SRESTA NATURAL BIOPRODUCTS LIMITED

Our Company was incorporated on March 9, 2004 as 'Sresta Natural Bioproducts Private Limited', a private limited company under the Companies Act, 1956, with a certificate of incorporation issued 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 December 8, 2021 and consequently, the name of our Company was changed to 'Sresta Natural Bioproducts Limited' and a fresh certificate of incorporation dated December 13, 2021 was issued by the Registrar of Companies, Telangana at Hyderabad ("**RoC**"). There has been no change in the registered office of our Company since the date of incorporation. For details of the change in the name of our Company, see "*History and Certain Corporate Matters*" beginning on page 160.

Corporate Identity Number: U01122TG2004PLC042837
Registered Office: 203, Pavani Annexe, Road No. 2, Banjara Hills, Hyderabad 500 034, Telangana, India; **Tel:** +91 40 4005 6381
Corporate Office: Plot No. 11, Krithika Madhapur Layout, TS No. 64 of Madhapur Village, Serilingampally Mandal, Rangareddy 500 081, Telangana, India; **Tel:** +91 40 4007 2526
Contact Person: Padmasri Samaleti, Company Secretary and Compliance Officer; **Tel**: +91 40 4007 2526
E-mail: investorrelations@srestaorganic.com; **Website**: www.sresta.com

OUR PROMOTERS: RAJASHEKAR REDDY SEELAM, RENUKA SEELAM AND BALASUBRAMANIAN NARAYANAN

INITIAL PUBLIC OFFERING OF UP TO [•] EQUITY SHARES BEARING FACE VALUE OF ₹10 EACH ("EQUITY SHARES") OF SRESTA NATURAL BIOPRODUCTS LIMITED ("COMPANY") FOR CASH AT A PRICE OF ₹[•] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹[•] PER EQUITY SHARE) AGGREGATING UP TO ₹[•] MILLION COMPRISING A FRESH ISSUE OF UP TO [•] EQUITY SHARES AGGREGATING UP TO ₹500 MILLION ("FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 7,030,962 EQUITY SHARES AGGREGATING UP TO ₹[•] MILLION, COMPRISING UP TO 2,250,000 EQUITY SHARES AGGREGATING UP TO ₹[•] MILLION BY PEEPUL CAPITAL FUND III LLC ("PCF"), UP TO 1,524,251 EQUITY SHARES AGGREGATING UP TO ₹[•] MILLION BY VENTUREAST LIFE FUND III LLC ("VLF"), UP TO 2,184,010 EQUITY SHARES AGGREGATING UP TO ₹[•] MILLION BY VENTUREAST TRUSTEE COMPANY PRIVATE LIMITED (ACTING ON BEHALF OF THE BIOTECHNOLOGY VENTURE FUND) ("BIO FUND") AND UP TO 1,072,701 EQUITY SHARES AGGREGATING UP TO ₹[•] MILLION BY VENTUREAST TRUSTEE COMPANY PRIVATE LIMITED (ACTING ON BEHALF OF VENTUREAST LIFE FUND III) ("VLF III" AND ALONG WITH PCF, VLF AND BIO FUND, COLLECTIVELY REFERRED TO AS THE "SELLING SHAREHOLDERS", AND SUCH EQUITY SHARES CUMULATIVELY OFFERED BY THE SELLING SHAREHOLDERS, THE "OFFERED SHARES") (SUCH OFFER FOR SALE BY THE SELLING SHAREHOLDERS, "OFFER FOR SALE", AND TOGETHER WITH THE FRESH ISSUE, THE "OFFER"). THE OFFER SHALL CONSTITUTE [•]% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DETERMINED BY OUR COMPANY AND THE SELLING SHAREHOLDERS IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS AND WILL BE ADVERTISED IN [•] EDITIONS OF THE ENGLISH NATIONAL DAILY NEWSPAPER, [•], [•] EDITIONS OF THE HINDI NATIONAL DAILY NEWSPAPER, [•] AND [•] EDITIONS OF TELUGU DAILY NEWSPAPER, [•] (TELUGU BEING THE REGIONAL LANGUAGE OF TELANGANA, WHERE THE REGISTERED 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 BSE LIMITED ("BSE") AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE" AND TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR UPLOADING ON THEIR RESPECTIVE WEBSITES IN ACCORDANCE WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED ("SEBI ICDR REGULATIONS").

THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10 EACH AND THE OFFER PRICE IS [•] TIMES THE FACE VALUE OF THE EQUITY SHARES

In case of a revision in the Price Band, the Bid/Offer Period will be extended for at least three additional Working Days after such revision of the Price Band subject to the Bid/Offer Period not exceeding a total of 10 Working Days. In case of force majeure, banking strike or similar circumstances, our Company and the Selling Shareholders may, in consultation with the Book Running Lead Managers, 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 press release, and also by indicating the change on the websites of the Book Running Lead Managers and at the terminals of the other members of the Syndicate and by intimation to the Designated Intermediaries and the Sponsor Bank.

The Offer is being made through the Book Building Process, in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("**SCRR**") read with Regulation 31 of the SEBI ICDR Regulations and in compliance with Regulation 6(2) of the SEBI ICDR Regulations, wherein not less than 75% of the Offer shall be allocated on a proportionate basis to Qualified Institutional Buyers ("**QIBs**", and such portion as "**QIB Portion**"), provided that our Company may, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations ("**Anchor Investor Portion**"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Post allocation to the Anchor Investors, the QIB Portion will be reduced by such number of Equity Shares. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not more than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 10% of the Offer shall be available for allocation to Retail Individual Bidders ("**RIBs**") 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) shall mandatorily participate in this Offer through the Application Supported by Block Amount ("**ASBA**") process, and shall provide details of their respective bank account (including UPI ID for Retail Individual Bidders using UPI Mechanism) in which the Bid Amount will be blocked by the SCSBs or by the Sponsor Bank under the UPI Mechanism, as applicable. Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process. For further details, see "*Offer Procedure*" beginning on page 296.

RISKS IN RELATION TO THE OFFER

This being the first public issue of Equity Shares, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹10 each. The Floor Price, the Cap Price and the 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 and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in this 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 have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "*Risk Factors*" beginning on page 22.

COMPANY'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 only such statements confirmed or undertaken by such Selling Shareholder in this Draft Red Herring Prospectus to the extent such statements pertain to such Selling Shareholder and/or its respective portion of the Offered Shares and confirms that such statements are true and correct in all material respects and are not misleading in any material respect.

LISTING

The Equity Shares, once offered through the Red Herring Prospectus, are proposed to be listed on the Stock Exchanges. We have received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to their letters dated [•] and [•], respectively. For the purpose of the Offer, [•] is the Designated Stock Exchange. A signed copy of the Red Herring Prospectus and the Prospectus shall be filed with the RoC in accordance with Section 26(4) of the Companies Act, 2013. 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 329.

BOOK RUNNING LEAD MANAGERS		REGISTRAR TO THE OFFER
JM Financial Limited 7th Floor, Cnergy Appasaheb Marathe Marg, Prabhadevi Mumbai 400 025 Maharashtra, India **Tel:** +91 22 6630 3030 **E-mail:** sresta.ipo@jmfl.com **Investor grievance e-mail:** grievance.ibd@jmfl.com **Website:** www.jmfl.com **Contact person:** Prachee Dhuri **SEBI registration no.:** INM000010361	**Axis Capital Limited** 1st Floor, Axis House C-2, Wadia International Centre, P.B. Marg, Worli Mumbai 400 025 Maharashtra, India **Tel:** +91 22 4325 2183 **E-mail:** ankit.bhatia@axiscap.in **Investor grievance e-mail:** complaints@axiscap.in **Website:** www.axiscapital.co.in **Contact person:** Ankit Bhatia **SEBI registration no:** INM000012029	**KFin Technologies Private Limited** Selenium Tower B, Plot No. 31 and 32, Financial District Nanakramguda, Serilingampally Hyderabad, Rangareddi 500 032 Telangana, India **Tel**: +91 40 6716 2222 **Toll free no.:**1800 345 4001 **E-mail**: sresta.ipo@kfintech.com **Investor grievance e-mail**: einward.ris@kfintech.com **Website**: www.kfintech.com **Contact person**: M Murali Krishna **SEBI registration no.**: INR000000221

BID/OFFER PERIOD

BID/OFFER OPENS ON*	[•]	BID/OFFER CLOSES ON**	[•]

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

(2) *Our Company and the Selling Shareholders, in consultation with the Book Running Lead Managers may decide to close the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.*

(*This page is intentionally left blank*)

TABLE OF CONTENTS

SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies or Articles of Association or Memorandum of Association will include any amendments, clarifications, supplements, modifications, replacements or re-enactments from time to time, and any reference to a statutory provision shall include any subordinate legislation framed from time to time under that provision. In case of, and any inconsistency between the definitions given below and the definitions contained in the General Information Document, the definitions given below shall prevail.

The words and expressions used in this Draft Red Herring Prospectus but not defined herein shall have, to the extent applicable, the same meaning ascribed to such terms under the SEBI ICDR Regulations, the Companies Act, 2013, the SCRA, the Depositories Act and the rules and regulations framed thereunder. Notwithstanding the foregoing, the terms used in "Industry Overview", "Key Regulations and Policies", "Statement of Possible Special Tax Benefits", "Financial Statements", "Outstanding Litigation and Material Developments" and "Main Provisions of the Articles of Association" beginning on pages 98, 155, 91, 185, 269 and 315 respectively, shall have the meaning ascribed to them in the relevant section.

Company Related Terms

Term	Description
The Company / our Company / the Issuer	Sresta Natural Bioproducts Limited, a company incorporated in India under the Companies Act, 1956 with its registered office situated at 203, Pavani Annexe, Road No. 2, Banjara Hills, Hyderabad 500 034, Telangana, India
We / Us / Our / Group	Unless the context otherwise requires, our Company together with its Subsidiaries
Amendment and Termination Agreement	The amendment and termination agreement dated December 15, 2021 entered into between Company, PCF, Rajashekar Reddy Seelam, Renuka Seelam, Balasubramanian Narayanan, Technology Venture Fund, VLF and Other Shareholders (as defined therein) amending the Investment Agreement
AoA / Articles of Association / Articles	The articles of association of our Company
Audit Committee	The audit committee of our Board as described in "*Our Management*" beginning on page 165
Bio Fund	The Biotechnology Venture Fund
Board / Board of Directors	The board of directors of our Company, or a duly constituted committee thereof. For details, see "*Our Management*" beginning on page 165
CCC Preference Shares	The compulsorily convertible cumulative preference of our Company of face value ₹10 each
Chairman	The chairman of our Company being, Pradeep Narendra Poddar
Chief Executive Officer	The chief executive officer of our Company, namely, Balasubramanian Narayanan
Chief Financial Officer/ CFO	The chief financial officer of our Company, namely, Venkatesan Karaiyalan
Company Secretary and Compliance Officer	The company secretary and compliance officer of our Company, namely, Padmasri Samaleti
Corporate Office	The corporate office of our Company situated at Plot No. 11, Krithika Madhapur Layout, TS No. 64 of Madhapur Village, Serilingampally Mandal, Rangareddy 500 081, Telangana, India
Director(s)	The director(s) on our Board
ESOP Scheme, 2008	Sresta Employees Stock Option Scheme – 2008, as modified from time to time
Equity Shares	The equity shares of our Company of face value of ₹10 each
Executive Directors	The executive Directors on our Board. For details, see "*Our Management*" beginning on page 165
Fyve	Fyve Elements LLC
Group Company	Our 'group company' namely Hita Life Ventures Private Limited, as disclosed in "*Our Group Company*" beginning on page 182
GS2 Retail	GS2 Retail Ventures Private Limited
Hita OPC	Hita Life Ventures Private Limited
Independent Directors	A non-executive, independent Director appointed in accordance with the Companies Act, 2013 and the SEBI Listing Regulations. For details of Independent Directors of our Company, see "*Our Management*" beginning on page 165
Investment Agreement	Investment agreement dated August 1, 2011 entered among our Company, PCF, Rajashekar Reddy Seelam, Technology Venture Fund, VLF and Other Shareholders (as defined therein), as amended by the multiple amendment agreements dated (i) December 13, 2013; (ii) May 28, 2014; and (iii) November 7, 2016 read along with the letter dated June 30, 2018

Term	Description
IPO Committee	The IPO committee of the board of directors of the Company
Key Managerial Personnel/KMP	Key managerial personnel of our Company shall have the meaning as set out under Regulation 2(1)(bb) of the SEBI ICDR Regulations, as disclosed in "*Our Management - Key Managerial Personnel*" beginning on page 177
Managing Director	The managing director of our Company being, Rajashekar Reddy Seelam
Materiality Policy	The policy adopted by our Board in its meeting dated December 15, 2021 for determining: (i) outstanding material litigation involving our Company, its Subsidiaries, Directors and Promoters; and (ii) outstanding dues to creditors in respect of our Company, in terms of the SEBI ICDR Regulations for the purposes of disclosure in the offer documents. For further information, see "*Outstanding Litigation and Material Developments*" beginning on page 269
MoA/Memorandum of Association	The memorandum of association of our Company
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board, as disclosed in "*Our Management*" beginning on page 165
Nominee Directors	The non-executive nominee Directors on our Board. For details, see "*Our Management*" beginning on page 165
Non-executive Directors	The Nominee Director(s) and Independent Directors on our Board. For details, see "*Our Management*" beginning on page 165
PCF	Peepul Capital Fund III LLC
Preference Shares	Collectively, CCC Preference Shares and ROC Preference Shares.
Promoters	The promoters of our Company, namely Rajashekar Reddy Seelam, Renuka Seelam and Balasubramanian Narayanan. For further information, see "*Our Promoters and Promoter Group*" beginning on page 179
Promoter Group	Persons and entities constituting the promoter group of our Company, pursuant to Regulation 2(1)(pp) of the SEBI ICDR Regulations. For further information, see "*Our Promoters and Promoter Group*" beginning on page 179
Registered Office	The registered office of our Company is located at 203, Pavani Annexe, Road No. 2, Banjara Hills, Hyderabad– 500 034, Telangana, India
Registrar of Companies / RoC	Registrar of Companies, Telangana at Hyderabad. For further information, see "*General Information*" beginning on page 61
Restated Consolidated Financial Information	The restated consolidated statement of assets and liabilities of the Company as at and for the six month period ended September 30, 2021 and September 30, 2020 and financial years ended March 31, 2021, March 31, 2020 and March 31, 2019, the restated consolidated statement of profit and loss, the restated consolidated statement of changes in equity, the restated consolidated statement of cash flow, as at and for the six month period ended September 30, 2021 and September 30, 2020 and financial years ended years ended March 31, 2021, March 31, 2020 and March 31, 2019 have been prepared specifically for inclusion in this Draft Red Herring Prospectus in accordance with Section 26 of Part I of Chapter III of the Companies Act, 2013, the SEBI ICDR Regulations, and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI
ROC Preference Shares	The redeemable optionally convertible cumulative preference shares of our Company of face value ₹10 each
Selling Shareholders	Collectively, Peepul Capital Fund III LLC, Ventureast Life Fund III LLC, Ventureast Trustee Company Private Limited (acting on behalf of The Biotechnology Venture Fund) and Ventureast Trustee Company Private Limited (acting on behalf of Ventureast Life Fund III)
Shareholders	The holders of the Equity Shares from time to time
Sresta FZE	Sresta Global FZE
Stakeholders' Relationship Committee	The stakeholders' relationship committee of our Board as disclosed in "*Our Management*" beginning on page 165
Statutory Auditors	The current statutory auditors of our Company, being, M S K A & Associates, Chartered Accountants
Subsidiaries	The subsidiaries of our Company, namely, Fyve and Sresta FZE, as disclosed in "*History and Certain Corporate Matters – Our Subsidiaries, associates and joint ventures*" beginning on page 163
Ventureast Entities	Collectively, Ventureast Life Fund III LLC and Ventureast Trustee Company Private Limited (acting on behalf of the Bio Fund and VLF III)
VLF	Ventureast Life Fund III LLC
VLF III	Ventureast Life Fund III
VTCPL	Ventureast Trustee Company Private Limited (acting on behalf of the Bio Fund and VLF III)
Whole-time Directors	The whole-time director(s) of our Company. For details, see "*Our Management*" beginning on page 165

