the main provisions of our Articles of Association relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, see "*Description of Equity Shares and Terms of the Articles of Association*" beginning on page 352.

**Allotment only in Dematerialized Form**

Pursuant to Section 29 of the Companies Act, 2013 and the SEBI ICDR Regulations, the Equity Shares shall be Allotted only in dematerialized form. The trading of the Equity Shares shall only be in the dematerialized segment of the Stock Exchanges. In this context, the following agreements have been signed among our Company, the respective Depositories and the Registrar to the Offer:

- tripartite agreement dated September 12, 2014 entered among our Company, NSDL and the Registrar to the Offer; and
- tripartite agreement dated May 24, 2021 entered among our Company, CDSL and the Registrar to the Offer.

**Market Lot and Trading Lot**

Since trading of the Equity Shares is in dematerialized form, the tradable lot is one Equity Share. Allotment in the Offer will be only in electronic form in multiples of one Equity Share subject to a minimum Allotment of [●] Equity Shares. For details of basis of allotment, see "*Offer Procedure*" beginning on page 331.

**Joint Holders**

Subject to the provisions contained in our Articles of Association, where two or more persons are registered as the holders of the Equity Shares, they shall be deemed to hold the same as joint tenants with benefits of survivorship.

**Nomination Facility to Bidders**

In accordance with Section 72 of the Companies Act, 2013, read with the Companies (Share Capital and Debentures) Rules, 2014, the sole Bidder, or the First Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of Equity Share(s) by the person nominating. A nomination may be cancelled or varied by nominating any other person in place of the present nominee by the holder of the Equity Shares who has made the nomination by giving a notice of such cancellation. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered and Corporate Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by our Board, elect either:

a) to register himself or herself as the holder of the Equity Shares; or

b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, our Board may thereafter withhold payment of all dividends, interests, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialized form, there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the Bidder would prevail. If the Bidders wish to change the nomination, they are requested to inform their respective Depository Participant.

**Bid/Offer Program**

| | |
|---|---|
| **BID/OFFER OPENS ON** | [●][(1)] |
| **BID/OFFER CLOSES ON** | [●][(2)(3)] |

(1) *Our Company may, in consultation with the BRLMs, consider participation by Anchor Investors. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date in accordance with the SEBI ICDR Regulations.*

(2) *Our Company may, in consultation with the BRLMs, 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.*

(3) *UPI mandate end time and date shall be at 12:00 pm on [●].*

An indicative timetable in respect of the Offer is disclosed below.

| Event | Indicative Date |
|---|---|
| Bid/Offer Closing Date | [●] |
| Finalization of Basis of Allotment with the Designated Stock Exchange | On or about [●] |
| Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA* | On or about [●] |
| Credit of Equity Shares to dematerialized accounts of Allottees | On or about [●] |

| Event | Indicative Date |
|---|---|
| Commencement of trading of the Equity Shares on the Stock Exchanges | On or about [●] |

** In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) for cancelled / withdrawn / deleted ASBA Forms, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher from the date on which the request for cancellation/ withdrawal/ deletion is placed in the Stock Exchanges bidding platform until the date on which the amounts are unblocked (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Bidder shall be compensated at a uniform rate ₹ 100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Bid Amount, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/ partially allotted Bids, exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100 per day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding four Working Days from the Bid/Offer Closing Date by the SCSB responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. The post Offer BRLMs shall be liable for compensating the Bidder at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from the date of receipt of the investor grievance until the date on which the blocked amounts are unblocked. The Bidder shall be compensated in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, which for the avoidance of doubt, shall be deemed to be incorporated in the deemed agreement of the Company with the SCSBs, to the extent applicable.*

**The above timetable, other than the Bid/Offer Closing Date, is indicative and does not constitute any obligation on our Company, the Selling Shareholders or the BRLMs.**

**While our Company shall ensure that all steps for the completion of the necessary formalities for the listing and commencement of trading of the Equity Shares on the Stock Exchanges are taken within six Working Days of the Bid/Offer Closing Date or such other period as may be prescribed by the SEBI, the timetable may be extended due to various factors, such as extension of the Bid/Offer Period by our Company, in consultation with the BRLMs, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. The Selling Shareholders confirm that they shall extend all reasonable support and co-operation required by our Company and the BRLMs for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within six Working Days from the Bid/Offer Closing Date or such other period as may be prescribed by the SEBI.**

**The Registrar to the Offer shall submit the details of cancelled/withdrawn/deleted applications to the SCSB's on daily basis within 60 minutes of the Bid closure time from the Bid/ Offer Opening Date till the Bid/Offer Closing Date by obtaining the same from the Stock Exchanges. The SCSB's shall unblock such applications by the closing hours of the Working Day.**

**The SEBI is in the process of streamlining and reducing the post issue timeline for initial public offerings. Any circulars or notifications from the SEBI after the date of this Draft Red Herring Prospectus may result in changes to the above-mentioned timelines. Further, the offer procedure is subject to change to any revised circulars issued by the SEBI to this effect.**

In terms of the UPI Circulars, in relation to the Offer, the BRLMs will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within six Working Days from the Bid/ Offer Closing Date, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

**Jurisdiction**

Exclusive jurisdiction for the purpose of the Offer is with the competent courts/authorities in Hyderabad, Telangana, India.

**The Equity Shares have not been and will not be registered under the U.S. Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject**

**to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) within the United States to U.S. QIBs pursuant to the private placement exemption set out in Section 4(a)(2) of the U.S. Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S and the applicable laws of the jurisdiction where those offers and sales occur**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

**Submission of Bids (Other than Bids from Anchor Investors)**

| **Bid/Offer Period (except the Bid/Offer Closing Date)** | |
|---|---|
| Submission and Revision in Bids | Only between 10.00 a.m. and 5.00 p.m. IST |
| **Bid/Offer Closing Date*** | |
| Submission and Revision in Bids | Only between 10.00 a.m. and 3.00 p.m. IST |

* *UPI mandate end time and date shall be at 12:00 pm on [●].*

**On the Bid/Offer Closing Date, the Bids shall be uploaded until:**

(i) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and

(ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Bidders.

On the Bid/Offer Closing Date, extension of time will be granted by Stock Exchanges only for uploading Bids received from Retail Individual Bidders after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges.

**It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.**

Due to limitation of time available for uploading the Bids on the Bid/Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Offer Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Offer Closing Date, as is typically experienced in public offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Offer. Bids will be accepted only during Monday to Friday (excluding any public holiday). Neither our Company, nor the Selling Shareholders or any Member of the Syndicate shall be liable for any failure in (i) uploading the Bids due to faults in any software/ hardware system or blocking of application amount by the SCSBs on receipt of instructions from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

In case of any discrepancy in the data entered in the electronic book *vis-a-vis* data contained in the physical Bid cum Application Form, for a particular Bidder, the details of the Bid file received from the Stock Exchanges may be taken as the final data for the purpose of Allotment.

Our Company, in consultation with the BRLMs, reserves the right to revise the Price Band during the Bid/Offer Period, in accordance with the SEBI ICDR Regulations. The revision in the Price Band shall not exceed 20% on either side, i.e., the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly but the Floor Price shall not be less than the face value of the Equity Shares. In all circumstances, the Cap Price shall be less than or equal to 120% of the Floor Price.

**In case of any revision to the Price Band, the Bid/Offer Period will be extended by at least three additional**

**Working Days following such revision of the Price Band, subject to the Bid/Offer Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company may, in consultation with the BRLMs, for reasons to be recorded in writing, extend the Bid/Offer Period for a minimum of three Working Days, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the respective websites of the BRLMs and the terminals of the Syndicate Members and by intimation to SCSBs, other Designated Intermediaries and the Sponsor Bank, as applicable.**

**Minimum Subscription**

The requirement of minimum subscription is not applicable to the Offer in accordance with the SEBI ICDR Regulations. However, if our Company does not make the minimum Allotment as specified under terms of the Rule 19(2)(b) of the SCRR, including devolvement of Underwriters, if any, within 60 days from the date of Bid/ Offer Closing Date, the Selling Shareholders, to the extent applicable, and our Company shall forthwith refund the entire subscription amount received, in accordance with applicable law including the SEBI circular bearing no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021. If there is a delay beyond the prescribed time, the Selling Shareholders, to the extent applicable, and our Company shall pay interest prescribed under the applicable law.

Further, the Selling Shareholders and our Company and shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted shall not be less than 1,000 in compliance with Regulation 49(1) of the SEBI ICDR Regulations failing which the entire application money shall be unblocked in the respective ASBA Accounts of the Bidders. In case of delay, if any, in unblocking the ASBA Accounts within such timeline as prescribed under applicable laws, the Selling Shareholders and our Company shall be liable to pay interest on the application money in accordance with applicable laws.

The Selling Shareholders shall reimburse, in proportion to their respective Offered Shares, any expenses and interest incurred by our Company on behalf of the Selling Shareholders for any delays in making refunds as required under the Companies Act and any other applicable law, provided that the Selling Shareholders shall not be responsible or liable for payment of such expenses or interest, unless such delay is solely and directly attributable to an act or omission of the respective Selling Shareholder.

**Arrangements for Disposal of Odd Lots**

Since our Equity Shares will be traded in dematerialized form only and the market lot for our Equity Shares will be one Equity Share, no arrangements for disposal of odd lots are required.

**New Financial Instruments**

Our Company is not issuing any new financial instruments through this Issue.

**Restrictions on Transfer and Transmission of Equity Shares**

Except for the lock-in of the pre-Offer Equity Share capital of our Company, lock-in of the Promoter's minimum contribution and the Anchor Investor lock-in as provided in "*Capital Structure*" beginning on page 69 and except as provided in our Articles of Association, there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on the transmission of Equity Shares and on their consolidation/splitting, except as provided in our Articles of Association. See "*Description of Equity Shares and Terms of the Articles of Association*" beginning on page 352.

**Withdrawal of the Offer**

Our Company, in consultation with the BRLMs, reserve the right to not proceed with the Offer, in whole or part thereof, after the Bid/Offer Opening Date but before the Allotment. In the event that our Company, in consultation with the BRLMs, decides not to proceed with the Offer, our Company shall issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/Offer Closing Date or such other time as may be prescribed by the SEBI, providing reasons for not proceeding with the Offer. In such event, the BRLMs through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Bank, to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification and also inform the Bankers to the Offer to process refunds to the Anchor Investors, as the case may be. Our Company shall also inform the same to the Stock Exchanges on which the Equity Shares are proposed to be listed.

Notwithstanding the foregoing, the Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. If our Company, in consultation with the Book Running Lead Managers withdraws the Offer after the Bid/Offer Closing Date and thereafter determines that it will proceed with a public offering of Equity Shares, our Company shall file a fresh draft red herring prospectus with the SEBI.

## OFFER STRUCTURE

Initial public offering of up to [●] Equity Shares aggregating up to ₹25,000.00 million for cash at a price of ₹[●] per Equity Share (including a share premium of ₹[●] per Equity Share), through an Offer for Sale of up to [●] Equity Shares aggregating up to ₹25,000.00 million by the Selling Shareholders. The Offer shall constitute [●]% of the post-Offer paid-up Equity Share capital of our Company. The face value of our Equity Shares is ₹1 each.