Offer Related Terms

Term	Description
Abridged Prospectus	A memorandum containing such salient features of our Company's prospectus as specified under the SEBI ICDR Regulations.
Acknowledgment Slip	The slip or document to be issued by the respective Designated Intermediary to a Bidder as proof of registration of the Bid cum Application Form
Allot or Allotment or Allotted	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Fresh Issue and transfer of the Offered Shares pursuant to the Offer for Sale to the successful Bidders
Allotment Advice	A note or advice or intimation of Allotment sent to the successful Bidders who have been or are 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 requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus and who has Bid for an amount of at least ₹100 million
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company and the Selling Shareholders in consultation with the Book Running Lead Managers during the Anchor Investor Bid/Offer Period
Anchor Investor Application Form	The application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Anchor Investor Bid/Offer Period or Anchor Investor Bidding Date	The date one Working Day prior to the Bid/Offer Opening Date, on which Bids by Anchor Investors shall be submitted, prior to and after which the Book Running Lead Managers will not accept any Bids from Anchor Investors, and allocation to the Anchor Investors shall be completed
Anchor Investor Offer Price	The final price at which the Equity Shares will be Allotted to the 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 and the Selling Shareholders in consultation with the Book Running Lead Managers
Anchor Investor Pay – in Date	With respect to Anchor Investor(s), it shall be the Anchor Investor Bidding Date, and in the event the Anchor Investor Allocation Price is lower than the Offer Price, not later than two Working Days after the Bid/ Offer Closing Date
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company, in consultation with the Book Running Lead Managers, to the 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 authorising an SCSB to block the Bid Amount in the ASBA Account and will include applications made by RIBs using the UPI Mechanism where the Bid Amount will be blocked upon acceptance of UPI Mandate Request
ASBA Account	A bank account maintained with an SCSB by an ASBA Bidder, as 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 an RIB which is blocked upon acceptance of a UPI Mandate Request made by the RIBs using the UPI Mechanism
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Bidders	All Bidders except Anchor Investors
ASBA Form(s)	An application form, whether physical or electronic, used by ASBA Bidders to submit Bids, 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	Collectively, Escrow Collection Bank(s), Public Offer Bank(s), Sponsor Bank(s) and Refund Bank(s), as the case may be
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Offer as described in the section "*Offer Procedure*" beginning on page 296
Bid	An indication to make an offer during the Bid/ Offer Period by a Bidder (other than an Anchor Investor) pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/ Offer Period by an Anchor Investor, pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price

Term	Description
	Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations and in terms of the Red Herring Prospectus and the Bid cum Application Form. The term ‘Bidding’ shall be construed accordingly.
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and, in the case of RIBs Bidding at the Cut off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such RIBs 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 the Bid
Bid cum Application Form	Anchor Investor Application Form or the ASBA Form, as the context requires
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 will not accept any Bids, which shall be published 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 Hyderabad, Telangana, where the Registered Office is located), each with wide circulation. Our Company and the Selling Shareholders in consultation with the Book Running Lead Managers 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. In case of any revision, the extended Bid/Offer Closing Date shall also be published on the websites of the Book Running Lead Managers and at the terminals of the Syndicate Members and communicated to the Designated Intermediaries and the Sponsor Bank, which shall also be advertised 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 the 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 Hyderabad, Telangana, where the Registered 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. Our Company and the Selling Shareholders, in consultation with the Book Running Lead Managers may consider closing the Bid/Offer Period for the QIB Portion one Working Day prior to the Bid/Offer Closing Date which shall also be notified in an advertisement in same newspapers in which the Bid/Offer Opening Date was published, in accordance with the SEBI ICDR Regulations. In cases of force majeure, banking strike or similar circumstances, our Company and the Selling Shareholders 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
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 Bid cum Application 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	Book building process, as provided in Part A of 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, JM and Axis
Broker Centres	The broker centres notified by the Stock Exchanges where Bidders can submit the ASBA Forms provided that RIBs may only submit ASBA Forms at such broker centres if they are Bidding using the UPI Mechanism, to a Registered Broker and details of which are available on the websites of the respective Stock Exchanges.

Term	Description
	The details of such Broker Centres, along with the names and the contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
CAN or Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares to be sent to Anchor Investors, who have been allocated the Equity Shares, on or after the Anchor Investor Bid/ Offer Period
Cap Price	The higher end of the Price Band, subject to any revisions thereto, above which the Offer Price and the Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted
Client ID	The client identification number maintained with one of the Depositories in relation to demat account
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996 registered with SEBI and who is eligible to procure Bids from relevant Bidders at the Designated CDP Locations in terms of the SEBI circular number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI as per the list available on the websites of BSE and NSE, as updated from time to time
Cut-off Price	The Offer Price, finalised by our Company and the Selling Shareholders, in consultation with the Book Running Lead Managers, which shall 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. QIBs and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price
Demographic Details	Details of the Bidders including the Bidders' address, name of the Bidders' father/husband, investor status, occupation, bank account details and UPI ID, wherever applicable
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time
Designated CDP Locations	Such locations of the CDPs where 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 the funds from the Escrow Account are transferred to the Public Offer Account or the Refund Account, as appropriate, and the relevant amounts blocked in the ASBA Accounts are transferred to the Public Offer Account and/or are unblocked, as applicable, in terms of the Red Herring Prospectus and the Prospectus, after finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange, following which our Board of Directors may Allot Equity Shares to successful Bidders in the Offer
Designated Intermediary(ies)	In relation to ASBA Forms submitted by RIBs (not using the UPI mechanism) by authorising an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA Forms submitted by RIBs where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such RIB using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, sub-Syndicate/agents, Registered Brokers, CDPs, SCSBs and RTAs. 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 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), as updated from time to time
Designated Stock Exchange	[•]
Draft Red Herring Prospectus or DRHP	This draft red herring prospectus dated January 10, 2022, filed with SEBI and the Stock Exchanges 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 and includes any addenda or corrigenda thereto
Eligible FPIs	FPIs from such jurisdictions outside India where it is not unlawful to make an offer / 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 the Equity Shares
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 will constitute an invitation to subscribe to or to purchase the Equity Shares

Term	Description
Escrow Account(s)	The account(s) to be opened with the Escrow Collection Bank and in whose favour the Anchor Investors will transfer money through NACH/direct credit/NEFT/RTGS in respect of the Bid Amount when submitting a Bid
Escrow and Sponsor Bank Agreement	Agreement to be entered amongst our Company, the Selling Shareholders, the Book Running Lead Managers, Syndicate Members, the Bankers to the Offer and Registrar to the Offer, *inter alia*, for collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Offer Account and where applicable, remitting refunds of the amounts collected from Anchor Investors, on the terms and conditions thereof
Escrow Collection Bank	Bank which is a clearing member and registered with SEBI as a banker to an issue under the SEBI BTI Regulations and with whom the Escrow Account(s) will be opened, in this case being [•]
First Bidder or Sole Bidder	Bidder whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear 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(s) thereto, not being less than the face value of Equity Shares, at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids will be accepted
Fresh Issue	Fresh issue of up to [•] Equity Shares aggregating up to ₹500 million to be issued by our Company as part of the Offer, in terms of the Red Herring Prospectus and the Prospectus
General Information Document or GID	The General Information Document for investing in public offers, prepared and issued in accordance with the circular number SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020 issued by SEBI 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 Book Running Lead Managers
JM	JM Financial Limited
June 2021 Circular	SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021
May 2021 Circular	SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021
Mutual Fund Portion	5% of the Net QIB Portion, or [•] Equity Shares which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Offer Price
Net Proceeds	Proceeds of the Fresh Issue less our Company's share of the Offer expenses. For further details regarding the use of the Net Proceeds and the Offer expenses, see "*Objects of the Offer*" beginning on page 80
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allocated to the Anchor Investors
Non-Institutional Bidders or Non-Institutional Investors	All Bidders that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount of more than [•] (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Offer being not more than 15% of the Offer consisting of [•] 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
Offer	The initial public offer of Equity Shares comprising the Fresh Issue and the Offer for Sale.
Offer Agreement	Agreement dated January 10, 2022 entered amongst our Company, the Selling Shareholders and the Book Running Lead Managers, pursuant to which certain arrangements have been agreed to in relation to the Offer
Offer for Sale	The offer for sale of up to 7,030,962 Equity Shares aggregating up to ₹[•] million by the Selling Shareholders in the Offer
Offer Price	The final price at which Equity Shares will be Allotted to ASBA Bidders in terms of the Red Herring Prospectus and the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price, which will be decided by our Company and Selling Shareholders in consultation with the Book Running Lead Managers, in terms of the Red Herring Prospectus and the Prospectus The Offer Price will be decided by our Company and Selling Shareholders in consultation with the Book Running Lead Managers, on the Pricing Date in accordance with the Book Building Process and the Red Herring Prospectus
Offer Proceeds	The proceeds of the Fresh Issue which shall be available to our Company and the proceeds of the Offer for Sale shall be available to the Selling Shareholders. For further information about use of the Offer Proceeds, see *"Objects of the Offer"* beginning on page 80
Offered Shares	Up to 7,030,962 Equity Shares aggregating up to ₹[•] million being offered by the Selling Shareholders in the Offer for Sale
Price Band	The price band of a minimum price of ₹[•] per Equity Share (Floor Price) and the maximum price of ₹[•] per Equity Share (Cap Price) including any revisions thereof. The Price Band and the minimum Bid Lot size for the Offer will be decided by our Company and Selling Shareholders, in consultation with the Book Running Lead Managers, and will

Term	Description
	be advertised, at least two Working Days prior to the Bid/Offer Opening Date, 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 Hyderabad, Telangana, where the Registered Office is located), each with wide circulation and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites
Pricing Date	The date on which our Company and Selling Shareholders in consultation with the Book Running Lead Managers, will finalise the Offer Price
Prospectus	The prospectus to be filed with the RoC on or after the Pricing Date in accordance with Section 26 of the Companies Act, 2013 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	Bank account opened with the Public Offer Bank, under Section 40(3) of the Companies Act, 2013 to receive monies from the Escrow Account(s) and ASBA Accounts on the Designated Date
Public Offer Bank	The bank with which the Public Offer Account has been opened, in this case being [•]
QIB Portion	The portion of the Offer (including the Anchor Investor Portion) being not less than 75% of the Offer comprising [•] Equity Shares which shall be allocated to QIBs (including Anchor Investors), subject to valid Bids being received at or above the Offer Price
Qualified Institutional Buyers or 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 to be issued by our Company in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which does not have complete particulars of the Offer Price 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 Working Days before the Bid/Offer Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date
Refund Account	The 'no-lien' and 'non-interest bearing' account opened with the Refund Bank from which refunds, if any, of the whole or part, of the Bid Amount to the Anchor Investors shall be made
Refund Bank	Bank which is a clearing member and registered with SEBI as a banker to an issue under the SEBI BTI Regulations and with whom the Refund Account will be opened, in this case being [•]
Registered Brokers	Stock brokers registered 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 SEBI circular number CIR/CFD/14/2012 dated October 4, 2012 issued by SEBI
Registrar Agreement	Agreement dated January 7, 2022 entered by and amongst our Company, the Selling Shareholders and the Registrar to the Offer, in relation to the responsibilities and obligations of the Registrar pertaining to the Offer
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids from relevant Bidders at the Designated RTA Locations as per the list available on the websites of BSE and NSE, and the UPI Circulars
Registrar to the Offer or Registrar	KFin Technologies Private Limited
Retail Individual Bidder(s) or RIB(s)	Individual Bidders, who have Bid for the Equity Shares for an amount not more than [•] in any of the bidding options in the Offer (including HUFs applying through their Karta and Eligible NRIs)
Retail Portion	Portion of the Offer being not more than 10% of the Offer consisting of [•] Equity Shares which shall be available for allocation to Retail Individual Bidders (subject to valid Bids being received at or above the Offer Price)
Revision Form	Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s), as applicable. QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of 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 Bid/Offer Closing Date
Self-Certified Syndicate Bank(s) or SCSB(s)	The list of SCSBs notified by SEBI for the ASBA process is available at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated Branches for SCBSs with which an ASBA Bidder (other than a RIB using the UPI Mechanism), not bidding through Syndicate/Sub Syndicate or through a Registered Broker, RTA or CDP may submit the Bid cum Application Forms, is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34, or at such other websites as may be prescribed by SEBI from time to time.

Term	Description
	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 (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35) 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 https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 as updated from time to time. In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Retail Individual Bidders Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40) and (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43) respectively, as updated from time to time
Share Escrow Agent	The share escrow agent appointed pursuant to the Share Escrow Agreement, namely, [•]
Share Escrow Agreement	Agreement dated [•] to be entered amongst our Company, the Selling Shareholders and the Share Escrow Agent in connection with the transfer of the respective portion of Offered Shares by such Selling Shareholders and credit of such Offered Shares to the demat account of the Allottees in accordance with the Basis of Allotment
Specified Locations	Bidding Centres where the Syndicate shall accept Bid cum Application Forms a list of which is which is available on the website of SEBI (www.sebi.gov.in) and updated from time to time
Sponsor Bank	[•], being a Banker to the Offer, registered with SEBI and 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 RIBs using the UPI Mechanism and carry out other responsibilities, in terms of the UPI Circulars
Stock Exchanges	Collectively, BSE Limited and National Stock Exchange of India Limited
Syndicate or Members of the Syndicate	Together, the Book Running Lead Managers and the Syndicate Members
Syndicate Agreement	Agreement to be entered amongst our Company, the Selling Shareholders, the Book Running Lead Managers, the Registrar and the Syndicate Members, in relation to collection of Bids by the Syndicate
Syndicate Members	Intermediaries registered with SEBI, namely, [•]
Underwriters	[•]
Underwriting Agreement	Agreement to be entered amongst our Company, the Selling Shareholders, Registrar to the Offer and the Underwriters to be entered into on or after the Pricing Date but prior to filing of the Prospectus with the RoC
UPI	Unified payments interface which is an instant payment mechanism, developed by NPCI
UPI Circulars	Circular number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI, as amended by its Circular number SEBI/HO/CED/DIL/CIR/2016/26 dated January 21, 2016 and Circular number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 issued by SEBI as amended or modified by SEBI from time to time, including Circular number SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, Circular number SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, Circular number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Circular number SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, Circular number SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and any subsequent circulars issued by SEBI or any other governmental authority in relation thereto from time to time
UPI ID	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 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 authorise blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 da ted July 26, 2019, Retail Individual Bidders Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40) and

Term	Description
	(https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43) respectively, as updated from time to time
UPI Mechanism	The bidding mechanism that may be used by RIBs in accordance with the UPI Circulars to make an ASBA Bid in the Offer
UPI PIN	Password to authenticate UPI transaction
Wilful Defaulter(s)	Wilful defaulter(s) as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations
Working Day(s)	All days on which commercial banks in Mumbai, India are open for business, provided however, for the purpose of announcement of the Price Band and the Bid/Offer Period, Working Day shall mean all days, excluding all Saturdays, Sundays and public holidays on which commercial banks in Mumbai, India are open for business and the time period between the Bid/Offer Closing Date and listing of the Equity Shares on the Stock Exchanges, Working Days shall mean all trading days of the Stock Exchanges excluding Sundays and bank holidays in India, as per the circulars issued by SEBI, including the SEBI UPI Circulars

Technical/Industry Related Terms or Abbreviations

Term	Description
B2C	Business-to-consumer
C&F	Clearing and forwarding
Company Commissioned Industry Report	Report titled "*Organic Food Market in India*" dated January 3, 2022, prepared and issued by Technopak, as commissioned and paid for by our Company exclusively for this Offer in accordance with an engagement letter dated July 16, 2021
D2C	Direct-to-consumer
Farm Clusters	The total of 190,610 acres of organic land (including land under organic conversion), as of September 30, 2021, in our procurement network organised into clusters across India
FMCG	Fast moving consumer goods
GCC Region	Collectively, United Arab Emirates, Saudi Arabia, Qatar, Oman, Kuwait and Bahrain
General Trade Stores	General trade stores or traditional trade stores means the retail outlets to whom our products are provided through the distributors and other stores that are owned by individuals who cater to the local customer requirements. These stores are located close to consumer residences
IC1	In-conversion stage 1
IC2	In-conversion stage 2
IC3	In-conversion stage 3
Indian Ethnic Stores	Indian ethnic stores are stores in the USA which primarily deal with FMCG products related to the Indian customers
Mainstream Stores	Mainstream stores means the supermarkets in the USA
Modern Trade Stores	Modern trade stores means the supermarkets and hypermarkets that are involved in the sale of FMCG goods. It also includes a chain of stores under one brand name/ franchisee
NOP	National organic program
NPOP	National Programme for Organic Production
Technopak	Technopak Advisors Private Limited

Conventional and General Terms or Abbreviations

Term	Description
APEDA Act	Agricultural and Processed Food Products Export Development Authority Act, 1985
APEDA	Agricultural and Processed Food Products Export Development Authority
AIF(s)	Alternative Investment Fund(s) as defined in and registered with SEBI under the SEBI AIF Regulations
Air Act	Air (Prevention and Control of Pollution) Act, 1981
BSE	BSE Limited
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Companies Act, 1956	The erstwhile Companies Act, 1956 read with the rules, regulations, clarifications and modifications thereunder
Companies Act, 2013/ Companies Act	Companies Act, 2013 read with the rules, regulations, clarifications and modifications thereunder
Consolidated FDI Policy	The consolidated FDI Policy, effective from October 15, 2020, issued by the DPIIT, and any modifications thereto or substitutions thereof, issued from time to time
COVID-19	The novel coronavirus disease which was declared as a Public Health Emergency of International Concern on January 30, 2020, and a pandemic on March 11, 2020, by the World Health Organisation
CPCB	Central Pollution Control Board
CSR	Corporate social responsibility

Term	Description
CY	Calendar year
Depositories Act	Depositories Act, 1996
Depository	A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
DIN	Director Identification Number
DP ID	Depository Participant's identity number
DPIIT	Department of Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, GoI
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
EGM	Extraordinary general meeting
EPS	Earnings per share
FCNR Account	Foreign Currency Non Resident (Bank) account established in accordance with the FEMA
FDA	Food Safety and Drug Administration
FDI	Foreign direct investment
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations thereunder
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019 issued by the Ministry of Finance, GoI
Financial Year/ Fiscal/ Fiscal Year	The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year
FPIs	A foreign portfolio investor as defined under the SEBI FPI Regulations
FSS	Food Safety and Standards
FSS Act	Food Safety and Standards Act, 2006
FSS Packaging Regulations	FSS (Packaging and Labelling) Regulations, 2011
FSSAI	Food Safety and Standards Authority of India
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI
GDP	Gross domestic product
Government of India or Central Government or GoI	The Government of India
GST	Goods and services tax
HUF(s)	Hindu Undivided Family(ies)
ICAI	Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Income Tax Act	Income-tax Act, 1961
Ind AS/ Indian Accounting Standards	Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended
Indian GAAP/IGAAP	Accounting standards notified under Section 133 of the Companies Act, 2013 read with Companies (Accounting Standards) Rules 2006 and the Companies (Accounts) Rules, 2014 in so far as they apply to our Company, as amended
INR/Indian Rupee/Rs./₹	Indian Rupee, the official currency of the Republic of India
IPO	Initial public offering
IST	Indian Standard Time
IT	Information Technology
Kg(s)	Kilogram(s)
Km(s)	Kilometre(s)
MCA/Ministry of Corporate Affairs	Ministry of Corporate Affairs, GoI
Mn	Million
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
N.A.	Not applicable
NACH	National Automated Clearing House
NBFC	Non-banking financial company
NEFT	National Electronic Funds Transfer
Net Worth	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
NI Act	The Negotiable Instruments Act, 1881
Non-Resident or NR	Person resident outside India, as defined under FEMA and includes a non-resident Indian, FVCIs and FPIs
NPCI	National Payments Corporation of India

Term	Description
NRE	Non-Resident External
NRO	Non-Resident Ordinary
NRI	Non-Resident Indian
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB or Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA and which was 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
ODI	Offshore derivative instruments
P/E Ratio	Price/Earnings Ratio
p.a.	Per annum
PAN	Permanent account number
PAT	Profit after tax
RBI	Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
Resident Indian	A person resident in India, as defined under FEMA
ROE	Return on Equity
RoNW	Return on Net Worth
RTGS	Real Time Gross Settlement
SCRA	Securities Contract (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	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	SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Merchant Bankers Regulations	SEBI (Merchant Bankers) Regulations, 1992
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996
State Government	Government of a State of India
STT	Securities Transaction Tax
Systemically Important NBFC	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations
TDS	Tax deducted at source
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
TSPCB	Telangana State Pollution Control Board
U.S. GAAP	Generally Accepted Accounting Principles in the United State of America
U.S. Securities Act	United States Securities Act of 1933, as amended
US$/USD/US Dollar	United States Dollar, the official currency of the United States of America
USA/U.S./US/United States	United States of America, its territories and possessions, any state of the United States of America and the District of Columbia
USDA	U.S. Department of Agriculture
USFDA	United States Food and Drug Administration
VAT	Value Added Tax
VCFs	Venture capital funds as defined in and registered with the SEBI under the SEBI VCF Regulations
Water Act	Water (Prevention and Control of Pollution) Act, 1974

OFFER DOCUMENT SUMMARY

The following is a general summary of certain disclosures and the terms of the Offer and is not exhaustive nor does it purport to contain a summary of all the disclosures in this Draft Red Herring Prospectus 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 Statements*", "*Outstanding Litigation and Material Developments*", "*Offer Procedure*", and "*Main Provisions of the Articles of Association*" beginning on pages 22, 54, 69, 80, 98, 129, 185, 269, 296 and 315, respectively.

Summary of the business of our Company

Our brand, '24 Mantra', is the largest brand in the packaged organic food segment (excluding organic packaged food market beverage and packaged tea and coffee) by market share with approximately 29% market share in Fiscal 2020 (*Source: Company Commissioned Industry Report*). We are engaged in the business of procuring, processing, manufacturing, marketing and research and development of organic food products. We are also one of the leading Indian organic food brands in the USA with presence in 39 states across Indian Ethnic Stores and Mainstream Stores (*Source: Company Commissioned Industry Report*) and have a presence in 34 countries as of September 30, 2021. We offer all types of grocery staples, spices and condiments, edible oils, packaged food, beverages, meal accompaniments, etc.

Summary of the industry in which our Company operates

Packaged organic food market includes packaged and processed organic food (and grocery) products sold through any retail channel. This will include products like processed dairy, fruits and vegetables, meat sold in packaged form. The penetration of organic food in the total packaged food is estimated at 0.4% (in Fiscal 2020 and is estimated to increase to 0.6% by the year Fiscal 2025. The organic food market has grown at CAGR 21.4% from Fiscal 2015-2020 and is expected to grow at approximately 24% from Fiscal 2020 to 2025 (*Source: Company Commissioned Industry Report*).

Names of our Promoters

Our Promoters are Rajashekar Reddy Seelam, Renuka Seelam and Balasubramanian Narayanan. For further information, see "*Our Promoters and Promoter Group*" beginning on page 179.

Offer size

The following table summarizes the details of the Offer size:

Offer of Equity Shares(1)	Up to [•] Equity Shares aggregating up to ₹ [•] million
of which:	
(i) Fresh Issue(1)	Up to [•] Equity Shares aggregating up to ₹ 500 million
(ii) Offer for Sale(2)	Up to 7,030,962 Equity Shares aggregating up to ₹ [•] million by the Selling Shareholders

(1) *The Offer has been authorised by our Board pursuant to resolution passed on December 15, 2021 and the Fresh Issue has been authorised by our Shareholders pursuant to special resolution passed on December 17, 2021.*

(2) *Each Selling Shareholder (severally and not jointly) has specifically confirmed that its respective portion of the Offered Shares are eligible to be offered for sale in the Offer in accordance with the SEBI ICDR Regulations. For details on the authorisation of each of the Selling Shareholders in relation to the Offered Shares, see "Other Regulatory and Statutory Disclosures" beginning on page 278.*

The Offer shall constitute [•]% of the post Offer paid up Equity Share capital of our Company. The above table summarises the details of the Offer. For further details of the Offer, see "*The Offer*" and "*Offer Structure*" beginning on pages 54 and 293, respectively.

Objects of the Offer

Our Company proposes to utilise the Net Proceeds towards funding the following objects:

(in ₹ million)

Particulars	Estimated Amount
Funding the working capital requirements of our Company	314.58
Repayment or pre-payment in full or part, of certain outstanding unsecured / secured	87.50

Particulars	Estimated Amount
borrowings availed by our Company	
General corporate purposes*	[•]
Net Proceeds**	[•]

**The amount to be utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds. To be determined upon finalisation of the Offer Price and updated in the Prospectus prior to filing with the RoC*
***To be determined upon finalisation of the Offer Price and updated in the Prospectus prior to filing with the RoC.*

For further details, see "*Objects of the Offer*" beginning on page 80.

Aggregate pre-Offer shareholding of Promoters, Promoter Group and Selling Shareholders

The aggregate pre-Offer shareholding of Promoters, members of the Promoter Group and Selling Shareholders as a percentage of the pre-Offer paid-up Equity Share capital of our Company is set out below

a) Promoters and Promoter Group

Name of Promoter	Number of Equity Shares held	Percentage of the pre-Offer paid-up Equity Share capital (%)
Promoters		
Rajashekar Reddy Seelam	3,412,000	18.20
Renuka Seelam	657,970	3.51
Balasubramanian Narayanan	360,000	1.92
Members of Promoter Group		
Vijay Bhasker Reddy Seelam	64,000	0.34
Total	**4,493,970**	**23.97**

b) Selling Shareholders

Name of Selling Shareholder	Number of Equity Shares held	Percentage of the pre-Offer paid-up Equity Share capital (%)
PCF	6,583,125	35.11
VLF	2,275,001	12.13
VTCPL (acting on behalf of the Bio Fund)	3,259,716	17.39
VTCPL (acting on behalf of VLF III)	1,601,046	8.54
Total	**13,718,888**	**73.17**

Summary of Financial Statements

The summary of the financial information of our Company as per the Restated Consolidated Financial Information is set forth below:

Particulars	As on September 30, 2021 and for the period ended September 30, 2021	As on September 30, 2020 and for the period ended September 30, 2020	As on March 31, 2021 and for the Fiscal ended March 31, 2021	As on March 31, 2021 and for the Fiscal ended March 31, 2020	As on March 31, 2021 and for the Fiscal ended March 31, 2019
Equity share capital	182.74	182.56	182.61	182.56	182.48
Net worth	773.62	734.52	763.72	665.14	567.71
Total Income	1,611.24	1,565.88	3,143.70	2,664.24	2,082.08
Restated profit/(loss) for the period/year after tax	11.37	73.20	103.93	94.60	(34.69)
Basic profit/(loss) per share	0.62	4.01	5.69	5.18	(1.93)
Diluted profit/(loss) per share	0.62	4.00	5.67	5.17	(1.93)
Net asset value per share	42.33	40.23	41.82	36.43	31.11
Total borrowings	783.62	457.70	526.24	445.48	490.04

For further details, see "*Financial Statements*" beginning on page 185.