The Offer is being made through the Book Building Process.

| **Particulars** | **QIBs(1)** | **Non-Institutional Bidders** | **Retail Individual Bidders** |
|---|---|---|---|
| Number of Equity Shares available for Allotment/allocation*(2) | Not more than [●] Equity Shares or Offer less allocation to Non-Institutional Bidders and Retail Individual Bidders | Not less than [●] Equity Shares available for allocation or the Offer less allocation to QIB Bidders and Retail Individual Bidders | Not less than [●] Equity Shares available for allocation or the Offer less allocation to QIB Bidders and Non-Institutional Bidders |
| Percentage of Offer Size available for Allotment/allocation | Not more than 50% of the Offer shall be available for allocation to QIBs. However, up to 5% of the QIB Portion (excluding the Anchor Investor Portion) will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining QIB Portion. Unsubscribed portion in the Mutual Fund Portion will be added to the QIB Portion (other than the Anchor Investor Portion) | Not less than 15% of the Offer or the Offer less allocation to QIB Bidders and Retail Individual Bidders shall be available for allocation | Not less than 35% of the Offer or the Offer less allocation to QIB Bidders and Non-Institutional Bidders shall be available for allocation |
| Basis of Allotment/allocation if respective category is oversubscribed* | Proportionate as follows (excluding the Anchor Investor Portion):<br><br>(a) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and<br><br>(b) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above<br><br>Up to 60% of the QIB Portion (of up to [●] Equity Shares) may be allocated on a discretionary basis to Anchor Investors of which one-third shall be available for allocation to Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price | Proportionate | Allotment to each RIB shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares, if any, shall be allocated proportionately. See "*Offer Procedure*" beginning on page 331 |
| Mode of Bidding | ASBA only (3) | ASBA only | ASBA only |

| Particulars | QIBs[1] | Non-Institutional Bidders | Retail Individual Bidders |
|---|---|---|---|
| Minimum Bid | Such number of Equity Shares that the Bid Amount exceeds ₹200,000 and in multiples of [●] Equity Shares thereafter | Such number of Equity Shares that the Bid Amount exceeds ₹200,000 and in multiples of [●] Equity Shares thereafter | [●] Equity Shares |
| Maximum Bid | Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Offer, subject to applicable limits | Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Offer (excluding the QIB Portion), subject to applicable limits | Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹200,000 |
| Bid Lot | [●] Equity Shares and in multiples of [●] Equity Shares thereafter | | |
| Allotment Lot | A minimum of [●] Equity Shares and in multiples of one Equity Share thereafter<br>For Retail Individual Bidders, [●] Equity Shares and in multiples of one Equity Share thereafter, subject to availability in the Retail Portion | | |
| Trading Lot | One Equity Share | | |
| Mode of Allotment | Compulsorily in dematerialized form | | |
| Who can apply[(4)(5)] | Public financial institutions as specified in Section 2(72) of the Companies Act 2013, scheduled commercial banks, mutual funds registered with SEBI, eligible FPIs (other than individuals, corporate bodies and family offices), VCFs, AIFs, FVCIs registered with the SEBI, multilateral and bilateral development financial institutions, state industrial development corporation, insurance company registered with IRDAI, provident fund with minimum corpus of ₹250 million, pension fund with minimum corpus of ₹250 million National Investment Fund set up by the Government, insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically Important NBFCs. | Resident Indian individuals, Eligible NRIs, HUFs (in the name of Karta), companies, corporate bodies, scientific institutions, societies, trusts and FPIs who are individuals, corporate bodies and family offices | Resident Indian individuals, Eligible NRIs and HUFs (*in the name of Karta*). |
| Terms of Payment | **In case of Anchor Investors**: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids[(5)]<br><br>**In case of all other Bidders:** Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder or by the Sponsor Bank through the UPI Mechanism (only for Retail Individual Bidders) that is specified in the ASBA Form at the time of submission of the ASBA Form [(5)] | | |

**Assuming full subscription in the Offer*

*(1) Our Company, in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis*

*in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the Net QIB Portion. See "Offer Procedure" beginning on page 331.*

*(2) Subject to valid Bids being received at or above the Offer Price. The Offer is being made in accordance with Rule 19(2)(b) of the SCRR and under Regulation 6(1) of the SEBI ICDR Regulations.*

*(3) Anchor Investors are not permitted to use the ASBA process.*

*(4) In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids, except as otherwise permitted, in any or all categories. The Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.*

*(5) Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Form provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Offer Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN.*

Under-subscription, if any, in any category except the QIB Portion, would be met with spill-over from the other categories at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange. Bidders will be required to confirm and will be deemed to have represented to our Company, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

## OFFER PROCEDURE

*All Bidders should read the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars (the "**General Information Document**") which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations which is part of the abridged prospectus accompanying the Bid cum Application Form. The General Information Document is available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer, including in relation to the process for Bids by Retail Individual Bidders through the UPI Mechanism. The investors should note that the details and process provided in the General Information Document should be read along with this section.*

*Additionally, all Bidders may refer to the General Information Document for information in relation to (i) Category of investors eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) Payment Instructions for ASBA Bidders; (v) Issuance of CAN and allotment in the Offer; (vi) General instructions (limited to instructions for completing the Bid cum Application Form); (vii) Submission of Bid cum Application Form; (viii) Other Instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (ix) applicable provisions of the Companies Act, 2013 relating to punishment for fictitious applications; (x) mode of making refunds; (xi) Designated Date; (xii) disposal of applications; and (xiii) interest in case of delay in allotment or refund.*

*The SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, has introduced an alternate payment mechanism using Unified Payments Interface ("**UPI**") and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIBs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. ("**UPI Phase I**"). The UPI Phase I was effective until June 30, 2019.*

*With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by RIBs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days was mandated for a period of three months or launch of five main board public issues, whichever is later ("**UPI Phase II**"), with effect from July 1, 2019, by SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, read with circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019. Subsequently, however, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II until further notice. The final reduced timeline of T+3 days will be made effective using the UPI Mechanism for applications by RIBs ("**UPI Phase III**"), as may be prescribed by the SEBI. The Offer will be undertaken pursuant to the processes and procedures under UPI Phase II, subject to any circulars, clarification or notification issued by the SEBI from time to time. Further, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 and SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. This circular shall come into force for initial public offers opening on or after May 1, 2021 and the provisions of this circular are deemed to form part of this Draft Red Herring Prospectus.*

*The BRLMs shall be the nodal entity for any issues arising out of public issuance process.*

*In terms of Regulation 23(5) and Regulation 52 of SEBI ICDR Regulations, the timelines and processes mentioned in SEBI Circular. No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 shall continue to form part of the agreements being signed between the intermediaries involved in the public issuance process and lead managers shall continue to coordinate with intermediaries involved in the said process.*

*Our Company, the Selling Shareholders and the BRLMs do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in* *the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus.*

*Further, our Company, the Selling Shareholders and the Members of Syndicate are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in this Offer.*

**Book Building Procedure**

The Offer is being made in terms of Rule 19(2)(b) of the SCRR, through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations wherein not more than 50% of the Offer shall be allocated on a proportionate basis to QIBs, provided that our Company may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allotment in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and spill-over from the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

Under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories of Bidders at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange subject to receipt of valid Bids received at or above the Offer Price. Under-subscription, if any, in the QIB Portion, would not be allowed to be met with spill-over from any other category or a combination of categories.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

**Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialized form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID, the PAN and UPI ID, for RIBs Bidding in the Retail Portion using the UPI Mechanism, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get their Equity Shares rematerialized subsequent to Allotment of the Equity Shares in the Offer, subject to applicable laws.**

**Phased implementation of Unified Payments Interface**

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of *inter alia*, equity shares. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by RIBs through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced the UPI Mechanism in three phases in the following manner:

**Phase I**: This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended until June 30, 2019. Under this phase, an RIB had the option to submit the ASBA Form with any of the Designated Intermediary and use his/ her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

**Phase II**: This phase has become applicable from July 1, 2019 and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. SEBI *vide* its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 has decided to extend the timeline for implementation of UPI Phase II until March 31, 2020. Under this phase, submission of the ASBA Form by RIBs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and replaced by the UPI Mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase. Subsequently, SEBI *vide* its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II until further notice.

**Phase III**: The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing would be reduced to three Working Days. Accordingly, upon commencement of Phase III, the reduced time duration shall be applicable for the Offer.

The Offer will be made under UPI Phase II of the UPI Circular, unless UPI Phase III of the UPI Circular becomes effective and applicable on or prior to the Bid/Offer Opening Date. If the Offer is made under UPI Phase III of the UPI Circular, the same will be advertised in shall be advertised in [●] editions of the English national daily newspaper [●], [●] editions of the Hindi national daily newspaper [●] and [●] editions of the Telugu daily newspaper [●] (Telugu being the regional language of Telangana, where our Registered and Corporate Office is located), each with wide circulation on or prior to the Bid/Offer Opening Date and such advertisement shall also be made available to the Stock Exchanges for the purpose of uploading on their websites

All SCSBs offering the facility of making applications in public issues shall also provide the facility to make application using UPI. The Company will be required to appoint one of the SCSBs as a Sponsor Bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and/ or payment instructions of the Retail Individual Bidders using the UPI.

Pursuant to the UPI Circulars, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Circulars include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one day from the date on which the Basis of Allotment is finalized. Failure to unblock the accounts within the timeline would result in the SCSBs being penalized under the relevant securities law. Additionally, if there is any delay in the redressal of investors' complaints, the relevant SCSB as well as the post – Offer BRLM will be required to compensate the concerned investor.

For further details, refer to the "*General Information Document*" available on the websites of the Stock Exchanges and the BRLMs.

**Bid cum Application Form**

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centres, and our Registered and Corporate Office. An electronic copy of the Bid cum Application Form will also be available for download on the websites of NSE (www.nseindia.com) and BSE (www.bseindia.com) at least one day prior to the Bid/Offer Opening Date.

Copies of the Anchor Investor Application Form will be available at the offices of the BRLMs.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. Anchor Investors are not permitted to participate in the Offer through the ASBA process. The RIBs Bidding in the Retail Portion can additionally Bid through the UPI Mechanism.

RIBs Bidding in the Retail Portion using the UPI Mechanism must provide the valid UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain the UPI ID are liable to be rejected.

ASBA Bidders (other than RIBs using UPI Mechanism) must provide bank account details and authorization to block funds in their respective ASBA Accounts in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details are liable to be rejected.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. RIBs Bidding in the Retail Portion using UPI Mechanism, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs. RIBs authorizing an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs. ASBA Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Bank, as applicable at the time of submitting the Bid.