Qualifications of the Statutory Auditors which have not been given effect to in the Restated Consolidated Financial Information

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

Summary of outstanding litigation and material developments

A summary of outstanding litigation proceedings, if any, involving our Company, Promoters, Subsidiaries, Directors and Group Company as on the date of this Draft Red Herring Prospectus, is provided below:

Nature of the matter	Number of outstanding matters	Amount involved (in ₹ million)*
Litigation involving our Company		
Criminal proceedings	2	1.45
Material civil litigation	4	4.13
Actions by statutory or regulatory authorities	8	0.05
Other matters	1	-
Direct and indirect tax proceedings	2	195.93

* *To the extent quantifiable, excluding interest and penalty thereon.*

For further details, see "*Outstanding Litigation and Material Developments*" beginning on page 269.

Risk Factors

Specific attention of the investors is invited to the section "*Risk Factors*" beginning on page 22 to have an informed view before making an investment decision.

Summary of contingent liabilities

The details of our contingent liabilities as per Ind AS 37 as at September 30, 2021 are set forth in the table below:

(*in ₹ million*)

Sr. No.	Particulars	As of September 30, 2021
1	Tax matter in appeal: Sales tax	19.17
2	Bank guarantees	6.22

For further details of contingent liabilities, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Outstanding Litigation and Material Developments*" and "*Financial Statements*" beginning on pages 238, 269 and 185, respectively.

Summary of related party transactions

A summary of related party transactions as per the requirements under Ind AS 24 read with the SEBI ICDR Regulations entered into by our Company with related parties as at and for the six month period ended September 30, 2021 and September 30, 2020 and Fiscal 2021, 2020 and 2019 are as follows:

Sr. No.	Name of the related party transactions	Nature of the Transaction	Period ended September 30, 2021	Period ended September 30, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019
1	Sale of Goods to Related Party	Sale of goods					
	HITA Life Ventures Private Limited		21.75	33.17	51.41	38.94	36.45
	HITA Farms LLP		0.62	-	0.14	0.31	0.32
2	Marketing Activity	Business Promotion					
	HITA Life Ventures Private Limited		3.35	-			
3	Office Rent	Office Rent					
	Renuka Seelam		0.20	0.20	0.40	0.38	0.36

Sr. No.	Name of the related party transactions	Nature of the Transaction	Period ended September 30, 2021	Period ended September 30, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2019
4	Remuneration to Key Management Personnel	Salary and other employee benefits	24.39	26.29	35.68	27.92	21.99
	Rajashekar Reddy Seelam		8.98	10.85	13.85	10.21	6.62
	Balasubramanian Narayanan		11.44	11.73	15.40	12.16	10.24
	K Venkatesan		3.61	3.39	5.81	5.00	4.63
	Padmasri Samaleti		0.36	0.31	0.64	0.33	-
	Gayatri Khatri		-	-	-	0.22	0.49

For details of the related party transactions in accordance with Ind AS 24, see "*Related Party Transactions*" beginning on page 237.

Financing Arrangements

There have been no financing arrangements whereby the Promoters, members of our Promoter Group, our Directors and their relatives have financed the purchase by any other person of securities of our Company (other than in the normal course of the business of the relevant financing entity) during a period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus.

Details of price at which Equity Shares were acquired in the last three years immediately preceding the date of this Draft Red Herring Prospectus

Sr. No	Name of the acquirer/ Shareholder	Date of acquisition of Equity Shares	Number of Equity Shares acquired	Acquisition price per Equity Share (in ₹)
Promoters				
1.	Rajashekar Reddy Seelam*	December 1, 2021	306,393	42
2.	Renuka Seelam	December 1, 2021	59,085	42
3.	Balasubramanian Narayanan	December 2, 2021	40,000	10
Promoter Group				
1.	Vijay Bhasker Reddy Seelam	Nil	Nil	Nil
Selling Shareholders*				
1.	Peepul Capital Fund III LLC	Nil	Nil	Nil
2.	Ventureast Life Fund III LLC	Nil	Nil	Nil
3.	Ventureast Trustee Company Private Limited (acting on behalf of the Bio Fund)	Nil	Nil	Nil
4.	Ventureast Trustee Company Private Limited (acting on behalf of VLF III)	Nil	Nil	Nil

**Such Shareholders are entitled to nominate Directors on our Board. For details, see "History and Certain Corporate Matters - Shareholders' agreements and other agreements" beginning on page 162*
The above details have been certified by Gandhi & Gandhi, Chartered Accountants, by way of their certificate dated January 10, 2022.

Weighted average price at which Equity Shares were acquired by our Promoters and the Selling Shareholders, in the last one year preceding the date of this Draft Red Herring Prospectus

The weighted average price at which Equity Shares were acquired by the Promoters in the last one year is set forth in the table below:

Name	Number of Equity Shares acquired	Weighted average price per Equity Share (in ₹)*
Rajashekar Reddy Seelam	306,393	42
Renuka Seelam	59,085	42
Balasubramanian Narayanan	40,000	10

**As certified by Gandhi & Gandhi, Chartered Accountants, by way of their certificate dated January 10, 2022.*

The Selling Shareholders have not acquired any Equity Shares in the last one year.

Average cost of acquisition of Equity Shares

The average cost of acquisition of Equity Shares of our Promoters and the Selling Shareholders based on the Equity Shares held as on the date of this Draft Red Herring Prospectus are as set forth in the table below:

a) Promoters

Name	Number of Equity Shares acquired	Average cost of acquisition per Equity Share (in ₹)*
Rajashekar Reddy Seelam	3,412,000	16.94
Renuka Seelam	657,970	18.71
Balasubramanian Narayanan	360,000	16.65

**As certified by Gandhi & Gandhi, Chartered Accountants, by way of their certificate dated January 10, 2022.*

b) Selling Shareholders

Name	Number of Equity Shares acquired	Average cost of acquisition per Equity Share (in ₹)*
PCF	6,583,125	87.85
VLF	2,275,001	117.62
VTCPL (acting on behalf of the Bio Fund)	3,259,716	28.84
VTCPL (acting on behalf of VLF III)	1,601,046	87.39

**As certified by Gandhi & Gandhi, Chartered Accountants, by way of their certificate dated January 10, 2022.*

Details of pre-Offer Placement

Our Company does not contemplate any issuance or placement of Equity Shares by way of pre-Offer placement from the date of this Draft Red Herring Prospectus until the listing of the Equity Shares.

Offer of Equity Shares for consideration other than cash in the last one year

No Equity Shares were issued for consideration other than cash in the last one year.

Split or consolidation of Equity Shares in the last one year

Our Company has not undertaken a split or consolidation of the Equity Shares in the one year preceding the date of this Draft Red Herring Prospectus.

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

Certain Conventions

All references in this Draft Red Herring Prospectus to "India" 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 in this Draft Red Herring Prospectus to the "U.S.", "USA" or "United States" are to the United States of America and its territories and possessions. Further, all references to "UAE" are to the United Arab Emirates and its territories and possessions.

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

All references to time in this Draft Red Herring Prospectus are to Indian Standard Time. Unless indicated otherwise, all references to a year in this Draft Red Herring Prospectus are to a calendar year.

Financial Data

Our Company's Fiscal commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year. Accordingly, all references to a particular fiscal or financial year 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 stated otherwise or the context otherwise requires, the financial data in this Draft Red Herring Prospectus is derived from the Restated Consolidated Financial Information. The Restated Consolidated Financial Information included in this DRHP are as at and for the six-month period September 30, 2021 and September 30, 2020 and Fiscal 2021, 2020 and 2019 and have been prepared in terms of the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, the SEBI ICDR Regulations, the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time. For further details, see "*Financial Statements*" beginning on page 185.

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— 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*." beginning on page 50. 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 the figures in this Draft Red Herring Prospectus have been presented in million or in whole numbers where the numbers have been too small to present in million unless stated otherwise. One million represents 1,000,000 and one billion represents 1,000,000,000.

Certain figures contained in this Draft Red Herring Prospectus, including financial information, have been subject to rounding adjustments. Any discrepancies in any table between the totals and the sum of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the two decimal points. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given, and (ii) the sum of the figures in a column or row in certain tables may not conform exactly to the total figure given for that column or row. However, figures sourced from third-party industry sources may be expressed in denominations other than million or may be rounded off to other than two decimal points in the respective sources, and such figures have been expressed in this Draft Red Herring Prospectus in such denominations or rounded-off to such number of decimal points as provided in such respective sources.

Unless the context otherwise indicates, any percentage amounts, as set forth in '*Risk Factors*', '*Our Business'* and '*Management's Discussion and Analysis of Financial Condition and Results of Operations*' beginning on pages 22, 129 and 238, respectively, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of amounts derived from the Restated Consolidated Financial Information.

Non-GAAP Financial Measures

This Draft Red Herring Prospectus contains certain non-GAAP financial measures and certain other statistical information relating to our operations and financial performance like EBITDA, EBITDA margin, gross profit, gross profit margin, Net Worth, return on Net Worth, Net Asset Value per Equity Share and certain other statistical information relating to our operations and financial performance that are not required by, or presented in accordance with, Ind AS, Indian GAAP, or IFRS. Further, these non-GAAP measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or U.S. GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or U.S. GAAP. For further details, see "*Risk Factors - We have presented certain supplemental information of our performance and liquidity which is not prepared under or required under Ind AS*" on page 50. We compute and disclose such non-Indian GAAP financial measures and such other statistical information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance. These non-Indian GAAP financial measures and other statistical and other information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies.

Currency and Units of Presentation

All references to

- "Rupees" or "₹" or "INR" or "Rs." are to Indian Rupees, the official currency of the Republic of India; and
- "U.S. Dollar" or "USD" or "US$" or "$" are to United States Dollar, the official currency of the United States of America.

In this Draft Red Herring Prospectus, our Company has presented certain numerical information. All figures have been expressed in millions, except where specifically indicated. One million represents 10 lakhs or 1,000,000 and ten million represents 1 crore or 10,000,000. However, where any figures that may have been sourced from third party industry sources are expressed in denominations other than millions in their respective sources, such figures appear in this Draft Red Herring Prospectus expressed in such denominations as provided in such respective sources.

Exchange Rates

This Draft Red Herring Prospectus contains translations of U.S. Dollar into Indian Rupees. These convenience translations should not be construed as a representation that those U.S. Dollars could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth as of the dates indicated, information with respect to the exchange rate between the Indian Rupee and the U.S. Dollar:

(in ₹)

Currency	Exchange Rate as on September 30, 2021	Exchange Rate as on September 30, 2020	Exchange Rate as on March 31, 2021	Exchange Rate as on March 31, 2020	Exchange Rate as on, March 31, 2019*
1 US$	74.26	73.80	73.50	75.39	69.17

Sources: For US$ - www.fbil.org
**Exchange rate as on March 29, 2019, as FBIL reference rate is not available for March 31, 2019 and March 30, 2019 being a Sunday and Saturday, respectively.*

Such conversion should not be considered as a representation that such currency amounts have been, could have been or can be converted into Rupees at any particular rate, the rates stated above or at all.

Industry and Market Data

This Draft Red Herring Prospectus contains certain industry and market data and statements concerning our industry from the Company Commissioned Industry Report which has been commissioned by our Company exclusively for the purposes of the Offer for an agreed fee and is available at our Company's website, at https://sresta.com/overview/corporate-governance/. Further, Technopak, *vide* their letter dated January 6, 2022 ("**Letter**") has accorded their no objection and consent to use the Company Commissioned Industry Report and the contents thereof and has also confirmed that they are an independent agency and not related to our Company, our Directors and our Promoters. For further details in relation to risks involving the Company Commissioned Industry Report, see "*Risk Factors – This DRHP contains information from industry sources including the Company Commissioned Industry Report which has been exclusively commissioned from Technopak by our Company and any reliance on such information for making an investment decision in the Offer is subject to inherent risks"* beginning on page 44. Also, the Company Commissioned Industry Report is subject to the disclaimer mentioned below:

Disclaimer:

*"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) without our written consent. 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, while all information has been obtained by Technopak from sources believed by it to be true and reliable and after exercise of due care and diligence by us, no representation or warranty (expressed or implied) is made nor is any responsibility of any kind accepted with respect to the completeness of any information as maybe contained herein or the accuracy of the sources. 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 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 extent to which industry and market data set forth in this Draft Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources. Accordingly, no investment decision should be made solely on the basis of such information. 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 22.

In accordance with the SEBI ICDR Regulations, the section titled "*Basis for Offer Price*" beginning on page 88, includes information relating to our peer group companies.

FORWARD LOOKING STATEMENTS

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

Actual results may differ materially from those suggested by forward-looking statements due to risks or uncertainties associated with expectations relating to and including, regulatory changes pertaining to the industries in India 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 which have an impact on its 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 domestic laws, regulations and taxes and changes in competition in the industries in which we operate.

Certain important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

a) Dependence on the continuous supply of organic agricultural produce and our inability to procure adequate amounts of organic agricultural produce from our network of farmers, aggregators and organic certified vendors/ companies at competitive prices;

b) Disruption of operations at third party facilities or termination of agreements with third party facilities used by us for primary processing of organic raw materials;

c) Inability to meet the tastes, preferences or consistent quality requirements of our customers or our inability to accurately predict and successfully adapt to changes in market demand;

d) Improper handling, processing or storage of our products or raw materials, or spoilage of and damage of such products or raw materials, or any real or perceived contamination in our products or raw materials; and

e) Supply of organic agricultural produce being subject to seasonal factors, weather conditions, disease, or pests; and

f) Non-compliance with and changes in, safety, health and environmental laws and other applicable regulations pertaining to quality of food products.

For details regarding factors that could cause actual results to differ from expectations, see "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 22, 129 and 238, 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 gains or losses could materially differ from those that have been estimated.

There can be no assurance to Bidders that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, Bidders 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.

Forward-looking statements reflect current views as on the date of this Draft Red Herring Prospectus and are not a guarantee of 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 our Company, our Directors, KMPs, the Selling Shareholders, the Book Running Lead Managers nor any of their respective affiliates have 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 ICDR Regulations, our Company and the Book Running Lead Managers will ensure that the Bidders in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchanges for the Offer.

In accordance with requirements of SEBI and as prescribed under applicable law, each of the Selling Shareholders shall ensure that the Bidders in India are informed of material developments in relation to statements and undertakings specifically undertaken or confirmed by it in relation to itself and its respective portion of the Offered Shares in this Draft Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges. Only statements and undertakings which are specifically confirmed or undertaken by each Selling Shareholder, as the case may be, in this Draft Red Herring Prospectus shall be deemed to be statements and undertakings made by such Selling Shareholder.

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 the 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 or geographies in which we operate. 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 or some combination of the following risks, or other risks that are not currently known or are currently deemed immaterial actually occur, our business, results of operations, 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 us 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*" beginning on pages 129, 98 and 238, respectively, as well as the financial, statistical and other information contained in, this Draft Red Herring Prospectus.

To the extent the COVID-19 pandemic adversely affects our business and financial results, it may also have the effect of heightening many of the other risks described in this section, such as those relating to levels of consolidated indebtedness and our ability to comply with the covenants contained in the agreements that govern our indebtedness. 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*" beginning on page 20.

Unless stated otherwise, industry and market data used in this section have been obtained or derived from the report titled "*Organic Food Market in India*" dated January 3, 2022 that has been prepared by Technopak, which report has been commissioned and paid for by our Company, exclusively for the purposes of confirming our understanding of the industry in connection with the Offer, for an agreed amount in accordance with an engagement letter dated July 16, 2021.

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 Consolidated Financial Information included in this Draft Red Herring Prospectus. For further information, see "*Financial Statements*" beginning on page 185.

Internal Risks relating to our business

1. ***Our operations are dependent on the continuous supply of organic agricultural produce and our inability to procure adequate amounts of organic agricultural produce from farmers, aggregators and organic certified vendors/ companies at competitive prices or at all, may have an adverse effect on our business, results of operations and financial condition.***

We require continuous supply of organic agricultural produce such as wheat, rice, cereals, spices, pulses, oil seeds and sweeteners for our products. As on September 30, 2021, we relied on a network of 34,516 farmers, 65 vendors/ companies and various aggregators for procurement of the raw materials and agricultural produce for manufacturing our finished goods. Such raw materials and agricultural produce are subject to supply disruptions and price volatility caused by various external factors beyond our control such as market fluctuations, production and transportation costs, weather conditions, seasonality of raw materials, crop failure, reduced harvests, quality issues, government agricultural programs and policies along with farmer protests against such government policies, labour unrest, inflation, pandemics, changes in government policies and regulatory measures, global inventory levels and demand for similar or competing substitutes. For example, we have in the past faced a few instances of temporary disruptions in the supply of peanut, cumin and coriander due to issues with the quality and crop yield. We are particularly vulnerable to the continuous supply and price volatility of such raw materials. 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 and thereby affect our margins and profitability. Supply interruptions or delays may lead to delays in production and higher raw material costs. In some cases, a decrease in price causes farmers and traders to hoard their supply of seeds causing supply to decline even further. For further details, please refer to risk factor " – *The supply of organic agricultural produce is subject to seasonal factors, weather conditions, disease, or pests can, and does not necessarily match the seasonal change or weather conditions in demand for our products, which may have an adverse effect on our business, financial condition, results of operations and prospects"* beginning on page 28 below.

In Fiscal 2021, 2020 and 2019 and the six month period ended September 30, 2021, our cost of raw materials consumed was ₹1,972.49 million, ₹1,395.50 million, ₹1,095.05 million and ₹925.33 million, respectively, which as a percentage of our revenue from operations was 63.21%, 53.21%, 53.28% and 57.83%, respectively.

Our raw material procurement model involves direct purchase of organic agricultural produce from farmers within our network, or through aggregators and also from vendors/ companies. As of September 30, 2021, procurement of 80% (*i.e.* 14,566,037 kgs) of the agricultural produce was sourced from farmers within our network either directly or through aggregators and 20% (*i.e.* 3,638,706 kgs) was from vendors/ companies (including certain organic certified vendors/ companies). We have not entered into any formal or long-term supply contracts with such farmers, aggregators and vendors/ companies. We cannot assure you that we will continue to have a stable supply of raw materials in the future and will be able to meet all of our future raw material requirements at commercially viable prices.

In India, the conversion and certification of farmland as 'organic' on an average takes three years. Post identification of regions, we approach the farmers to convert the non-organic farmland to organic farmland. However, during the conversion process or post conversion, the farmers may revert to use pesticides or fertilisers to protect agricultural produce from pests or increase their production. Consequently, such farmlands may fail to obtain the 'organic' certification or lose their 'organic' certification which will lead to a shortage of 'organic' certified farmland and have an adverse impact on the availability of organic agricultural produce.

Further, farmers currently growing a certain type of crop may shift their efforts towards the production of other crops, resulting in a drop in production of certain of our organic raw materials, or increase in our procurement costs, or may also require us to source raw materials from other sources, which we may be unable to do at competitive prices, or at all. Significant increases in the cost of raw materials and agricultural produce 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 raw materials to our customers in part or at all, or find an alternate source of raw materials on terms favourable to us, where there is such an increase. Further, interruption of, or shortage in, or increase in the cost of supply of raw materials may result in our inability to operate our production facilities at optimal capacities or at all, leading to a decline in sales and profits.

In addition, growing competition in the food processing industry may result in increase in prices of raw materials, which we may not be able to match, thereby affecting our procurement. An inability to procure sufficient amount of quality raw materials at reasonable costs, or an inability to pass on any increases in the price of our raw materials to our customers could adversely affect our business, financial condition and results of operations. Our ability to maintain and expand our procurement model is also subject to factors such as our farmers and other sources continuing to have confidence in us and our ability to pay competitive prices for our raw material supplies.

Thus, we cannot assure you that we will be able to procure adequate supplies of raw materials in a timely manner and on commercially acceptable terms, which may have an adverse impact on our business, results of operations and financial conditions.

2. We depend on third party facilities for primary processing of the organic raw materials. Any disruption of operations at such third party facilities or termination of agreements for use of such third party facilities could adversely affect our business, results of operations and financial condition.

We undertake all the primary processing *i.e.*, conversion of raw materials into semi-finished / finished goods in third party facilities. As on September 30, 2021, we have formal arrangements with 18 third party facilities located in Rajasthan, Gujarat, Maharashtra, Karnataka, Tamil Nadu, Andhra Pradesh and Telangana for primary processing of organic foods for our Company. We have been associated with several of such third party facilities on a continuous basis. For further information, see "*Our Business – Our Competitive Strengths*" beginning on page 130. Our reliance on third parties for processing and packaging of organic agricultural produce on our behalf gives us less control over the costs, efficiency, timelines and quality of those services despite the supervision and monitoring of such operations by our employees who oversee the processing recovery, processing schedules and conduct quality checks and controls at such facilities and prepare quality reports for such units. We are exposed to the risk of delay in supply of finished products as well as production defaults.

In Fiscal 2021, 2020 and 2019 and the six month period ended September 30, 2021, we had incurred ₹59.27 million, ₹52.74 million, ₹41.82 million and ₹37.54 million, respectively, towards primary processing of raw materials. Since all the primary processing happens in third party production facilities, any non-renewal or termination of our arrangement with any of these third party primary processing facilities will adversely affect our sales and revenue from operations. Further, if we are unable to suitably replace our arrangement with another third party primary processing facility, we may lose market share in such territory, which could materially affect our revenue from operations.

3. ***Our inability to meet the tastes, preferences or consistent quality requirements of our customers or our inability to accurately predict and successfully adapt to changes in market demand could reduce demand for our products and harm our sales.***

Our results of operations and future growth, are largely dependent upon the demand for our products in the Indian, USA, and other international markets in which we are currently present and propose to expand to. Demand for our products depends primarily on consumer-related factors such as demographics, local preferences, lifestyle preferences and food consumption trends, macroeconomic factors such as the condition of the economy and the level of consumer confidence. Over a period of time, there have been significant changes in consumers' preferences relating to food products in Indian as well as overseas market. There has been a shift towards healthier dietary options in recent times especially owing to the COVID-19 pandemic. Our management team tracks the trend of our product portfolio and accordingly plans the supply of our products on that basis. Therefore, an unanticipated change in customer demand may adversely affect our liquidity and financial condition as a result of the operating expenses that are relatively fixed and have been incurred by us. Further, if there is any sudden increase in demand of our products by our customers, we may encounter problems in procuring organic agricultural produce in a timely manner and fail to meet the customer demands in a timely manner or at all which will have an adverse impact on our business, results of operations and reputation.

We are also subject to various policies and guidelines of the countries or regions where our customers are located, relating to the quantity, quality, characteristics and variety of the products sold to such countries, which may be changed from time to time. Additionally, our products are subject to quality checks by the regulatory agencies in the importing countries. Any non-compliance with such policies and quality standards could have an adverse impact on our business, financial condition, reputation and results of operation. Further, consumer tastes and preferences often change over time, and if we are unable to anticipate, identify or develop products that respond to changes in consumer tastes and preferences, demand for our products may decline. While we attempt to, on a regular basis, keep pace with the preferences and quality requirements and standards of our Indian and international customers, invest continuously in new technology and processes to provide the desired quality product, and continually monitor and adapt to the changing market demand there can be no assurance that we will be able to keep up with the changing trends and adhere to all quality specifications mandated by governmental agencies. Any such change in preferences or our inability to meet the consistent quality requirements of our customers or adhere to the quality standards mandated by the government agencies and regulators could harm our business, financial condition, results of operations and prospects.

4. ***The organic food industry in India is in nascent stage and the lack of awareness among Indian consumers and farmers regarding organic food products make them vulnerable to misconceptions around organic farming and may have an adverse effect on the organic food industry and consequently our business, results of operations and financial condition.***

Organic farming and food processing is in nascent stage in India. The lack of awareness among Indian consumer and farmers make them susceptible to negative publicity and misconceptions around organic farming. The Indian consumer is generally sensitive to pricing. The Indian consumers perceive organic food as an expensive commodity and are wary of spending more on organic food. Significant difference between the pricing of organic and the conventional product may create disfavour towards organic food. Additionally, lack of knowledge and awareness creates consumers that glamorize the consumption of organic products, and thus creates only a temporary demand in the organic food products and adversely affects the sustainable growth of the whole industry.

Further, majority of the Indian farmers are accustomed to conventional farming and use of fertilisers and pesticides. The process of conversion and certification of farmland as 'organic' on an average takes three years. Crops that are grown on fully organic land may be sold as organic, if they acquire a certification under the National Program for Organic Production or Participatory Guarantee System for India, which is a pre-requisite for handling organic food and is a requirement for obtaining a registration or license under the Food Safety and Standards regulations in India. Despite our assistance, the farmers may have a difficulty in adhering to such criteria and quality standards for organic farming as it may be complicated for them. Since most of the Indian farmers are dependent on seasonal yield for their income and survival and do not have significant savings, it is difficult and undesirable for them to wait for this time period for getting 'organic' certification for their farmlands.

While we attempt to educate and create awareness among the consumers and farmers, there can be no assurance that we will be able to change the mindset and food preferences in a short span of time. Any such misconceptions and lack of awareness and knowledge among the consumers and farmers may prevent sustainable growth of the organic food industry and have an adverse impact on our business operations.

5. ***The improper handling, processing or storage of our products or raw materials, or spoilage of and damage of 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 various contamination related risks which typically affect the food processing industry, including risks posed by adulteration, product labelling error and product tampering during their production, transportation or storage. The risk of contamination or deterioration of our products exists at each stage of the life-cycle of our products such as sourcing of organic agricultural produce, production and delivery of the final products which poses a significant risk to the quality of the products. Packaging, storage and delivery of our products to our consumers and the storage and shelving of our products by our distributors and retailers until final consumption by consumers are also subject to such contamination and deterioration risks.

Although our products are tested extensively at our facilities and subject to quality checks and controls by our employees supervising and monitoring the production at the third party facilities, we cannot assure you that the quality tests conducted by us will be accurate at all times. Also, certain products like sweeteners, ready to eat meals, edible oils and perishable food items 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 contaminate or damage our products and result in non-compliance with applicable regulatory standards and may also subject us to legal action. For instance, in the past, pursuant to a complaint filed in the police station – Jadavpur, West Bengal, a charge sheet was prepared (to which our Company was not a party) alleging that the rock salt manufactured by our Company under the brand 'Sandhava Lavana', was unsafe and misbranded in violation of the provisions of the FSS Act. However, pursuant to the laboratory reports submitted in the matter and subsequent investigation, it was found that goods along with sample products which were tested were good and were declared not unsafe. Additionally, we have also received a notice from the FSSAI alleging unauthorised manufacturing and storage of our organic products, export of food products without a FSSAI Export license, improper cleaning of equipment's and premises and also failure on part of our Company in displaying the FSSAI license at a prominent location and we have replied to the said notice, details of which are disclosed in the section titled "*Outstanding Litigation and Material Developments*" beginning on page 269.

Any actual or alleged contamination of our products or the raw materials processed by us, which causes or is alleged to cause injury or illness, allegations that our products were mislabelled, were not produced in accordance with applicable regulations and industry standards, 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, irrespective of whether such allegations have any factual basis. For instance, we have received notices from FSSAI alleging that we have made misleading claims in newspaper advertisements and e-commerce platforms regarding certain of our products and have been directed to modify appropriately or to withdraw the advertisement in electronic media and in labels or issue corrective advertisement and we have replied to the said notices clarifying that the claims in the advertisements were true and requested the authority to drop/ revoke the respective notices. For further details, see "*Outstanding Litigation and Material Developments*" beginning on page 269. We cannot assure you that the outcome in such proceedings will be in our favour. Any unfavourable decision in connection with such proceedings, individually or in the aggregate, could adversely affect our brand, reputation, business, financial condition and result of operations.