The prescribed color of the Bid cum Application Form for the various categories is as disclosed below.

| Category | Color of Bid cum Application Form* |
|---|---|
| Resident Indians, including resident QIBs, Non-Institutional Investors, Retail Individual Bidders and Eligible NRIs applying on a non-repatriation basis | [●] |
| Non-Residents including Eligible NRIs, FVCIs, FPIs, registered multilateral and bilateral development financial institutions applying on a repatriation basis | [●] |
| Anchor Investors | [●] |

* *Excluding electronic Bid cum Application Form*

*Notes:*

*(1) Electronic Bid Cum Application Forms will also be available for download on the website of the NSE (www.nseindia.com) and the BSE (www.bseindia.com).*

*(2) Bid cum Application Forms for Anchor Investors will be made available at the office of the BRLMs.*

In case of ASBA forms, the relevant Designated Intermediaries shall upload the relevant bid details in the electronic bidding system of the Stock Exchanges. For RIBs using UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIBs for blocking of funds. For ASBA Forms (other than UPI Mechanism) Designated Intermediaries (other than SCSBs) shall submit/ deliver the ASBA Forms to the respective SCSB where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

The Sponsor Bank shall host a web portal for intermediaries (closed user group) from the date of Bid/ Offer Opening Date till the date of listing of the Equity Shares with details of statistics of mandate blocks/unblocks, performance of apps and UPI handles, down-time/network latency (if any) across intermediaries and any such processes having an impact/bearing on the Offer bidding process.

**Electronic registration of Bids**

a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the Offer.

b) On the Bid/Offer Closing Date, the Designated Intermediaries may upload the Bids until such time as may be permitted by the Stock Exchanges and as disclosed in the Red Herring Prospectus.

c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given until 1:00 pm on the next Working Day following the Bid/Offer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

**Participation by Promoters and members of the Promoter Group of our Company, the BRLMs, the Syndicate Members, associates, and affiliates of the BRLMs and the Syndicate Members**

The BRLMs and the Syndicate Members shall not be allowed to subscribe to or purchase the Equity Shares in the Offer in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLMs and the Syndicate Members may Bid for Equity Shares in the Offer, either in the QIB Portion or in the Non-Institutional Portion as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription or purchase may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Neither the BRLMs or any associates of the BRLMs (except Mutual Funds sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associate of BRLMs or AIFs sponsored by the entities which are associate of the BRLMs or FPIs other than individuals, corporate bodies and family offices sponsored by the entities which are associates of the BRLMs) shall apply in the Offer under the Anchor Investor Portion.

Further, the Promoters and members of the Promoter Group shall not participate by applying for Equity Shares in the Offer. Further, persons related to our Promoters and Promoter Group shall not apply in the Offer under the Anchor Investor Portion.

For the purposes of the above, a QIB who has the following rights shall be deemed to be a person related to our Promoters or Promoter Group:

(i) rights under a shareholders' agreement or voting agreement entered into with our Promoters or Promoter Group;

(ii) veto rights; or

(iii) right to appoint any nominee director on the Board.

Further, an Anchor Investor shall be deemed to be an associate of the BRLMs, if: (a) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (b) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (c) there is a common director, excluding a nominee director, amongst the Anchor Investor and the BRLMs.

**Bids by Mutual Funds**

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs, reserve the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its NAV in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

**Bids by HUFs**

Bids by Hindu Undivided Families or HUFs, should be made in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or first Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids/Applications by HUFs will be considered at par with Bids/Applications from individuals.

**Bids by Eligible NRIs**

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their SCSB (if they are Bidding directly through the SCSB) or confirm or accept the UPI Mandate Request (in case of Bidding through the UPI Mechanism) to block their Non-Resident External ("**NRE**") accounts, or Foreign Currency Non-Resident ("**FCNR**") Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their SCSB (if they are Bidding directly through SCSB) or confirm or accept the UPI Mandate Request (in case of Bidding through the UPI Mechanism) to block their Non-Resident Ordinary ("**NRO**") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form. Participation of Eligible NRIs in the Offer shall be subject to the FEMA Rules.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents ([●] in color). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents ([●] in color).

NRIs will be permitted to apply in the Offer through Channel I or Channel II (as specified in the UPI Circular). Further, subject to applicable law, NRIs may use Channel IV (as specified in the UPI Circular) to apply in the Offer, provided the UPI facility is enabled for their NRE/ NRO accounts.

NRIs applying in the Offer using UPI Mechanism are advised to enquire with the relevant bank whether their bank account is UPI linked prior to making such application. For details of investment by NRIs, see "*Restriction in Foreign Ownership of Indian Securities*" beginning on page 350. Participation of eligible NRIs shall be subject to FEMA Non-debt Instruments Rules.

**Bids by FPIs**

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same multiple entities having common ownership directly or indirectly of more than 50% or common control) must be below 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA NDI Rules, the total holding by each FPI, of an investor group, shall be below 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis and the total holdings of all FPIs could be up to 100%, being the sectoral cap, of the paid-up Equity Share capital of our Company on a fully diluted basis.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time. In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for Non-Residents ([●] in colour).

In terms of the FEMA, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

The FEMA NDI Rules were enacted on October 17, 2019 in supersession of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, except as respects things done or omitted to be done before such supersession. FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) such other conditions as may be specified by SEBI from time to time.

An FPI issuing offshore derivate instruments is also required to ensure that any transfer of offshore derivative instruments issued by, or on behalf of it subject to, inter alia, the following conditions:

(i) such offshore derivative instruments are transferred to persons subject to fulfilment of SEBI FPI Regulations; and

(ii) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred are pre-approved by the FPI.

Bids by FPIs which utilise the multi investment manager structure in accordance with the Operational Guidelines for Foreign Portfolio Investors and Designated Depository Participants issued to facilitate implementation of the SEBI FPI Regulations (the "**Operational FPI Guidelines**"), submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs shall not be treated as multiple Bids ("**MIM Bids**"). As specified in 4.1.4.2 (b)(i) and 4.1.4.2 (c)(iv) of the General Information Document, it hereby clarified that FPIs bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected, except for Bids from FPIs that utilise the multi investment manager structure in accordance with the Operational FPI Guidelines (such structure referred to as "**MIM Structure**"). In order to ensure valid Bids, FPIs making MIM Bids using the same PAN and with different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM Structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected.

Further, in the following cases, the bids by FPIs will not be considered as multiple Bids: involving (i) the MIM Structure and indicating the name of their respective investment managers in such confirmation; (ii) offshore derivative instruments ("**ODI**") which have obtained separate FPI registration for ODI and proprietary derivative investments; (iii) sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration; (iv) FPI registrations granted at investment strategy level/sub fund level where a collective investment scheme or fund has multiple investment strategies/sub-funds with identifiable differences and managed by a single investment manager; (v) multiple branches in different jurisdictions of foreign bank registered as FPIs; (vi) Government and Government related investors registered as Category 1 FPIs; and (vii) Entities registered as Collective Investment Scheme having multiple share classes.

Please note that in terms of the General Information Document, the maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under applicable laws. Further, MIM Bids by an FPI Bidder utilising the MIM Structure shall be aggregated for determining the permissible maximum Bid. Further, please note that as disclosed in this Draft Red Herring Prospectus read with the General Information Document, Bid Cum Application Forms are liable to be rejected in the event that the Bid in the Bid cum Application Form "*exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of the Red Herring Prospectus.*"

For example, an FPI must ensure that any Bid by a single FPI and/ or an investor group (which means the same multiple entities having common ownership directly or indirectly of more than 50% or common control) (collective, the "**FPI Group**") shall be below 10% of the total paid-up Equity Share capital of our Company on a fully diluted basis. Any Bids by FPIs and/ or the FPI Group (including but not limited to (a) FPIs Bidding through the MIM Structure; or (b) FPIs with separate registrations for offshore derivative instruments and proprietary derivative instruments) for 10% or more of our total paid-up post Offer Equity Share capital shall be liable to be rejected.

**Bids by SEBI-registered AIFs, VCFs and FVCIs**

The SEBI FVCI Regulations, SEBI VCF Regulations and the SEBI AIF Regulations prescribe, *inter alia*, the investment restrictions on the FVCIs, VCFs and AIFs registered with SEBI respectively. FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering. Category I AIF and Category II AIF cannot invest more than 25% of the investible funds in one investee company. A Category III AIF cannot invest more than 10% of the investible funds in one investee company. A VCF registered as a Category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3$^{rd}$ of its investible funds by way of subscription to an initial public offering of a venture capital undertaking. Additionally, a VCF that has not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations (and accordingly shall not be allowed to participate in the Offer) until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

Further, the shareholding of VCFs, category I AIFs or category II AIFs and FVCIs holding Equity Shares prior to Offer, shall be locked-in for a period of at least one year from the date of purchase of such Equity Shares.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

The Company, the Selling Shareholders or the BRLMs will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

**Bids by Limited Liability Partnerships**

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs, reserve the right to reject any Bid without assigning any reason thereof.

**Bids by Banking Companies**

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs, reserve the right to reject any Bid without assigning any reason thereof. The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended and Master Circular on Basel III Capital Regulations dated July 1, 2014, as amended, is 10% of the paid up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10% of the bank's own paid-up share capital and reserves, whichever is lower.

However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid up share capital of such investee company, subject to prior approval of the RBI if (i) the investee company is engaged in non-financial activities permitted for banking companies in terms of Section 6(1) of the Banking Regulation Act; or (ii) the additional acquisition is through restructuring of debt, or to protect the banking company's interest on loans/investments made to a company. The bank is required to submit a time bound action plan to the RBI for the disposal of such shares within a specified period. The aggregate investment by a banking company along with its subsidiaries, associates or joint ventures or entities directly or indirectly controlled by the bank; and mutual funds managed by asset management companies controlled by the bank, more than 20% of the investee company's paid up share capital engaged in non-financial services. However, this cap doesn't apply to the cases mentioned in (i) and (ii) above. The aggregate equity investments made by a banking company in all subsidiaries and other entities engaged in financial services and non-financial services, including overseas investments shall not exceed 20% of the bank's paid-up share capital and reserves.

**Bids by SCSBs**

SCSBs participating in the Offer are required to comply with the terms of the circulars issued by the SEBI dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

**Bids by Systemically Important NBFCs**

In case of Bids made by Systemically Important NBFCs registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) the last audited financial statements on a standalone basis, (iii) a net worth certificate from its statutory auditors, and (iv) such other approval as may be required by the Systemically Important NBFCs are required to be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs, reserve the right to reject any Bid without assigning any reason thereof.

Systemically Important NBFCs participating in the Offer shall comply with all applicable regulations, directions, guidelines and circulars issued by the RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

**Bids by Insurance Companies**

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs, reserve the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers are prescribed under the IRDAI Investment Regulations, based on investments in equity shares of the investee company, the entire group of the investee company and the industry sector in which the investee company operates. Insurance companies participating in the Offer are advised to refer to the IRDAI Investment Regulations for specific investment limits applicable to them and comply with all applicable regulations, guidelines and circulars issued by the IRDAI from time to time.

**Bids by Provident Funds/Pension Funds**

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹250 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs, reserve the right to reject any Bid without assigning any reason thereof.

**Bids under Power of Attorney**

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Eligible FPIs, Mutual Funds, Systemically Important NBFCs, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India, or the National Investment Fund and provident funds with a minimum corpus of ₹250 million (subject to applicable law) and pension funds with a minimum corpus of ₹250 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company, in consultation with the BRLMs, reserve the right to accept or reject any Bid in whole or in part, in either case without assigning any reason therefor.

Our Company, in consultation with the BRLMs, in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form subject to the terms and conditions that our Company, in consultation with the BRLMs may deem fit.

**In accordance with existing regulations issued by the RBI, OCBs cannot participate in this Offer.**

**The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus or as will be specified in the Red Herring Prospectus and the Prospectus.**

**Bids by Anchor Investors**

In accordance with the SEBI ICDR Regulations, the key terms for participation by Anchor Investors are provided below.

1) Anchor Investor Application Forms will be made available for the Anchor Investor Portion at the offices of the BRLMs.

2) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds ₹100 million. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹100 million.

3) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.

4) Bidding for Anchor Investors will open one Working Day before the Bid/ Offer Opening Date.

5) Our Company, in consultation with the BRLMs, will finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion will not be less than: (a) maximum of two Anchor Investors, where allocation under the Anchor Investor Portion is up to ₹100 million; (b) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹100 million but up to ₹2,500 million, subject to a minimum Allotment of ₹50 million per Anchor Investor; and (c) in case of allocation above ₹2,500 million under the Anchor Investor Portion, a minimum of five such investors and a maximum of 15 Anchor Investors for allocation up to ₹2,500 million, and an additional 10 Anchor Investors for every additional ₹2,500 million, subject to minimum allotment of ₹50 million per Anchor Investor.

6) Allocation to Anchor Investors will be completed on the Anchor Investor Bidding Date. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation will be made available in the public domain by the BRLMs before the Bid/ Offer Opening Date, through intimation to the Stock Exchanges.

7) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.

8) If the Offer Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Offer Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors on the Anchor Investor Pay-in Date specified in the CAN. If the Offer Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Offer Price.

9) Equity Shares Allotted in the Anchor Investor Portion will be locked in for a period of 30 days from the date of Allotment.

10) Neither the BRLMs (s) or any associate of the BRLMs (other than mutual funds sponsored by entities which are associate of the BRLMs or insurance companies promoted by entities which are associate of the BRLMs or Alternate Investment Funds (AIFs) sponsored by the entities which are associates of the BRLMs or FPIs, other than individuals, corporate bodies and family offices, sponsored by the entities which are associate of the BRLMs) shall apply under the Anchor Investors category.

Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.

For more information, please read the General Information Document.

**Information for Bidders**

The relevant Designated Intermediary will enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options are not considered as multiple Bids. It is the Bidder's responsibility to obtain the acknowledgment slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he /she shall surrender the earlier Acknowledgement Slip and may request for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid.

In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, the Selling Shareholders and/or the BRLMs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Red Herring Prospectus or the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

**General Instructions**

**Do's:**

A. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;

B. Ensure that you have Bid within the Price Band;

C. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;

D. Ensure that you (other than the Anchor Investors) have mentioned the correct details of your ASBA Account (i.e., bank account number or UPI ID, as applicable) in the Bid cum Application Form if you are not a RIB using the UPI Mechanism in the Bid cum Application Form and if you are a RIB using the UPI Mechanism ensure that you have mentioned the correct UPI ID (with maximum length of 45 characters including the handle), in the Bid cum Application Form;

E. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Center (except in case of electronic Bids) within the prescribed time. Bidders (other than Anchor Investors) shall submit the Bid cum Application Form in the manner set out in the General Information Document;

F. RIBs Bidding shall ensure that they use only their own ASBA Account or only their own bank account linked UPI ID (only for RIBs using the UPI Mechanism) to make an application in the Issue and not ASBA Account or bank account linked UPI ID of any third party;

G. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to any of the Designated Intermediaries;

H. Ensure that the signature of the first Bidder in case of joint Bids, is included in the Bid cum Application Forms. If the first Bidder is not the ASBA Account holder, ensure that the Bid cum Application Form is signed by the ASBA Account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;

I. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain the name of only the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;

J. Ensure that you request for and receive a stamped Acknowledgment Slip in the form of a counterfoil or acknowledgment specifying the application number as a proof of having accepted the of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;

K. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed, and obtain a revised Acknowledgment Slip;

L. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the circular (No. MRD/DoP/Cir-20/2008) dated June 30, 2008 issued by the SEBI, may be exempt from specifying their PAN for transacting in the securities market, (ii) submitted by investors who are exempt from the requirement of obtaining/specifying their PAN for transacting in the securities market, and (iii) Bids by persons resident in the state of Sikkim, who, in terms of the SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the Income Tax Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

M. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;

N. Ensure that the category and the investor status is indicated in the Bid cum Application Form to ensure proper upload of your Bid in the electronic Bidding system of the Stock Exchanges;

O. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trusts, etc., the relevant documents, including a copy of the power of attorney, if applicable, are submitted;

P. Ensure that Bids submitted by any person outside India is in compliance with applicable foreign and Indian laws;

Q. Since the Allotment will be in demat form only, ensure that the depository account is active, the correct DP ID, Client ID, the PAN, and UPI ID (for RIBs bidding through UPI mechanism) and PAN are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, UPI ID (for ASBA Bidders bidding through UPI mechanism) and the PAN entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID, UPI ID (for ASBA Bidders bidding through UPI mechanism) and PAN available in the Depository database;

R. In case of QIBs and NIBs, ensure that while Bidding through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at www.sebi.gov.in);

S. The ASBA Bidders shall use only their own bank account or only their own bank account linked UPI ID for the purposes of making Application in the Issue, which is UPI 2.0 certified by NPCI;

T. Bidders (except RIBs Bidding through the UPI Mechanism) should instruct their respective banks to release the funds blocked in the ASBA account under the ASBA process. In case of RIBs, once the Sponsor Bank issues the Mandate Request, the RIBs would be required to proceed to authorize the blocking of funds by confirming or accepting the UPI Mandate Request to authorize the blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment, in a timely manner;

U. RIBs bidding using the UPI Mechanism should mention valid UPI ID of only the Bidder (in case of single account) and of the first Bidder (in case of joint account) in the Bid cum Application Form;

V. Ensure that when applying in the Offer using the UPI Mechanism, the name of your SCSB appears in the list of SCSBs displayed on the SEBI website which are live on UPI. Further, also ensure that the name of the app and the UPI handle being used for making the application is also appearing in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019;

W. RIBs who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which RIBs should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank to authorize blocking of funds equivalent to the revised Bid Amount in the RIB's ASBA Account;

X. Anchor Investors should submit the Anchor Investor Application Forms to the BRLMs;

Y. FPIs making MIM Bids using MIM Structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected;

Z. Bids received from FPIs bearing the same PAN shall not be treated as multiple Bids in the event such FPIs utilise the MIM Structure and such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs;

AA. Bidders through UPI Mechanism shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her/its UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, a RIB may be deemed to have verified the attachment containing the application details of the RIB in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to block the Bid Amount mentioned in the Bid Cum Application Form;

BB. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 12:00 p.m. of the Working Day immediately after the Bid/ Offer Closing Date;

CC. Bids by Eligible NRIs, HUFs and any individuals, corporate bodies and family offices who are FPIs and registered with SEBI for a Bid Amount of less than ₹200,000 would be considered under the Retail Category for the purposes of allocation and Bids for a Bid Amount exceeding ₹200,000 would be considered under the Non-Institutional Category for allocation in the Offer;

DD. Ensure that you have correctly signed the authorization/undertaking box in the Bid cum Application Form, or have otherwise provided an authorization to the SCSB or the Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form, as the case may be, at the time of submission of the Bid. In case of RIBs submitting their Bids and participating in the Offer through the UPI Mechanism, ensure that you authorize the UPI Mandate Request raised by the Sponsor Bank for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment; and

EE. Ensure that the Demographic Details are updated, true and correct in all respects

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected.

**Don'ts:**

A. Do not Bid for lower than the minimum Bid size;

B. Do not submit a Bid using UPI ID, if you are not an RIB;

C. Do not Bid/revise the Bid Amount to less than the Floor Price or higher than the Cap Price;

D. Do not Bid for a Bid Amount exceeding ₹200,000 (for Bids by Retail Individual Bidders);

E. Do not Bid at Cut-off Price (for Bids by QIBs (subject to the Bid Amount being above ₹200,000) and Non-Institutional Bidders);

F. Do not pay the Bid Amount in cheques, demand drafts, cash, money order, postal order or by stock invest;

G. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;

H. Do not submit the Bid cum Application Forms to any non-SCSB bank or our Company;

I. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;

J. Do not submit the Bid for an amount more than funds available in your ASBA account;

K. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Bidder;

L. Do not submit your Bid after 3.00 p.m. on the Bid/Offer Closing Date;

M. Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediary;

N. If you are a QIB, do not submit your Bid after 3 p.m. on the QIB Bid / Offer Closing Date;

O. Do not Bid for Equity Shares in excess of what is specified for each category;

P. In case of ASBA Bidders (other than RIBs using UPI mechanism), do not submit more than one Bid cum Application Form per ASBA Account;

Q. Do not make the Bid cum Application Form using third party bank account or using third party linked bank account UPI ID;

R. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a color prescribed for another category of Bidder;

S. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;

T. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);

U. Do not fill up the Bid cum Application Form such that the number of Equity Shares Bid for exceeds the Offer size and/or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations, or under the terms of the Red Herring Prospectus;

V. Do not submit the General Index Register (GIR) number instead of the PAN;

W. Do not submit incorrect details of the DP ID, Client ID, the PAN and UPI ID, if applicable, or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;

X. Do not submit the ASBA Forms to any Designated Intermediary that is not authorized to collect the relevant ASBA Forms or to our Company;

Y. Do not submit Bids to a Designated Intermediary at a location other than at the relevant Bidding Centers. If you are RIB and are using UPI mechanism, do not submit the ASBA Form directly with SCSBs;

Z. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA account;

AA. Anchor Investors should not bid through the ASBA process;

BB. Anchor Investors should submit Anchor Investor Application Form only to the BRLMs;

CC. Do not Bid on a Bid cum Application Form that does not have the stamp of a Designated Intermediary;

DD. Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;

EE. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by RIBs using the UPI Mechanism;

FF. RIBs Bidding through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB or a bank which is not mentioned in the list provided in the SEBI website is liable to be rejected;

GG. Do not submit more than one Bid cum Application Form for each UPI ID in case of RIBs Bidding using the UPI Mechanism;

HH. Do not Bid if you are an OCB.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Further, in case of any pre-Offer or post Offer related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out the Company Secretary and Compliance Officer. For details of Company Secretary and Compliance Officer, see "*General Information*" beginning on page 59.