6. ***We cannot assure you that our product mix will be profitable in the future. Further, we may not be able to successfully diversify our product portfolio, which may materially and adversely affect our business prospects and impact our future financial performance.***

We offer a diversified product portfolio to our customers, comprising 'centre-of-plate' products (*i.e.* products having usage spread across different occasions in a day), including breakfast items, lunch and dinner items and refreshments. Our revenue from operations in Fiscal 2019, 2020, 2021 and for the six months ended September 30, 2021 from sale of our products under our respective product segments is as follows:

(*in ₹ million, except %*)

Sr. No.	Product Segment	Particulars	Fiscal 2019	Fiscal 2020	Fiscal 2021	As on September 30, 2021
1.	Basic staples	Revenue from the 24 Mantra brand	1,085.78	1,379.53	1,668.42	806.60
		As a % of revenue from the 24 Mantra brand	*60.40%*	*59.58%*	*57.31%*	*54.26%*
2.	Speciality staples	Revenue from the 24 Mantra brand	423.08	576.45	815.60	454.71
		As a % of revenue from the 24 Mantra brand	*23.54%*	*24.90%*	*28.01%*	*30.59%*
3.	Spices and condiments	Revenue from the 24 Mantra brand	162.55	198.80	255.35	136.80
		As a % of revenue from the 24 Mantra brand	*9.04%*	*8.59%*	*8.77%*	*9.20%*
4.	Processed food, beverages and value added products	Revenue from the 24 Mantra brand	126.20	160.69	172.07	88.53
		As a % of revenue from the 24 Mantra brand	*7.02%*	*6.94%*	*5.91%*	*5.95%*

We continue to introduce new products and have recently introduced products such as pasta and vermicelli made of whole wheat flour and sprouted flours in Fiscal 2022. For further information, see "*Our Business – Research and Development*" beginning on page 151. We have incurred costs to expand and diversify our range of products and we cannot assure you that such expenses will not increase in the future or that such products will be successful, whether due to factors within or outside of our control, such as general economic conditions, a failure to understand customer demand and market requirements or management focus on new products. In addition, if we fail to successfully offer relevant and diversified products in an increasingly competitive market, we may not be able to capture the growth opportunities associated with them or recover the development and marketing costs, and our future results of operations and growth strategies could be adversely affected. Further, we may require approval from regulatory authorities before we commence production of new products. If we fail to obtain such approvals, or to develop and launch such products successfully, we may lose a part or all of the costs incurred in the development of such offerings, or have to discontinue these offerings, which could in turn adversely affect our business, reputation and results of operations.

As part of our growth strategy, we intend to diversify our product portfolio with the aim to increase consumer base and basket size and in doing so, we may encounter certain additional risks including management and market-related risks. We cannot assure you that such diversification or expansion of operations will yield favourable or expected results, as our overall profitability and success will be subject to various factors, including, among others, our ability to effectively recruit, retain and motivate appropriate and experienced managerial talent, and ability to compete with other organic food manufacturers. For instance, we launched packaged juices and breakfast cereals in November 2011 and April 2012, respectively, however these products did not result in anticipated benefits on account of low profit margins and we stopped production and sale in May 2015 and June 2018, respectively. Further, introduction of new line of products will require significant capital investment and commitment of time from our senior management. There can be no assurance that our management will be able to develop the skills necessary to successfully manage these new streams. Our inability to effectively manage any of these issues could materially and adversely affect our business and impact our future financial performance and/ or cash flows.

7. ***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 COVID-19 pandemic has created unique global and industry-wide challenges, including challenges to many aspects of our business. The COVID-19 pandemic resulted in quarantines, travel restrictions, limitations on social or public gatherings, and the temporary closure of business venues and facilities across the world, including India. In particular, there have been multiple waves of infections that have impacted certain countries, with India most recently experiencing a second wave of infections that significantly increased the number of persons impacted by COVID-19. On account of the second wave in March 2021 and a possibility of the third wave of the COVID-19 pandemic including on account of new variants of the COVID-19 virus such as Omicron, many countries along with India, may impose lockdowns and restrictions on travel, closing financial markets and/or restricting trading, and limiting the operations of non-essential businesses. While the vaccines have been made available to the masses, the effectiveness of available vaccines against various mutations of the COVID-19 virus is still uncertain. The scope, duration and frequency of such measures and the adverse effects of COVID-19 remain uncertain.

The Government of India had imposed a nationwide 21-day lockdown on March 24, 2020, during which we had to scale down our operations. We faced temporary disruptions for a brief period including on account of inadequate supply of manpower at our owned secondary processing units and were partly-operational during the initial days of the government imposed lockdown after which we resumed full operations. We also faced certain disruptions at our third party processing facilities during the lockdown. Further, the FSSAI has issued a guidance note on 'Food Hygiene and Safety Guidelines for Food Businesses during Coronavirus Disease (COVID-19) Pandemic' dated April 15, 2020, as amended from time to time ("**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 FSSAI COVID Guidelines also mandate strict adherence to General Hygiene Practices specified under Schedule 4 of FSS (Licensing and Registration of Food Businesses) Regulation, 2011. 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 compliance with the FSSAI Covid Guidelines, any failure in the future to fully comply or adhere to the measures and guidelines set out in the FSSAI Covid Guidelines or any other similar guidelines could lead to the imposition of penalties, fines or other sanctions, which could have an adverse impact on our business. Compliance with such mandates may disrupt our normal operations and reduce our revenue or increase our health and safety expenses and other costs.

Unfavourable market conditions resulting from the COVID-19 pandemic and responses to it may also continue to affect us. During the first half of Fiscal 2021, due to the severe second wave of the COVID-19 pandemic, our growth on the domestic front was not as projected and our international business was affected on account of limited stock due to reduced availability of containers, reduced sailing of ships and high container/ freight costs. We cannot predict the impact that the COVID-19 pandemic will have on our customers, suppliers, vendors and other distributors and stores, 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 economic uncertainty, which may adversely impact our business. 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 under our borrowing facilities 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 including that of new variants of the COVID-19 virus such as Omicron, 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, and suppliers. 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, or our business results. 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.

8. The supply of organic agricultural produce is subject to seasonal factors, weather conditions, disease, or pests can, and does not necessarily match the seasonal change or weather conditions in demand for our products, which may have an adverse effect on our business, financial condition, results of operations and prospects.

Our business operations are primarily dependent on availability of organic agricultural produce and our ability to procure sufficient amounts of quality organic agricultural produce at commercially viable prices. The supply of organic agricultural produce is also subject to seasonal factors. The availability of raw materials for our products may be affected due to a variety of reasons, including seasonality, adverse weather conditions such as failure of monsoons in India, excessive or unseasonal rainfall or flooding, droughts, or other natural calamities, natural disasters, affecting cultivation and harvesting of various crops which could impact our margins, sales and may have an adverse effect on our business, financial condition and results of operations. Further, crops are also vulnerable to crop diseases and pest infestations, which may vary in severity. Such factors could lead to lower than expected production of our required organic agricultural produce. Our primary raw materials include wheat, rice, cereals, oilseeds, pulses and spices sown and harvested in particular seasons, which varies from state to state.

The increasing concern over climate change may also result in enhanced regional and global legal and regulatory requirements to reduce or mitigate the effects of greenhouse gases, as well as more stringent regulation of water rights. In the event that such regulations are enacted and are more aggressive than the sustainability measures that we are currently undertaking, we may experience significant increases in our costs of operations. Consequently, the occurrence of any such unfavourable weather patterns may adversely affect our business, results of operations and financial condition.

Due to these factors, comparisons of sales and operating results between the same periods within a single year, or between different periods in different financial years, are not necessarily meaningful and should not be relied on as indicators of our performance. Our management team tracks the trend of our product portfolio and accordingly plans the procurement of raw materials and supply of our products on that basis. However, if our estimates materially differ from actual demand, we may experience either excess quantities of raw materials which we may not be able to utilize or sell in a timely manner or at all or inadequate quantities of raw materials and consequently lower stock of finished goods to meet market demand. Any such failure to forecast the demand of our products may impact on our procurement of raw materials and accordingly have an adverse impact on our sales and business operations.

9. Our business depends on '24 Mantra' brand, and any negative publicity or failure to maintain and enhance our brand could adversely impact our business, results of operations and financial conditions.

Our business depends on our '*24 Mantra'* brand due to its widespread presence in Indian, USA, and other international markets in which we operate and therefore maintaining and enhancing the brand is important for retaining our competitive advantage.

Reputational risk, or the risk to our business from negative publicity, is inherent in a retail driven business like ours. Creating and maintaining public awareness regarding organic farming and our products are crucial to our business and we accordingly invest in various marketing and advertising campaigns. In Fiscal 2021, 2020 and 2019 and the six-month period ended September 30, 2021, we have incurred ₹79.42 million, ₹67.79 million, ₹60.96 million and ₹61.52 million, respectively, towards advertising and marketing of our products. In the event these advertisements and marketing campaigns are poorly executed, or our customers lose confidence in us for any reason, it could harm our ability to attract and retain customers. There can be no assurances that we will be able to sustain effective marketing and branding initiatives in the future. Negative publicity can result from our actual or alleged conduct in a number of activities, including quality of products and regulatory compliance. Additionally, we may receive negative reviews from consumers and become subject to legal notice and/or action, which may adversely affect our reputation, brand and business prospects.

10. Non-compliance with and changes in, safety, health and environmental laws and other applicable regulations pertaining to quality of food products, may adversely affect our business, financial condition, results of operations and prospects.

We are subject to laws and government regulations, including in relation to safety, health and environmental protection. These laws and regulations include the Environmental Protection Act 1986, the Air (Prevention and Control of Pollution) Act 1981 (the "**Air Act**"), the Water (Prevention and Control of Pollution) Act, 1974 (the "**Water Act**") and other regulations promulgated by the Ministry of Environment and the pollution control boards of the relevant states of our operation. 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, if any and other aspects of our production 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.

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 other expenditure to comply with environmental standards. Though, in the past, we have not been subject to any such violations, in the future, if we fail to meet environmental requirements, we may be subject to administrative, civil and criminal proceedings by Government entities, as well as civil proceedings by environmental groups and other individuals, which could result in substantial fines and penalties against us as well as revocation of approvals and permits and orders that could limit or halt our operations. For instance, pursuant to a letter dated November 3, 2020 from the TSPCB, we were directed to obtain the registration under the Plastic Waste Management Rules, 2015 failing which we could be liable for payment of environmental compensation and subject to closure of our operations. We responded to the authority *vide* our letter dated December 22, 2020 informing them that we are in the process of preparing our action plan and submitting the same to the CPCB (in line with the 2018 amendment to the Plastic Waste Management Rules, 2015). However, as on date, we are yet to apply for this registration as the CPCB has through its notice dated October 20, 2021 kept the registration process in abeyance for three months with effect from October 20, 2021. For details, see "*Government and Other Approvals"* beginning on page 275.

Further, our products, including the process of production, 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 and the rules and regulations made thereunder 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 production, storage, labelling and distribution. The Legal Metrology Act, 2009 regulates trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number. Additionally, we export our products to various overseas markets including North America, Australia, certain European countries, Singapore and GCC Region. For further details, see "*Key Regulations and Policies*" and "*Risk Factors - The improper handling, processing or storage of our products or raw materials, or spoilage of and damage of 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"* beginning on pages 155 and 25, respectively. In the overseas market, maintaining certain standards are customarily expected and compliance with food safety laws of relevant jurisdictions is required and our inability to maintain such standards and non-compliance of jurisdictional food safety laws may impact our business, financial condition and results of operations. For instance, the FSSAI has issued a show cause notice to our Company on account of misleading claims made by our Company in newspaper advertisements and e-commerce platforms regarding certain of our product in contravention of Regulations 6(3)(c) and 2(m) of FSS (Advertising and Claims) Regulations, 2018 and we have replied to the said notice clarifying that the claims in the advertisement were true and requested the authority to drop/ revoke the notice. Additionally, in another instance, the labelling on our product, *i.e.* 24 Mantra organic poha, was alleged to be in non-compliance with the provisions of the FSS (Labelling and Display) Regulations, 2020 on account of failure of the product containing the nutritional information therefore resulting in a minor labelling defect. While, as on date, our Company is in compliance with the said regulations, our Company had responded to the Office of the Designated Officer, Kolkata Municipal Corporation stating that under the FSS Packaging Regulations, single ingredient products are exempt from the nutritional labelling requirements and the food business operators have been allowed time up to one year (*i.e.* November 16, 2021) to implement the provisions of the FSS (Labelling and Display) Regulations, 2020. For further details, see "*Outstanding Litigation and Material Developments – Litigation involving our Company - Actions by regulatory and statutory authorities*" beginning on page 269.

We are also subject to laws and regulations governing employees in areas of our operations such as minimum wage and maximum working hours, overtime, working conditions, hiring and termination of employees and work permits. 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. 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 laws and 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 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 the relevant laws are difficult to predict. We cannot assure you that any non-compliances will not arise in the future and that we will not be subject to any penalty imposed by the regulatory authorities in this respect.

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 are required to obtain licenses and approvals under several legislations and procure certain independent certification and accreditation of our organic food products. Our inability to obtain or renew such approvals and licenses in the ordinary course of our business and procure independent certification and accreditation of our organic food products may adversely affect our business, financial condition and results of operations.

We are required to obtain and renew various licenses and approvals under several legislations from time to time including the FSS Act and the relevant rules and regulations, and the S&E Acts under various states along with the India Organic certification from the Agricultural and Processed Food Products Export Development Authority ("**APEDA**") in accordance with the requirements of India's National Programme for Organic Production Standards. These approvals, licenses, registrations and permits are subject to several conditions which are required to be complied with throughout the period of the license and are primarily valid for a specific period. For example, licenses granted the FSS Act for our production facilities are typically granted for a period of up to five years and we are required to renew such licenses after such period. However, in some cases, these licenses could have been granted for shorter period as well. For instance, the organic certifications for our products and organic farmland obtained under the India Organic - NPOP Standards (equivalent to the European Union council registration (EC) No. 834/2007 (category A & F) & Regulation (EC) No. 889/2008 and Swiss Organic Farming Ordinance for unprocessed plant products originating in India) have to be renewed annually by our Company. We cannot assure you that we will be able to obtain or renew such licenses or be able to continuously meet such conditions specified in such licenses or be able to prove compliance with such conditions to statutory authorities, which may lead to cancellation, revocation or suspension of relevant consents/ permits/ licenses/ approvals. For instance, we have filed an application for obtaining a factory license for our unit located at Bidar and applications under the Air Act and Water Act for our two processing units. For details of pending applications, see "*Government and Other Approvals"* beginning on page 275.

Further, we rely on certifications from independent organisations regarding our products and must comply with the requirements of independent organisations or certification authorities including the India Organic – NPOP standards, USFDA and European Union. For instance, the NPOP standards set forth by APEDA prescribe certain standards to be adhered to with respect to land being used to cultivate organic products including use of farmland that has been free from chemicals for a minimum period of time and procedures for land management. Additionally, every processing unit is inspected and certified by the relevant certification body verifying, *inter alia*, the organic integrity of the product, the record keeping system and the sources of ingredients throughout the handling process of the organic product. We could lose the certifications and accreditations for certain of our products, if we are not able to adhere to the quality standards and specifications required under such certifications and accreditations. The loss of any independent certification and production practices, may lead to loss of significant customers and markets in which we operate for our products which could have a material adverse effect on our reputation, business, financial condition and results of operations.

Further, the relevant authorities may also initiate penal actions against us, restrain our operations, impose fines/penalties or initiate legal proceedings for our inability to obtain approvals in a timely manner or at all. For instance, pursuant to a letter dated November 3, 2020 from the TSPCB, we were directed to obtain the registration under the Plastic Waste Management Rules, 2015 failing which we could be liable for payment of environmental compensation and subject to closure of our operations. We responded to the authority *vide* our letter dated December 22, 2020 informing them that we are in the process of preparing our action plan and submitting the same to the CPCB (in line with the 2018 amendment to the Plastic Waste Management Rules, 2015). However, as on date, we are yet to apply for this registration as the CPCB has through its notice dated October 20, 2021 kept the registration process in abeyance for three months with effect from October 20, 2021. For details, see "*Government and Other Approvals"* and *"Risk Factors - Non-compliance with and changes in, safety, health and environmental laws and other applicable regulations pertaining to quality of food products, may adversely affect our business, financial condition, results of operations and prospects"* beginning on pages 275 and 28. Any such failure or delay in obtaining such consents, approvals, permits, licenses and accreditations may affect our ability to continue our operations, which may in turn have an adverse effect on our business, financial condition and results of operations.

12. A significant portion of our revenues are dependent on our exports. Any decline in exports owing due to failure to fulfil the legal or other requirements of our international markets or otherwise may adversely affect our revenues, result of operations and cash flows.

In Fiscal 2021, 2020 and 2019 and the six-month period ended September 30, 2021, our revenue from export sales were ₹1,494.01 million, ₹1,281.52 million, ₹1,012.01 million and ₹730.74 million and accounted for 47.87%, 49.12%, 49.57%, and 45.67% respectively of our revenue from product sales. Further, a significant portion of our export sales and revenue is dependent on our exports to USA. In Fiscal 2021, 2020 and 2019 and the six-month period ended September 30, 2021 our revenue from export sales to USA were ₹1,265.82 million, ₹1,092.97 million, ₹863.10 million and ₹633.72 million and accounted for 84.73%, 85.29%, 85.29%, and 86.72%, respectively, of our revenue from export sales.

As a result, our operations are impacted by various risks inherent in international sales and operations, including availability of containers for transportation, regional economic or political uncertainty, Governmental bans or restrictions, differing domestic and foreign customs, tariffs and taxes and risks related to the enforceability of legal agreements and judgments in foreign countries. Additionally, we have to compete with other major organic food processors on a global level for expanding our market share in USA, and other international markets. Any significant reduction in the demand of our products from overseas consumers, especially in USA, will have an adverse impact on our revenues and cash flows.

Further, since we are exposed to food safety standards and compliances of each of the geographies we cater to, adherence to such standards and compliances may be stringent, time and cost bearing and failure to adhere may expose us to pecuniary or non-pecuniary obligations. We expect each market to have particular regulatory hurdles to overcome and future developments in these markets, including the uncertainty relating to Governmental policies and regulations, could harm our business. If we expend significant time and resources on expansion plans that fail or are delayed, our business, financial condition, results of operations and prospects may be adversely affected. Additionally, non-compliance with the existing and future food safety standards in such geographies could result in imposition of penalties, fines or other sanctions and have an adverse impact on our business, financial condition, reputation and results of operation.

Further, changes in the relevant exchange rates could also affect sales, revenue, operating results and assets and liabilities reported in Indian Rupees as part of our financial statements. We do not have a hedging policy as on date and internally monitor the foreign currency exchange rates on a periodical basis. We are affected by fluctuations in exchange rates among the U.S. dollar and the Indian Rupee. We may, therefore, suffer losses on account of foreign currency fluctuations for sale of our products to our international customers, since we may be able to revise the prices, for foreign currency fluctuations, only on a periodic basis and may not be able to pass on all losses on account of foreign currency fluctuations to our customers.

13. Failure to comply with the existing laws and regulations applicable to our business and changes thereto could subject our Company to enforcement actions and penalties and otherwise harm our business.

Our business is subject to regulation by various statutory and regulatory authorities in India, including the MCA, RBI and the FSSAI, and other authorities responsible for enforcing compliance with food and safety standards related laws, foreign investment laws, intellectual property laws, consumer protection laws, anti-corruption and anti-bribery laws and direct and indirect tax laws. Any failure or alleged failure to comply with the applicable laws, regulations or requirements could subject us to inspection, audit and enforcement actions by the relevant authority, civil penalties including payment of damages to the aggrieved party; criminal penalties including payment of fines and imprisonment of concerned directors or employees; mandatory conciliation and mediation with the aggrieved party or may also lead to an inability to carry forward our tax losses. For instance, our Company has previously been in non-compliance with the provisions of Rule 6(2)(vi) of Foreign Exchange Management (Transfer or Issue of Any Foreign Security) (Amendment) Regulations, 2004 on account of non-submission of Form ODI with respect to its overseas investments, for the period December 1, 2014 to August 31, 2017. In this regard, our Company has filed an application dated December 4, 2020 with the RBI for compounding the violation. The application is currently pending with the RBI as disclosed in the section "*Outstanding Litigation and Material Developments - Other matters involving our Company*" beginning on page 272. For further details, see "*Risk Factors - Non-compliance with and changes in, safety, health and environmental laws and other* *applicable regulations pertaining to quality of food products, may adversely affect our business, financial condition, results of operations and prospects*" beginning on page 28 above. Further, any failure or alleged failure to comply with the applicable laws, could also subject to suspension and revocation of the relevant license or approval. For instance, in the past, the FSSAI had issued a suspension notice dated August 5, 2021 suspending our license no. 10014047000217 for one of our processing units and directed our Company to stop the manufacturing of products under the said license such as honey infused with neem, honey infused with ginger, moringa powder, etc. on account of violation of the FSS Act and regulations framed thereunder. Based on further correspondence and clarifications provided by us to the FSSAI, the suspension notice was eventually revoked by the authority on August 23, 2021.

Our premises, secondary processing units, documents and records are subject to inspection by the FSSAI under the relevant laws and regulations. On an ongoing basis, the FSSAI may identify instances of non-compliance and deficiencies in our operations and issue improvement letters, warning letters, show cause notices or penalties for violations. For instance, we have received a notice from FSSAI alleging that we have made misleading claims in newspaper advertisements and e-commerce platforms regarding certain of our products and have been directed to modify appropriately or to withdraw the advertisement in electronic media and in labels or issue corrective advertisement and we have replied to the said notice clarifying that the claims in the advertisement were true and requested the authority to drop/ revoke the notice. Additionally, we have also received a notice from the FSSAI alleging unauthorised manufacturing and storage of our organic products, export of food products without a FSSAI Export license, improper cleaning of equipment's and premises and also failure on part of our Company in displaying the FSSAI license at a prominent location and we have replied to the said notice, details of which are disclosed in the section titled "*Outstanding Litigation and Material Developments*" beginning on page 269.

Moreover, the laws and regulations governing our business are evolving and their interpretation and enforcement may involve uncertainties, and may be amended, supplemented or changed at any time. We are exposed to the risk of varying and evolving interpretation of the laws and regulations governing our business in India. As a result, we may be required to follow additional procedures, modify or adjust certain activities, obtain new and additional licenses, registrations or authorizations and incur additional expenses to comply with such laws and regulations, which could adversely affect our future development and business.

14. We face competition in our business, including from competitors that may have greater financial and marketing resources. Failure to compete effectively may have an adverse impact on our market position, business, financial condition, results of operations and prospects.

We operate in a competitive industry and face competition from various domestic and multinational companies operating in the organic food industry. Increased competition from existing players and new entrants, both in the organic and non-organic packaged food industry, may cause us to lose customers, fail to attract new customers and result in an overall reduction in our market share. In the overseas market, we compete with large players having strong local presence and we may not be able to expand our business in the overseas market.

We are among the key players in the Indian organic food market being the only brand having a well-distributed nationwide presence. Our revenue contribution from Southern India, Northern India, Western India and Eastern India in Fiscal 2021 was 53.63% (*i.e.* ₹872.39 million), 22.14% (*i.e.* ₹360.10 million) and 16.66% (*i.e.* ₹271.06 million) and 7.57% (*i.e.* ₹123.13 million), respectively. Despite this contribution, some of our competitors, both in the organic and non-organic packaged food industry, may have certain advantages over us, including greater financial resources, technology, research and development capability, greater market penetration, distribution network, larger spending on advertisements and promotions, wider range of product portfolio and operations in diversified geographies and product portfolios, which may allow our competitors to better respond to market trends. Our competitors in certain regional markets may also benefit from raw material sources or production facilities that are closer to the markets for the downstream products or may benefit from integrating upstream and downstream production processes, which provides them with competitive advantages in terms of costs and proximity to consumers. Our competitors may also provide certain additional range of products like, breakfast cereals, coffee and packaged juices, which we do not provide.

Our competitors may pursue an aggressive pricing policy and offer incentives or credit terms to distributors and customers that are more favourable than those that we offer. This could require us to accept considerable reductions in our profit margins and the loss of market share due to price pressure. Accordingly, we may not be able to compete effectively with our competitors, which may have an adverse impact on our business, results of operations, financial condition and prospects.

Our ability to compete largely depends upon our direct marketing initiatives, promotional tie-ups, and prices of our products, quality and taste of our products, increasing our exports base, as well as leveraging and engaging through our distribution network. We cannot assure you that our current or potential competitors will not provide products comparable or superior to those we provide or adapt more quickly than we do to evolving industry trends, changing consumer preferences or changing market requirements, at prices equal to or lower than those of our products. Increased competition may result in our inability to differentiate our products from those of our competitors, which may lead to loss of market share. Accordingly, our failure to compete effectively with our competitors may have an adverse impact on our business, financial condition and results of operations.

15. Our inability to expand or effectively manage our growing distribution network or any disruptions in our distribution infrastructure may have an adverse effect on our business, financial condition and results of operations.

We rely largely on retail outlets such as Modern Trade Stores, General Trade Stores, Mainstream Stores, Indian Ethnic Stores and on retailers to sell our products on e-commerce platforms to the end-use consumers. As on September 30, 2021, our distribution network comprised 1,791 Modern Trade Stores and 5,764 General Trade Stores in India, 958 Mainstream Stores and 964 Indian Ethnic Stores in the USA and we were also present in 33 other countries supplying our products to a wide range of retailers throughout India and globally. Our ability to expand and grow our product reach significantly depends on our ability to influence the market that we cater to and effective management of our distribution network. We continuously seek to increase the penetration of our products by establishing tie-ups with new retail outlets in the markets in which we operate and leveraging our brand name and presence in existing markets. We may not be able to compete successfully against larger and better-funded distribution networks of some of our current or future competitors, especially if these competitors provide their distributors with more favourable arrangements. If the terms offered to such distributors by our competitors are more favourable than those offered by us, such distributors may decline to distribute our products and terminate their arrangements with us.

We cannot assure you that we will not lose any of our distributors to our competitors, which could cause us to lose some or all of our favourable arrangements with such distributors and may result in the termination of our relationships with other distributors.

16. 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 mostly depend on the roadways, and waterways to receive agricultural produce and raw materials required for our products and to deliver our finished products to our distributors. However, we typically use third party logistic providers for all of our product distribution and raw materials procurement. This makes us dependent on various intermediaries such as international, regional and domestic logistics companies, container freight station operators and shipping lines.

Further, we undertake majority of our export activities from ports situated in Chennai (Tamil Nadu) and Krishnapatnam (Andhra Pradesh) on the eastern coast and Navasheva (Maharashtra) and Kochi (Kerala) on the western coast and therefore heavily depend on the smooth functioning of these ports. Adverse weather conditions, improper handling of our products, strikes, or other events could impair our ability to deliver the requisite quantities of products in time and could adversely affect the performance of our business, financial condition, results of operations and prospects. Factors like disruption of transportation services including due to adverse weather conditions, strikes, congestion, unavailability of containers, sailing frequency, etc., inadequacies in the transport infrastructure, or any such other reasons could impair the ability of our suppliers to deliver the raw materials to us and our ability to deliver our processed products to our customers in a timely manner.

Further, our transportation providers may not carry enough insurance coverage and therefore, any losses that may arise during the transportation process may have to be claimed under our marine insurance policy. Although, there have been no occurrence of such instances in the past, there can be no assurance that upon occurrence of any such losses in the future we will receive compensation for any such claims in a timely manner or at all, and consequently, any such loss may adversely affect our business, financial condition, results of operations and prospects.

17. Our inability to manage our inventory and foresee accurate demand for our products for a future period may adversely affect our reputation, business, results of operation and our financial performance.

We typically estimate the demand for our products based on our projections, inventory levels at our distribution networks, our understanding of the anticipation of consumption and spending by our consumers. If we overestimate demand for our products, we may face difficulty in storage of such products and incur higher storage costs due to restriction on usage of chemical treatments in storage of our organic products. Further, if we are unable to provide our products to our consumers due to any disruptions of our manufacturing facilities or shortage of raw materials, we may incur the risk of losing certain of our valuable consumers. While we closely monitor our inventory requirements, we may be exposed to various risks including the aforementioned risks. In order to avoid near term loss of customers, we maintain inventory of our finished goods at our own processing units or at warehouses of our C&F agents for a minimum period of 25 days to ensure that the supply of our products are not impacted. All of these factors could adversely affect our reputation, business, results of operation and our financial performance.

18. The emergence of modern trade channels in the form of hypermarkets, supermarkets and online retailers may adversely affect our pricing ability, and result in temporary loss of retail shelf space and disrupt sales of food products, which may have an adverse effect on our results of operations and financial condition.