For helpline details of the BRLMs pursuant to the SEBI/HO.CFD.DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, see "*General Information—Book Running Lead Managers*" on page 60.

Further, in case of any pre-issue or post issue related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out the Company Secretary and Compliance Officer. For details of the Company Secretary and Compliance Officer, see "*General Information*" beginning on page 59.

In case of (i) any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) for cancelled/ withdrawn/ deleted ASBA Forms, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from the date on which the request for cancellation/ withdrawal/ deletion is placed in the Stock Exchanges bidding platform until the date on which the amounts are unblocked (ii) any blocking of multiple amounts for the same ASBA Form (for amounts blocked through the UPI Mechanism), the Bidder shall be compensated at a uniform rate ₹100 per day or 15% per annum of the total cumulative blocked amount except the original application amount, whichever is higher from the date on which such multiple amounts were blocked till the date of actual unblock; (iii) any blocking of amounts more than the Bid Amount, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the difference in amount, whichever is higher from the date on which such excess amounts were blocked till the date of actual unblock; (iv) any delay in unblocking of non-allotted/ partially allotted Bids, exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher for the entire duration of delay exceeding four Working Days from the Bid/ Offer Closing Date by the SCSB responsible for causing such delay in unblocking. The post Offer BRLMs shall be liable for compensating the Bidder at a uniform rate of ₹100 per day or 15% per annum of the Bid Amount, whichever is higher from the date of receipt of the Investor grievance until the date on which the blocked amounts are unblocked.

Further, Investors shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 in case of delays in resolving investor grievances in relation to blocking/unblocking of funds. For ensuring timely information to investors in relation to blocking / debit / unblocking, SCSBs shall send SMS alerts as specified in SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021.

**Names of entities responsible for finalizing the basis of allotment in a fair and proper manner**

The authorized employees of the Designated Stock Exchange, along with the BRLMs and the Registrar, shall ensure that the Basis of Allotment is finalized in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

**Method of allotment as may be prescribed by SEBI from time to time**

Our Company will not make any Allotment in excess of the Equity Shares offered through the Red Herring Prospectus and the Prospectus except in case of oversubscription for the purpose of rounding off to make Allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an allotment of not more than 1% of the Offer may be made for the purpose of making allotment in minimum lots.

The Allotment of Equity Shares to Bidders other than to the Retail Individual Bidders and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed.

The Allotment of Equity Shares to each Retail Individual Bidder shall not be less than the minimum bid lot, subject to the availability of shares in Retail Individual Bidders Portion, and the remaining available shares, if any, shall be allotted on a proportionate basis.

**Payment into Escrow Account(s) for Anchor Investors**

Our Company, in consultation with the BRLMs, in their absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account(s) should be drawn in favor of:

(a) In case of resident Anchor Investors: "[●]"; and

(b) In case of Non-Resident Anchor Investors: "[●]".

Anchor Investors should note that the escrow mechanism is not prescribed by the SEBI and has been established as an arrangement between our Company, the Selling Shareholders and the Syndicate, the Escrow Collection Bank and the Registrar to the Offer to facilitate collections of Bid amounts from Anchor Investors.

**The above information is given for the benefit of the Bidders/applicants. Our Company, the Selling Shareholders and the members of the Syndicate are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders/applicants are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the prescribed limits under applicable laws or regulations.**

**Pre-Offer Advertisement**

Subject to Section 30 of the Companies Act, 2013, our Company shall, after filing the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in: ([●] editions [●], an English national daily newspaper, [●] editions of [●], a Hindi national daily newspaper, and [●] edition of [●], a Telugu newspaper (Telugu being the regional language of Telangana, where our Registered and Corporate Office is located), each with wide circulation.

In the pre-Offer advertisement, we shall state the Bid/Offer Opening Date and the Bid/Offer Closing Date. The advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

**Signing of the Underwriting Agreement and the RoC Filing**

(a) Our Company, the Selling Shareholders and the Underwriters intend to enter into an Underwriting Agreement on or immediately after the finalization of the Offer Price but prior to the filing of Prospectus.

(b) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Offer Price, the Anchor Investor Offer Price, Offer size, and underwriting arrangements and will be complete in all material respects.

**Impersonation**

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below.

**"*Any person who:***

***(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or***

***(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or***

***(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,***

***shall be liable for action under Section 447."***

The liability prescribed under Section 447 of the Companies Act, for fraud involving an amount of at least ₹ 1 million or 1% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹ 1 million or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹ 5 million or with both.

**Undertakings by Our Company**

Our Company undertakes the following:

- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders;

- the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;

- all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed shall be taken within six Working Days of the Bid/Offer Closing Date or such other time as may be prescribed by the SEBI or under any applicable law;

- if Allotment is not made within the prescribed time period under applicable law, the entire Bid amount received will be refunded/unblocked within the time prescribed under applicable law, failing which interest will be due to be paid to the Bidders at the rate prescribed under applicable law for the delayed period;

- the funds required for making refunds (to the extent applicable) to unsuccessful Bidders as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;

- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the Bidder within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

- compliance with all disclosure and accounting norms as may be specified by SEBI from time to time;

- no further issue of the Equity Shares shall be made until the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under-subscription, etc.; and

- if our Company, in consultation with the BRLMs, withdraws the Offer after the Bid/ Offer Closing Date and thereafter determines that it will proceed with an issue of the Equity Shares, our Company shall file a fresh draft red herring prospectus with the SEBI.

**Undertakings by the Selling Shareholders**

Each of the Selling Shareholder undertakes, severally and not jointly in respect of itself as a Selling Shareholder and its respective portion of the Offered Shares that:

- they are the legal and beneficial owners of the respective Equity Shares offered by them in the Offer for Sale;

- the respective Equity Shares offered by them in the Offer for Sale are free and clear of any encumbrances and shall be transferred to the successful Bidders within the time specified under applicable law;

- they have authorized our Company to take such necessary steps in relation to the completion of Allotment and dispatch of the Allotment Advice and CAN, if required, and refund orders to the extent of Equity Shares offered by them in the Offer for Sale;

- they shall not have any recourse to the proceeds of the Offer for Sale until final listing and trading approvals have been received from the Stock Exchanges;

- they shall comply with all applicable laws, including the Companies Act, the SEBI ICDR Regulations, the FEMA and all applicable circulars, guidelines and regulations issued by the SEBI and the RBI, each in relation to the respective Equity Shares offered by them in the Offer for Sale to the extent that such compliance is the obligation of such Selling Shareholders; and

- they shall provide reasonable assistance to our Company and the BRLMs to ensure that the Equity Shares offered by them in the Offer shall be transferred to the successful Bidders within the specified time period under applicable law.

**Utilization of Net Proceeds**

The Company and the Selling Shareholders declare that all monies received out of its respective component of the Offer for Sale shall be credited/transferred to a separate bank account pursuant to sub-section (3) of Section 40 of the Companies Act.

## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment. The Government has from time to time made policy pronouncements on foreign direct investment ("**FDI**") through press notes and press releases. The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (earlier known as the Department of Industrial Policy and Promotion) ("**DPIIT**"), issued the FDI Policy, which, with effect from October 15, 2020 consolidated, subsumed and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect prior to October 15, 2020. The FDI Policy will be valid until the DPIIT issues an updated circular. FDI in companies engaged in sectors/ activities which are not listed in the FDI Policy is permitted up to 100% of the paid up share capital of such company under the automatic route, subject to compliance with certain prescribed conditions.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer. See "*Offer Procedure*" beginning on page 331.

Our Company has, pursuant to the Board and Shareholders' resolutions, each dated July 31, 2021, increased the limit of investment of NRIs on a repatriation basis under Schedule III of the FEMA Non-Debt Instruments Rules to up to 24% of the paid-up equity share capital of our Company, provided that the shareholding of each NRI in our Company shall not exceed 5% of the equity share capital or such other limit as may be stipulated by the RBI.

**Foreign Exchange Laws**

The foreign investment in our Company is governed by, *inter-alia*, the FEMA, the FEMA Non-debt Instruments Rules, the FDI Policy issued and amended by way of press notes.

Further, in terms of the FEMA Non-debt Instruments Rules, the aggregate FPI investment limit is the sectoral cap applicable to Indian company as prescribed in the FEMA Non-debt Instruments Rules with respect to its paid-up equity capital on a fully diluted basis. See "*Offer Procedure*" beginning on page 331.

Further, in accordance with the FDI Policy, the Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the FEMA Non-debt Instruments Rules, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country ("**Restricted Investors**"), will require prior approval of the Government, as prescribed in the FDI Policy and the FEMA Non-debt Instruments Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made a similar amendment to the FEMA Non-debt Instruments Rules. Each Bidder should seek independent legal advice about its ability to participate in the Offer. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar in writing about such approval along with a copy thereof within the Bid/Offer Period.

**The Equity Shares have not been and will not be registered under the U.S. Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws.**

**Accordingly, the Equity Shares are only being offered and sold (i) within the United States to U.S. QIBs pursuant to the private placement exemption set out in Section 4(a)(2) of the U.S. Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S and the applicable laws of the jurisdiction where those offers and sales occur**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

**The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations**.

## SECTION VIII: DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION

*Capitalized terms used in this section have the meanings that have been given to such terms in the Articles of Association of our Company. Pursuant to Schedule I of the Companies Act and the SEBI ICDR Regulations, the main provisions of the Articles of Association of our Company are detailed below.*

### PART A

*The Articles of Association of our Company comprise of two parts, Part A and Part B, which parts shall, unless the context otherwise requires, co-exist with each other until the commencement of the listing of equity shares of the Company pursuant to the Offer. In case of inconsistency or contradiction, conflict or overlap between Part A and Part B, the provisions of Part B shall, subject to applicable law, prevail and be applicable. All articles of Part B shall automatically terminate, without any further corporate or other action by the Company or by its shareholders, and cease to have any force and effect from the date of listing of Equity Shares of the Company on a recognized stock exchange in India pursuant to the Offer and the provisions of Part A shall continue to be in effect and be in force, without any further corporate or other action, by our Company or by our Shareholders.*

**AUTHORISED SHARE CAPITAL**

The authorized share capital of the Company shall be such amount, divided into such class(es), denomination(s) and number of Shares in the Company as stated in Clause V of the Memorandum of Association, with power to increase or reduce such capital from time to time and power to divide the Shares in the capital for the time being into other classes and to attach thereto respectively such preferential, convertible, deferred, qualified, or other special rights, privileges, conditions or restrictions and to vary, modify or abrogate the same in such manner as may be determined by or in accordance with the Articles of the Company, subject to the provisions of applicable law for the time being in force.

**SUB-DIVISION, CONSOLIDATION AND CANCELLATION OF SHARE CERTIFICATE**

Subject to the provisions of the Act, the Company in its general meetings may, by an ordinary resolution, from time to time:

(a) increase the share capital by such sum, to be divided into Equity Shares of such amount as it thinks expedient;

(b) divide, sub-divide or consolidate its Shares, or any of them, and the resolution whereby any share is sub-divided, may determine that as between the holders of the Equity Shares resulting from such sub-division, one or more of such Equity Shares have some preference or special advantage in relation to dividend, capital or otherwise as compared with the others;

(c) cancel Equity Shares which at the date of such general meeting have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the Equity Shares so cancelled;

(d) consolidate and divide all or any of its share capital into Equity Shares of larger amount than its existing Equity Shares; provided that any consolidation and division which results in changes in the voting percentage of members shall require applicable approvals under the Companies Act; and

(e) convert all or any of its fully paid-up Equity Shares into stock, and reconvert that stock into fully paid-up Equity Shares of any denomination.

**FURTHER ISSUE OF SHARES**

Subject to the provisions of the Companies Act, and these Articles, the shares in the capital of our Company for the time being shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or at a discount and at such time as they may from time to time think fit and with the sanction of our Company in the general meeting to give to any person the option or right to call for any shares either at par or premium during such time and for such consideration as the Board think fit.

**ALLOTMENT ON APPLICATION TO BE ACCEPTANCE OF SHARES**

Any application signed by or on behalf of an applicant for Shares in the Company followed by an allotment of any Shares therein, shall be an acceptance of Shares within the meaning of these Articles, and every person who thus or otherwise accepts any Shares and whose name is on the Register of Members, shall, for the purpose of these Articles, be a Member.

**RETURN ON ALLOTMENTS TO BE MADE OR RESTRICTIONS ON ALLOTMENT**

The Board shall observe the restrictions as regards allotment of Shares to the public contained in the Act, and as regards return on allotments, the Directors shall comply with applicable provisions of the Act.

**VARIATION OF SHAREHOLDERS' RIGHTS**

(a) If at any time the share capital of the Company is divided into different classes of Shares, the rights attached to the Shares of any class (unless otherwise provided by the terms of issue of the Shares of that class) may, subject to provisions of the Act, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of not less than three-fourth of the issued Shares of that class or with the sanction of a Special Resolution passed at a separate meeting of the holders of the issued Shares of that class, as prescribed by the Act.

(b) Subject to the provisions of the Act, to every such separate meeting, the provisions of these Articles relating to meeting shall *mutatis mutandis* apply.

**SHARE CERTIFICATES**

Every Member shall be entitled, without payment to one (1) or more certificates in marketable lots, for all the Shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors so determine) to several certificates, each for one (1) or more of such Shares and the Company shall complete and have ready for delivery such certificates, unless prohibited by any provision of law or any order of court, tribunal or other authority having jurisdiction, within two (2) months from the date of allotment, or within one (1) month of the receipt of application of registration of transfer, transmission, sub division, consolidation or renewal of any of its Shares as the case maybe or within a period of six (6) months from the date of allotment in the case of any allotment of debenture. In respect of any Share or Shares held jointly by several persons, the Company shall not be bound to issue more than one (1) certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such joint holders.

Every certificate shall specify the Shares to which it relates and the amount paid-up thereon and shall be signed by two (2) directors or by a director and the company secretary, wherever the company has appointed a company secretary and the common seal it shall be affixed in the presence of the persons required to sign the certificate.

The Act shall be complied with in respect of the issue, reissue, renewal of share certificates and the format, sealing and signing of the certificates and records of the certificates issued shall be maintained in accordance with the said Act.

(a) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise, pursuant to the provisions of the Depositories Act, its Shares, debentures and other securities, and offer securities for subscription in dematerialised form. No Share certificate(s) shall be issued for the Shares held in a dematerialized form.

(b) Notwithstanding anything contained in these Articles, the Company shall be entitled to rematerialize its Shares, debentures and other securities held in dematerialized form pursuant to the Depositories Act.

(c) Subject to the Company offering issuance of securities in dematerialized form, every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold securities with a Depository. Such person who is the beneficial owner of the securities may at any time opt out of a Depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act and the Company shall in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities. If a person opts to hold his security with a Depository, the Company shall intimate such Depository for details of allotment of security and on the receipt of the information, the Depository shall enter in its record, the name of the allottee as the beneficial owner of the security.

(d) Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting the transfer of ownership of security on behalf of the beneficial owner. Save as otherwise provided above, the Depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it. Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the Depository shall be deemed to be a Member. The beneficial owner of the securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities, which are held by a Depository.

(e) Nothing contained in Section 56 of the Act or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a Depository.

(f) Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held in the dematerialized mode.

(g) The register and index of beneficial owners maintained by a Depository shall be deemed to be the register and index of Members and security holders.

(h) A Depository as a registered owner shall not have any voting right in respect Shares held by it in a dematerialized form. However, the beneficial owner as per the register of beneficial owners maintained by the Depository shall be entitled to such rights in respect of the Shares or securities held by him in the Depository. Any reference to the Member or joint Members in the Articles includes reference to beneficial owner or joint beneficial owner in respect of the Shares held in Depository.

If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under this Article shall be issued upon payment of such fees for each certificate as may be specified by the Board (which fees shall not exceed the maximum amount permitted under applicable law). Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above, the Directors shall comply with such rules or regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956 or any other act or rules applicable in this behalf. The provision of this Article shall *mutatis mutandis* apply to debentures of the Company.

**FORFEITURE OF SHARES**

If a Member fails to pay any call, or installment of a call or any money due in respect of any share, on or before the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on him requiring payment of so much of the call or installment or other money as is unpaid, together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of non-payment.

Any share forfeited in accordance with these Articles, shall be deemed to be the property of the Company and may be sold, re-allocated or otherwise disposed of either to the original holder thereof or to any other person upon such terms and in such manner as the Board thinks fit.

The forfeiture of a share shall involve extinction at the time of forfeiture, of all interest in and all claims and demands against the Company, in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles expressly saved.

A duly verified declaration in writing that the declarant is a Director, the manager or the secretary of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share and such declaration and the receipt of the Company for the consideration, if any given for the shares on the sale or disposition thereof shall constitute a good title to such shares; and the person to whom any such share is sold shall be registered as the member in respect of such share and shall not be bound to see to the application of the purchase money, nor shall his title to such share be affected by any irregularity or invalidity in the proceedings in reference to such forfeiture, sale or disposition.

The Company may receive the consideration, if any, given for the share on any sale, re-allotment or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of. The transferee shall thereupon be registered as the holder of the share and the transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the share.

Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinabove given, the Board may, if necessary, appoint some person to execute an instrument for transfer of the Shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the Shares sold and after his name has been entered in the Register of Members in respect of such Shares the validity of the sale shall not be impeached by any person.

**TRANSFER AND TRANSMISSION OF SHARES**

The Company shall keep a "Register of Transfers" and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any Shares. The Company shall also use a common form of transfer.

In respect of any transfer of Shares registered in accordance with the provisions of these Articles, the Board may, at its discretion, direct an endorsement of the transfer and the name of the transferee and other particulars on the existing share certificate and authorize any Director or Officer of the Company to authenticate such endorsement on behalf of the Company or direct the issue of a fresh share certificate, in lieu of and in cancellation of the existing certificate in the name of the transferee.

The instrument of transfer of any share shall be in writing and all the provisions of the Act, and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfer of Shares and registration thereof. The Company shall use the form of transfer, as prescribed under the Act, in all cases. In case of transfer of Shares, where the Company has not issued any certificates and where the Shares are held in dematerialized form, the provisions of the Depositories Act, 1996 shall apply.

The Board may decline to recognize any instrument of transfer unless-

(a) the instrument of transfer is in the form prescribed under the Act;

(b) the instrument of transfer is accompanied by the certificate of Shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and

(c) the instrument of transfer is in respect of only one class of Shares.

(d) No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document.

No share shall in any circumstances be transferred to any infant, insolvent or a person of unsound mind, except fully paid Shares through a legal guardian.

**TRANSMISSION OF SHARES**

Subject to the provisions of the Act and these Articles, any person becoming entitled to Shares in consequence of the death, lunacy, bankruptcy or insolvency of any Members, or by any lawful means other than by a transfer in accordance with these Articles, may with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence as the Board thinks sufficient, that he sustains the character in respect of which he proposes to act under this Article, or of his title, elect to either be registered himself as holder of the Shares or elect to have some person nominated by him and approved by the Board, registered as such holder or to make such transfer of the share as the deceased or insolvent member could have made. If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. Provided, nevertheless, if such person shall elect to have his nominee registered, he shall testify that election by executing in favour of his nominee an instrument of transfer in accordance with the provision herein contained and until he does so he shall not be freed from any liability in respect of the Shares. Further, all limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfer of Shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the Member had not occurred and the notice or transfer were a transfer signed by that Member.

A person becoming entitled to a share by, reason of the death or insolvency of the holder shall, subject to the Directors' right to retain such dividends or money, be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a Member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company. Provided that the Board may at any time give a notice requiring any such person to elect either to be registered himself or to transfer the share and if the notice is not complied with within ninety (90) days, the Board may thereafter withhold payment of all dividends, bonus or other moneys payable in respect of such share, until the requirements of notice have been complied with.

Before the registration of a transfer, the certificate or certificates of the share or shares to be transferred must be delivered to the Company along with (save as provided in the Act) properly stamped and executed instrument of transfer.

**ALTERATION OF CAPITAL**

The Company may issue share warrants subject to, and in accordance with provisions of the Act. The Board may, in its discretion, with respect to any share which is fully paid up on application in writing signed by the person registered as holder of the share, and authenticated by such evidence (if any) as the Board may from time to time require as to the identity of the person signing the application, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require having been paid, issue a warrant.

The Board may, from time to time, make rules as to the terms on which it shall think fit, a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

Where Shares are converted into stock:

(a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same Articles under which, the Shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the Shares from which the stock arose;

(b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the Shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in Shares, have conferred that privilege or advantage;

(c) such of the Articles of the Company as are applicable to paid-up Shares shall apply to stock and the words "Share" and "Shareholder"/ "Member" shall include "stock" and "stock-holder" respectively.

The Company may, by a resolution as prescribed by the Act, reduce in any manner and in accordance with the provisions of the Act—

(a) its share capital; and/or

(b) any capital redemption reserve account; and/or

(c) any share premium account

and in particular without prejudice to the generality of the foregoing power may be: (i) extinguishing or reducing the liability on any of its Shares in respect of share capital not paid up; (ii) either with or without extinguishing or reducing liability on any of its Shares, (a) cancel paid up share capital which is lost or is unrepresented by available assets; or (b) pay off any paid up share capital which is in excess of the wants of the Company; and may, if and so far as is necessary, alter its Memorandum, by reducing the amount of its share capital and of its Shares accordingly.

**GENERAL MEETINGS**

The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meeting in that year. An Annual General Meeting of the Company shall be held in accordance with the provisions of the Act. All General Meetings other than the Annual General Meeting shall be called "Extraordinary General Meeting". Provided that, the Board may, whenever it thinks fit, call an Extraordinary General Meeting. The Board shall, on the requisition of Members, convene an Extraordinary General Meeting of the Company in the circumstances and in the manner provided under the Act.

All General Meetings shall be convened by giving not less than clear twenty -one (21) days' notice, in such manner as is prescribed under the Act, specifying the place, date and hour of the meeting and a statement of the business proposed to be transacted at such a meeting, in the manner mentioned in the Act. Notice shall be given to all the Members, every Director of the Company, to the auditors of the Company and to such persons as are under the Act and/or these Articles entitled to receive such notice from the Company but any accidental omission to give notice to or non-receipt of the notice by any Member or other person to whom it should be given shall not invalidate the proceedings of any General Meetings. The Members may participate in General Meetings through such modes as permitted by applicable laws.

**DIRECTOR**

*Composition of the Board.* Unless otherwise determined by General Meeting, the number of Directors shall not be less than three (3) and not more than fifteen (15), and at least one (1) Director shall be resident of India in the previous year. Provided that the Company may appoint more than fifteen (15) directors after passing a Special Resolution. Composition of the Board shall be in compliance with the applicable provisions of the Act and the SEBI Listing Regulations. Subject to receipt of requisite corporate approvals:

(i) Black River shall have the right to nominate one (1) Director, so long as the shareholding of Black River has not fallen below 5% of the paid-up share capital of the Company, on a fully diluted basis. The Director nominated by Black River shall be referred to as the "**Black River Director**";

(ii) GAR Hold Co. shall have the right to nominate three (3) Directors, so long as the shareholding of GAR Hold Co. has not fallen below 26% of the paid-up share capital of the Company, on a fully diluted basis. In the event the shareholding of GAR Hold Co. falls below 26% of the paid-up share capital of the Company but not below 15% of the paid-up share capital of the Company, on a fully diluted basis, GAR Hold Co. shall have the right to nominate 2 (two) Directors on the Board and in the event the shareholding of GAR Hold Co. further falls below 15% of the paid-up share capital of the Company but not below 5% of the paid-up share capital of the Company, on a fully diluted basis, GAR Hold Co. shall have the right to nominate (one) Director on the Board. The Directors nominated by GAR Hold Co. shall be referred to as the "**GAR Hold Co. Directors**"; and

(iii) The Individual Promoters shall collectively have the right to nominate one (1) Director, so long as the collective shareholding of the Individual Promoters has not fallen below 5% of the paid-up share capital of the Company, on a fully diluted basis. The Director nominated by the Individual Promoters shall be referred to as the "**Individual Promoter Director**".

If at any time, Applicable Law requires an increase or decrease in the number of Directors on the Board, the increase or decrease will be effected in a manner such that, so far as possible under Applicable Law, the rights of the Shareholders set out in this Article 110(a) continue *mutatis mutandis*. The rights of Black River, GAR Hold Co. and the Individual Promoters under this Article 110(a), shall be subject to approval of the shareholders of the Company through a special resolution at the first general meeting of the Company after the allotment of Equity Shares pursuant to the IPO, in accordance with the applicable law. The rights of the Shareholders to nominate Director(s) on the Board as set out in Articles 110(a), 113(c), 122(b) shall be exercisable by the relevant Shareholder by providing a written notice to the Company at FREEDOM HOUSE, 8-2-334/70 & 71, Opp. to SBI Executive Enclave, Road no. 5, Banjara Hills, Hyderabad 500034, Telangana, India. Such notice shall also set out the existing shareholding of such Shareholder in the Company. In the event that any such Shareholder's shareholding in the Company falls below the relevant threshold mentioned in this Article 110(a), such Shareholder shall lose its right to nominate its nominee on the Board and such Shareholder shall ensure that its nominee Director(s) immediately resigns from the Board.

*Technical director.* The Board shall have the right to appoint the head of production of the Company as a whole time Director on the Board who shall also be designated as "technical director". The technical director shall be primarily responsible to ensure that the Company is compliant with the Applicable Laws in relation to its Business. The Board shall decide and approve the scope of work, powers and responsibilities of such person.

The Board may appoint an alternate director to act for a director, provided that such person proposed to appointed as an alternate director is not a person who fails to be get appointed as a director in a General Meeting, (hereinafter in this Article called the "**Original Director**") during his absence for a period of not less than three months from India. No person shall be appointed as an alternate director for an independent director unless he is qualified to be appointed as an independent director under the provisions of the Act and other applicable laws.

An alternate director shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate the office if and when the Original Director returns to India. If the term of office of the Original Director is determined before he returns to India the automatic re-appointment of retiring directors in default of another appointment shall apply to the Original Director and not to the alternate director.

*Alternate Director*. Each of Black River, GAR Hold Co. and the Individual Promoters will have the right to nominate an alternate director (an "**Alternate Director**") in place of and to act for its respective nominee Director, who will be entitled to exercise all rights available to such nominee Directors in the Company in the absence of the relevant nominee Director. Upon the appointment of an Alternate Director in accordance with the Act and these Articles, the Company will ensure compliance with the provisions of the Act, including filing necessary forms with the concerned Governmental Authorities. The Alternate Director will have all rights and privileges of the relevant nominee Director in whose place he has been appointed as an alternate. The rights of Black River, GAR Hold Co. and the Individual

Promoters under this Article 113(c), shall be subject to approval of the shareholders of the Company through a special resolution at the first general meeting of the Company after the allotment of Equity Shares pursuant to the IPO, in accordance with the applicable law.

**PROCEEDINGS OF BOARD OF DIRECTORS**

The Board of Directors shall meet at least once in every three (3) months with a maximum gap of 120 days between two (2) meetings of the Board for the dispatch of business, adjourn and otherwise regulate its meetings and proceedings as it thinks fit in accordance with the Act, provided that at least four (4) such meetings shall be held in every year. Place of meetings of the Board shall be at a location determined by the Board at its previous meeting, or if no such determination is made, then as determined by the chairman of the Board.

**BORROWING POWERS**

Subject to the provisions of the Act and these Articles, the Board may from time to time at their discretion raise or borrow or secure the payment of any such sum of money for the purpose of the Company, in such manner and upon such terms and conditions in all respects as they think fit, and in particular, by promissory notes or by receiving deposits and advances with or without security or by the issue of bonds, debentures, perpetual or otherwise, including debentures convertible into Shares of this Company or any other company or perpetual annuities and to secure any such money so borrowed, raised or received, mortgage, pledge or charge the whole or any part of the property, assets or revenue of the Company present or future, including its uncalled capital by special assignment or otherwise or to transfer or convey the same absolutely or in trust and to give the lenders powers of sale and other powers as may be expedient and to purchase, redeem or pay off any such securities; provided however, that the moneys to be borrowed, together with the money already borrowed by the Company apart from temporary loans (as defined under Section 180(1) of the Act) obtained from the Company's bankers in the ordinary course of business shall not, without the sanction of the Company by a Special Resolution at a General Meeting, exceed the aggregate of the paid up capital of the Company, its free reserves and securities premium. Provided that every Special Resolution passed by the Company in General Meeting in relation to the exercise of the power to borrow shall specify the total amount up to which moneys may be borrowed by the Board of Directors.

(a) The Directors may by resolution at a meeting of the Board delegate the above power to borrow money otherwise than on debentures to a committee of Directors or managing Director or to any other person permitted by applicable law, if any, within the limits prescribed.

(b) To the extent permitted under the applicable law and subject to compliance with the requirements thereof, the Directors shall be empowered to grant loans to such entities at such terms as they may deem to be appropriate and he same shall be in the interests of the Company.

(c) Any bonds, debentures, debenture-stock or other securities may if permissible under applicable law be issued at a discount, premium or otherwise by the Company and shall with the consent of the Board be issued upon such terms and conditions and in such manner and for such consideration as the Board shall consider to be for the benefit of the Company, and on the condition that they or any part of them may be convertible into Equity Shares of any denomination, and with any privileges and conditions as to the redemption, surrender, allotment of Shares, attending (but not voting) in the General Meeting, appointment of Directors or otherwise. Provided that debentures with rights to allotment of or conversion into Equity Shares shall not be issued except with, the sanction of the Company in General Meeting accorded by a Special Resolution.

**MANAGING DIRECTOR(S) AND/OR WHOLE TIME DIRECTORS**

The Board may from time to time and with such sanction of the Central Government as may be required by the Act, appoint one or more of the Directors to the office of the managing director and/ or whole time directors for such term and subject to such remuneration, terms and conditions as they may think fit.

**DIVIDEND**

The Company in General Meeting may declare dividends to be paid to the Members according to their rights and interest in the profits and may, subject to the provisions of the Act, fix the time for payment. No larger dividend shall be declared than is recommended by the Board, but the Company in general meeting may declare a smaller dividend.

Subject to the provisions of the Act, the Board may from time to time pay to the members such interim dividends of such amount on such class of Shares and at such times as it may think fit and as appear to it to be justified by the profits of the company.

All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the Shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

**RIGHT TO DIVIDEND AND UNPAID OR UNCLAIMED DIVIDEND**

(a) Where capital is paid in advance of calls, such capital, whilst carrying interest, shall not confer a right to dividend or to participate in the profits.

(b) Where the Company has declared a dividend but which has not been paid or claimed within thirty (30) days from the date of declaration, the Company shall within seven (7) days from the date of expiry of the said period of thirty (30) days, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of thirty (30) days, to a special account to be opened by the Company in that behalf in any scheduled bank to be called "*Unpaid Dividend Account of Gemini Edibles & Fats India Limited*".

(c) Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven (7) years from the date of such transfer, shall be transferred by the Company to the fund known as Investor Education and Protection Fund established under the Act.

(d) No unclaimed or unpaid dividend shall be forfeited by the Board before the claim becomes barred by law.

(e) All other provisions under the Act will be complied with in relation to the unpaid or unclaimed dividend.

**WINDING UP**

Subject to the applicable provisions of the Act–

(a) If the Company shall be wound up, the liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.

(b) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members.

(c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any Shares or other securities whereon there is any liability.

(d) Any person who is or has been a Director or manager, whose liability is unlimited under the Act, shall, in addition to his liability, if any, to contribute as an ordinary member, be liable to make a further contribution as if he were at the commencement of winding up, a member of an unlimited company, in accordance with the provisions of the Act.

## INDEMNITY

Subject to the provisions of the Act and the SEBI Listing Regulations, every Director and officer of the Company shall be indemnified by the Company against any liability incurred by him in his capacity as Director or officer of the Company including in relation to defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the tribunal. Provided, however, that such indemnification shall not apply in respect of any cost or loss or expenses to the extent it is finally judicially determined to have resulted from the wilful misconduct or bad faith acts or omissions of such Director or officer of the Company

## PART B

*Part B of the Articles provides for the rights and obligations of the parties to the 2018 SHA, as amended by the 2021 SHA.*

*In case of inconsistency or contradiction, conflict or overlap between Part A and Part B, the provisions of Part B shall, subject to applicable law, prevail and be applicable. All articles of Part B shall automatically terminate, without any further corporate or other action by the Company or by its shareholders, and cease to have any force and effect from the date of allotment of Equity Shares of the Company pursuant to the Offer without any further corporate or other action, by the Company or by its Shareholders. For any clarification, reference shall be made to the 2018 SHA and for this purpose, the Agreement shall be deemed to be part of these Articles, as if incorporated herein. Terms capitalized but not defined herein shall have the meaning ascribed to them under the Agreement.*

## SECTION IX: OTHER INFORMATION

## MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and contracts which have been entered or are to be entered into by our Company which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Red Herring Prospectus which will be filed with the RoC, and also the documents for inspection referred to hereunder, may be inspected at the Registered and Corporate Office between 10 a.m. and 5 p.m. IST on all Working Days from the date of the Red Herring Prospectus until the Bid/Offer Closing Date.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time, if so required in the interest of our Company or if required by the other parties, without reference to the Shareholders, subject to compliance of the provisions contained in the Companies Act and other applicable law.

**A. Material Contracts for the Offer**

1. Offer Agreement dated August 7, 2021 entered among our Company, the Selling Shareholders and the BRLMs.

2. Registrar Agreement dated August 5, 2021 entered among our Company, the Selling Shareholders and the Registrar to the Offer.

3. Cash Escrow and Sponsor Bank Agreement dated [●] entered among our Company, the Selling Shareholders, the BRLMs, the Syndicate Members, the Bankers to the Offer and the Registrar to the Offer. Share Escrow Agreement dated [●] entered into among our Company, the Selling Shareholders and the Share Escrow Agent.

4. Syndicate Agreement dated [●] entered among our Company, the Selling Shareholders, the BRLMs, the Syndicate Members and Registrar to the Offer.

5. Underwriting Agreement dated [●] entered among our Company, the Selling Shareholders and the Underwriters and Registrar to the Offer.

**B. Material Documents**

1. Certified copies of the Memorandum of Association and Articles of Association of our Company, each as amended from time to time.

2. Certificate of incorporation dated April 17, 2008 issued to our Company by the Assistant Registrar of Companies, Andhra Pradesh at Hyderabad, in the name of "Gemini Edibles & Fats India Private Limited".

3. Fresh certificate of incorporation dated July 8, 2021 issued by the RoC, consequent upon change in name from "Gemini Edibles & Fats India Private Limited" to "Gemini Edibles & Fats India Limited", pursuant to conversion to a public limited company.

4. Resolution of our Board dated July 23, 2021 authorizing the Offer and other related matters.

5. Resolution of our Board dated August 2, 2021 approving this Draft Red Herring Prospectus.

6. Resolution of the board of directors of GAIE dated August 2, 2021 read along with the consent letter dated August 2, 2021 consenting to participate in the Offer for Sale.

7. Resolution of the board of directors of Black River dated August 2, 2021 read along with the consent letter dated August 2, 2021 consenting to participate in the Offer for Sale.

8. Resolution of the board of directors of ICE dated August 2, 2021 read along with the consent letter dated August 2, 2021 consenting to participate in the Offer for Sale.

9. Consent dated August 2, 2021 issued by Alka Chowdhry consenting to participate in the Offer for Sale.

10. Consent dated August 2, 2021 issued by Pradeep Chowdhry consenting to participate in the Offer for Sale.

11. Shareholder's agreement dated September 25, 2018 entered among our Company, Pradeep Chowdhry, Alka Chowdhry, Black River, GAIE and ICE, as amended by the amendment and termination agreement dated June 23, 2021.

12. Share subscription and share purchase agreement dated September 25, 2018 entered among our Company, Pradeep Chowdhry, Alka Chowdhry, Black River, GAIE and ICE.

13. Share purchase agreement dated October 28, 2014 entered among our Company, Pradeep Chowdhry, Alka Chowdhry, GAIE, SOL, RSIL, Charleston Holdings Pte. Ltd. and ICE.

14. Copies of the annual reports of our Company as of and for the financial years ended March 31, 2021, March 31, 2020 and March 31, 2019.

15. Report titled "*Indian Edible Oils & Fats Industry*" dated August 4, 2021 issued by Technopak.

16. Consent dated August 4, 2021 issued by Technopak with respect to the report titled "*Indian Edible Oils & Fats Industry*" dated August 4, 2021.

17. Consents of Nielsen (India) Private Limited, our Directors, the BRLMs, the Legal Advisors to our Company as to Indian Law, the Legal Advisors to the BRLMs as to Indian Law, the Legal Advisors to the BRLMs as to International Law, the Registrar to the Offer, the Bankers to our Company, the Company Secretary and Compliance Officer, the Syndicate Members and the Bankers to the Offer in their respective capacities.

18. Consent of the Statutory Auditors, namely, Walker Chandiok & Co LLP, Chartered Accountants, to include their name in this Draft Red Herring Prospectus as required under Section 26(5) of the Companies Act read with SEBI ICDR Regulations and as an "expert" as defined under Section 2(38) of the Companies Act to the extent and in their capacity as a statutory auditor of our Company and in respect of the examination report of the Statutory Auditors on the Restated Financial Information dated August 7, 2021 and the statement of possible special tax benefits dated August 7, 2021, included in this Draft Red Herring Prospectus and such consent has not been withdrawn until the filing of this Draft Red Herring Prospectus with the SEBI.

19. Consent dated August 7, 2021 from Singhi & Co., Chartered Accountants, to include its name as the Past Statutory Auditors under Section 26(5) of the Companies Act and as an "expert" as defined under Section 2(38) of the Companies Act in respect of certain operational and financial data being certified by it and included in this Draft Red Herring Prospectus.

20. Employment agreement dated April 10, 2014 entered into between our Company and Pradeep Chowdhry.

21. Tripartite Agreement dated September 12, 2014 entered among our Company, NSDL and the Registrar to the Offer.

22. Tripartite Agreement dated May 24, 2021 entered among our Company, CDSL and the Registrar to the Offer.

23. Master agreements dated May 29, 2015 and January 7, 2016, as amended by an amendment agreement dated January 31, 2021 by and between our Company and GAIE.

24. Lease agreement dated September 25, 2021 by and between our Company and SOL.

25. Information technology services agreement dated January 2, 2017 by and between our Company and IAITS.

26. Due diligence certificate dated August 7, 2021 addressed to the SEBI from the BRLMs.

27. In-principle listing approvals dated [●] and [●] issued by the BSE and the NSE, respectively.

28. Final observation letter bearing number [●] dated [●] addressed to the BRLMs from the SEBI.

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India and the rules, regulations and guidelines issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or the rules made or regulations or guidelines notified thereunder, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY:**

________________________________________

Name: Pradeep Chowdhry
*Managing Director*

Date: August 7, 2021

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India and the rules, regulations and guidelines issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or the rules made or regulations or guidelines notified thereunder, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY:**

Prathap Gangaraju
*Whole Time Director*

Date: August 7, 2021

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India and the rules, regulations and guidelines issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or the rules made or regulations or guidelines notified thereunder, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY:**

________________________________________

Govind Ambady
*Non-Executive Nominee Director*

Date: August 7, 2021

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India and the rules, regulations and guidelines issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or the rules made or regulations or guidelines notified thereunder, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY:**

________________________________________

Hemant Kumar Bhatt
*Non-Executive Nominee Director*

Date: August 7, 2021

## DECLARATION

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**SIGNED BY:**

Deepak Malik
*Non-Executive Nominee Director*

Date: August 7, 2021

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India and the rules, regulations and guidelines issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or the rules made or regulations or guidelines notified thereunder, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY:**

________________________________________

Rajesh Chopra
*Non-Executive Nominee Director*

Date: August 7, 2021

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India and the rules, regulations and guidelines issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or the rules made or regulations or guidelines notified thereunder, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY:**

Savita Mahajan
*Independent Director*

Date: August 7, 2021

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India and the rules, regulations and guidelines issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or the rules made or regulations or guidelines notified thereunder, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY:**

________________________________________

Vipen Kapur
*Chairman and Independent Director*

Date: August 7, 2021

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India and the rules, regulations and guidelines issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or the rules made or regulations or guidelines notified thereunder, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY:**

________________________________________

Chitranjan Dar
*Independent Director*

Date: August 7, 2021

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India and the rules, regulations and guidelines issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SCRR, the SEBI Act or the rules made or regulations or guidelines notified thereunder, as the case may be. I further certify that all statements in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY:**

____________________________________

Shobhit Agarwal
*Chief Financial Officer*

Date: August 7, 2021

## DECLARATION

We hereby confirm that all statements, disclosures and undertakings made or confirmed by us in this Draft Red Herring Prospectus about or in relation to ourselves, as one of the Selling Shareholders and our portion of the Offered Shares, are true and correct. We assume no responsibility for any other statements, disclosures and undertakings, including any statements, disclosures and undertakings, made by, or relating to the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

**FOR AND ON BEHALF OF GOLDEN AGRI INTERNATIONAL ENTERPRISES PTE. LTD.**

Name: Hemant Kumar Bhatt

Designation: Director

Date: August 7, 2021

Name: Rajesh Chopra

Designation: Director

Date: August 7, 2021

## DECLARATION

I hereby confirm that all statements, disclosures and undertakings made or confirmed by myself in this Draft Red Herring Prospectus about or in relation to myself, as one of the Selling Shareholders and my portion of the Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings, including any statements, disclosures and undertakings, made by, or relating to the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

**SIGNED BY:**

____________________________

Name: Pradeep Kumar Chowdhry

Date: August 7, 2021

**DECLARATION**

I hereby confirm that all statements, disclosures and undertakings made or confirmed by myself in this Draft Red Herring Prospectus about or in relation to myself, as one of the Selling Shareholders and my portion of the Offered Shares, are true and correct. I assume no responsibility for any other statements, disclosures and undertakings, including any statements, disclosures and undertakings, made by, or relating to the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

**SIGNED BY:**

Name: Alka Chowdhry

Date: August 7, 2021

## DECLARATION

We hereby confirm that all statements, disclosures and undertakings made or confirmed by us in this Draft Red Herring Prospectus about or in relation to ourselves, as one of the Selling Shareholders and our portion of the Offered Shares, are true and correct. We assume no responsibility for any other statements, disclosures and undertakings, including any statements, disclosures and undertakings, made by, or relating to the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

**FOR AND ON BEHALF OF BLACK RIVER FOOD 2 PTE. LTD.**

Name: Chua Koh Peng

Designation: Director

Date: August 7, 2021

## DECLARATION

We hereby confirm that all statements, disclosures and undertakings made or confirmed by us in this Draft Red Herring Prospectus about or in relation to ourselves, as one of the Selling Shareholders and our portion of the Offered Shares, are true and correct. We assume no responsibility for any other statements, disclosures and undertakings, including any statements, disclosures and undertakings, made by, or relating to the Company or any other Selling Shareholder or any other person(s) in this Draft Red Herring Prospectus.

**FOR AND ON BEHALF OF INVESTMENT AND COMMERCIAL ENTERPRISE PTE. LTD.**

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Name: Yap Ching Ching Jocelyn

Designation: Director

Date: August 7, 2021