India has recently witnessed the emergence of supermarket chains and online retailers and the market penetration of large scaled organized retail in India is likely to increase further. We sell our organic products to retail customers through Modern Trade Stores, which include supermarkets and hypermarkets. While we believe this provides us with an opportunity to improve our supply chain efficiencies and increase the visibility of our brands, it also increases the negotiating position of such stores which could result in an adverse effect on our sales, margins or both. Additionally, we do not have any binding agreements for a fixed period with these Modern Trade Stores for sale of our products and hence are vulnerable to discontinuation of relation with such Modern Trade Stores without any notice. Although, we have not faced any such abrupt discontinuation in the past, we cannot assure you that we will not be susceptible to the same in the future which could have an adverse effect on our results of operations and financial condition.

Our products are available on various leading e-commerce platforms in India. The contribution of e-commerce platforms to our revenue from operations increased from 11.91% in Fiscal 2019 (*i.e.* ₹122.59 million) to 28.62% in Fiscal 2021 (*i.e.* ₹465.59 million). We cannot assure you that we will be able to negotiate our agreements with the online retailers, specially our pricing or credit provisions, on terms favourable to us, or at all. Any inability to enter into new agreements or renew existing agreements or maintain our existing relations with the modern trade channels and online retailers including on terms favourable to us, may have an adverse effect on our pricing and margins, and consequently adversely affect our results of operations and financial condition. Additionally, several large retailers have their own in-house brands under which they sell private label products which are typically cheaper than our products, and this presents competition for our products in the retail market and could have an adverse impact on the visibility of our products and our profitability.

19. We have significant working capital requirements. If we experience insufficient cash flows to enable us to make required payments on our debt or fund our working capital requirements, there may be an adverse effect on our business, financial condition, results of operations, and prospects.

Our business requires significant working capital. In many cases, working capital is required to finance the procurement of raw materials, labour, payment to third party primary processing facilities and the upkeep of our secondary processing facilities before payments are received from our sales. We propose to use ₹314.58 million of the Net Proceeds towards meeting the working capital requirements of our Company. For further details, see "*Objects of the Offer*" beginning on page 80.

Our working capital requirements have increased in recent years due to the general growth of our business and also on account of the fact that we routinely attempt to forecast the demand for our products to ensure we purchase an adequate amount of raw materials. All of these factors may result, or have resulted, in increases in our working capital needs.

Our ability to obtain additional working capital from external sources in the future is subject to a variety of factors, including our future financial condition, results of operations and cash flows, our ability to obtain the necessary regulatory approvals on a timely basis, any tightening of credit markets and general market conditions for raising debt and equity, and economic, political and social conditions in the geographical markets in which we operate and elsewhere. We cannot assure you that we will be able to obtain additional working capital in a timely manner and on acceptable terms, or at all. Future debt financing could include terms that restrict our financial flexibility or restrict our ability to manage our business freely. Further, the terms and amount of any additional capital raised through issuances of equity securities may result in significant dilution to our shareholders' equity interests.

Due to various factors, including certain extraneous factors such as changes in interest rates and other costs or borrowing and lending restrictions, if any, we may not be able to finance our working capital needs, or secure other financing when needed, on acceptable commercial terms, or at all, which may have an adverse effect on our business, financial condition, results of operations and prospects.

20. We are susceptible to potential product liability claims that may not be covered by insurance, which may require substantial expenditure and may adversely affect our reputation and if successful, could require us to pay substantial sums.

We may be subject to regulatory action and mandatory product recalls and cannot assure you that we will not be subject to product recall in the future and it will not give rise to 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 could also divert management time and attention and consume our financial resources and be detrimental to our brand reputation. For instance, in August 2021, we had to recall our products such as honey infused with neem, honey infused with tulsi, honey infused with ginger, corn dhalia, gingelly oil and moringa powder on account of the production of these products being outside the purview of the categories of food items covered under the license no. 10014047000217. For details regarding the litigation pertaining to this matter, see "*Outstanding Litigation and Material Developments – Litigation involving our Company - Actions by regulatory and statutory authorities*" beginning on page 269.

21. We do not have long term or exclusive contracts for sale of our products through the retail outlets and on e-commerce platforms. If we do not receive repeat orders from our distributors and retail outlets, our business may be harmed.

We rely largely on retail outlets such as Modern Trade Stores, General Trade Stores, Mainstream Stores, Indian Ethnic Stores, retailers and e-commerce platforms to sell our products to the end-use consumers. As on September 30, 2021, our distribution network comprised 1,791 Modern Trade Stores and 5,764 General Trade Stores in India, 958 Mainstream Stores and 964 Indian Ethnic Stores in the USA and we were also present in 33 other countries supplying our products to a wide range of retailers throughout India and globally. However, we do not have any long term supply agreements for sale of our products in any such retail outlets or with such retailers for sale of our products on such e-commerce platforms.

We cannot assure that we will receive repeat orders from the respective retail outlets and retailers for sale of our products on e-commerce platforms in the future. Further, absence of any contractual exclusivity with respect to our business arrangements with such retail outlets and retailers for sale of our products on e-commerce platforms poses a threat on our ability to be able to continue to supply our organic food products to these retail outlets and e-commerce platforms in the future. Any change in preference of organic food manufacturer by retailers and end-use customers due to any existing peer or entry of any new peer may have a material adverse effect on our business, financial condition and results of operations.

Further, we may acquire and process less organic agricultural produce than the purchase orders for our packaged organic food products received from our network of retail outlets and retailers for sale of our products on e-commerce platforms. If we are unable to meet the specific quantity and quality demands of the retail outlets and retailers for sale of our products on e-commerce platforms, they may place orders with and even move some or all of their business permanently to our competitors. In addition, the retail outlets and retailers, through whom we sell our products on e-commerce platforms, could change their business practices or seek to modify the terms under which we usually do business with them, including the amount and timing of their payments to us. Further, our inability to maintain our existing relationship with such retail outlets and retailers for sale of our products on e-commerce platforms or to expand our market share in line with our growth strategy could harm our business, financial condition, results of operations and prospects.

22. There are outstanding legal proceedings involving our Company. Further, we are not in receipt of certain documents in relation to outstanding proceedings pertaining to non-compliance with the FSS Act. 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 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. Any unfavourable 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 on the date of this Draft Red Herring Prospectus is set out below:

Nature of the matters	**No. of matters**	**Total amount involved (in ₹ million)^**
Litigation involving our Company		
Criminal proceedings	2	1.45
Material civil litigation	4	4.13
Actions by statutory or regulatory authorities	8	0.05
Other matters	1	-
Direct and indirect tax proceedings	2	195.93

^To the extent quantifiable, excluding interest and penalty thereon.

We cannot assure you that any of these matters will be settled in favour of our Company or that no additional liability will arise out of these proceedings. Also, we are not in receipt of certain documents issued to our Company by the FSSAI *i.e.* a show-cause notice dated May 3, 2016 in relation to a regulatory matter involving our 24 Mantra organic honey product, two letters dated April 19, 2021 with respect to our spices and oils, respectively, in relation to non-compliance with certain provisions of the FSS Act and the regulations framed thereunder by our Company and have therefore relied on subsequent correspondence issued by the respective authorities to our Company in the said matters. For further details, see "*Outstanding Litigation and Material Developments – Litigation involving our Company - Actions by regulatory and statutory authorities*" beginning on page 269. An adverse outcome in any of these matters could adversely affect our reputation, business, financial condition, results of operations and prospects. For further details, see "*Outstanding Litigation and Material Developments*" beginning on page 269.

23. We are subject to restrictive covenants under our financing agreements and the Amendment and Termination Agreement that could limit our flexibility in managing our business or to use cash or other assets.

As on September 30, 2021, our total consolidated outstanding indebtedness was ₹783.62 million. For details, see "*Financial Indebtedness*" beginning on page 266. Some of the financing arrangements entered into by us include conditions that require us to obtain respective lenders' consent prior to carrying out certain activities and entering into certain transactions. These covenants vary depending on the requirements of the financial institution extending such loan and the conditions negotiated under each financing agreement. Some of the corporate actions that require prior consents from certain lenders include, amongst others, changes to the (a) shareholding of our Company; (b) memorandum and/or articles of association of our Company; (c) management set-up; or (d) dilution or changes in shareholding of our Promoter or Directors in our Company. 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 consents/ waivers or repay the unsecured loan on demand within the stipulated time period, may lead to the termination of our credit facilities, acceleration of amounts due under such facilities, cancel undrawn portion of the facility and suspension of further access/ withdrawals, either in whole or in part, for the use of the facility. Pursuant to clauses in certain financing agreements, any defaults under such facilities may also trigger cross default or cross acceleration provisions under our other financing agreements. If the obligations under any of our financing documents are accelerated, we may have to dedicate a portion of our cash flow from operations to make payments under such financing documents, thereby reducing the availability of cash for our working capital requirements and other general corporate purposes. In addition, during any period in which we are in default, we may be unable to raise or face difficulties raising further financing.

Further, following the completion of the Offer and subject to the approval of Shareholders by special resolution after the successful completion of the Offer, PCF and Ventureast Entities shall each have the right to nominate one Director on our Board so long as each of PCF and Ventureast Entities (individually or along with their respective affiliates) hold at least 10% of the paid-up share capital of the Company, on a fully diluted basis and a total of 2 (two) Directors each on our Board as long as each of PCF and Ventureast Entities individually or along with their respective affiliates, hold more than 20% of the paid-up share capital of the Company, on a fully diluted basis. Additionally, our Promoter, Rajashekar Reddy Seelam shall have the right to nominate two Directors on our Board, so long as he along with Renuka Seelam continues to hold not less than 10% of the paid-up share capital of our Company, on a fully diluted basis. For further details on their shareholding and their right to appoint nominee directors, see "*History and Certain Corporate Matters*" and "*Main Provisions of the Articles of Association*" beginning on pages 160 and 315, respectively.

24. We have availed unsecured loans that may be recalled at any time.

As of September 30, 2021, our Company has availed unsecured facilities for an aggregate amount of ₹70 million from third party lenders which are repayable on demand within 60 days of notice from the lenders. If the amounts provided to us under the facilities are recalled, we may not have sufficient resources to repay the full amounts due by us and may also need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all. As a result, any such demand may affect our cash flows, financial condition and results of operations.

25. We are dependent on our Promoters and professional management team and the loss of or our inability to attract or retain such manpower could adversely affect the efficiency of our operations.

Our performance depends largely on the efforts and abilities of our Promoters, Rajashekar Reddy Seelam and Balasubramanian Narayanan, and professional management team for our business operations. Rajashekar Reddy Seelam is responsible for the overall operations of our Company and Balasubramanian Narayanan is responsible for the human resources, sales and marketing departments, secondary processing and supply chains of our Company. Our professional management team comprises qualified and experienced professionals who have experience across sectors which helps us in growing our business. For details, see "*Our Management –Brief Profiles of our Directors*" beginning on page 167.

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. We cannot assure you that we will be able to retain these employees or find adequate replacements in a timely manner, or at all. Our Company's performance depends largely on the efforts and abilities of these key management personnel including members of management and other employees.

We may require a long period of time to hire and train replacement personnel when skilled personnel terminate their employment with us. We may also be required to increase our levels of employee compensation and benefits more rapidly than in the past to remain competitive in attracting skilled personnel, or to address any breaches on parts of our respective contractors and sub-contractors, where we have been the principal employers. Loss of the services of our key management personnel could adversely affect our business, financial condition and results of operations.

26. Certain properties occupied by us are not owned by us and we have only leasehold rights. In the event we lose or are unable to renew such leasehold rights, our business, financial condition and results of operations may be adversely affected.

We have entered into lease agreements with third parties for certain of our premises including our secondary processing facilities, Registered Office and Corporate Office. We may also enter into such transactions with new third parties in the future. Further, the lease period, for our three processing units ranges from three to 11 years and the warehouse and cold storage facilities typically ranges from 6 months to 4 years.

While we renew these lease agreements and deeds periodically in the ordinary course of business, we cannot assure you that we will be able to renew these leasing arrangements at commercially favourable 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. In addition, any regulatory non-compliance by the landlords or adverse development relating to the landlords' title or ownership rights to such properties may entail significant disruptions to our operations, especially if we are forced to vacate leased spaces following any such developments, and expose us to reputational risks. If our sales do not increase in line with our rent and costs, our profitability, cash flows and results of operations could be adversely affected. For further details, see "*Our Business—Properties*" beginning on page 154.

27. Any variation in the utilisation of the Net Proceeds as disclosed in this DRHP shall be subject to certain compliance requirements, including prior Shareholders' approval. If there are delays or cost overruns in utilisation of Net Proceeds, our business, financial condition and results of operations may be adversely affected.

We intend to use the Net Proceeds for the following purposes:

- Funding the working capital requirements of our Company;
- Repayment or pre-payment in full or part, of certain outstanding unsecured / secured borrowings availed by our Company; and
- General corporate purposes.

Given the nature of our business and due to various uncertainties involved, we may be unable to utilize the Net Proceeds within the time frame or as per the schedule of deployment that we currently estimate. Further, the deployment of the proceeds from the Fresh Issue is entirely at the discretion of our Company. Also, such fund requirements have not been appraised by any bank, financial institution or other independent agency. In the case of increase in actual outlay or shortfall in requisite funds, additional funds for the purpose will be met by means available to us, including internal accruals and additional equity and/or debt arrangements. Further, while our management is required to temporarily deposit the Net Proceeds, pending utilization, with Scheduled Commercial Banks listed in Schedule II of the Reserve Bank of India Act, 1934, there can be no assurance that we will earn significant interest income on, or that we will not suffer unanticipated diminution in the value of, such temporary investments.

In accordance with Section 27 of the Companies Act, 2013, we cannot undertake any variation in the utilisation of the Net Proceeds, as disclosed in the offer documents, without obtaining the Shareholders' approval through a special resolution. In the event of any such circumstances that require us to undertake variation in the disclosed utilisation of the Net Proceeds, we may not be able to obtain the Shareholders' approval in a timely manner, or at all. Any delay or inability in obtaining such Shareholders' approval may adversely affect our business or operations.

Further, our Promoters or controlling shareholders would be required to provide an exit opportunity to the Shareholders who do not agree with our proposal to modify the objects of the Offer, at a price and manner as may be prescribed by SEBI. Additionally, the requirement on Promoters or controlling shareholders to provide an exit opportunity to such dissenting shareholders may deter the Promoters or controlling shareholders from agreeing to the variation of the proposed utilisation of the Net Proceeds, even if such variation is in the interest of our Company. Further, we cannot assure you that the Promoters or the controlling shareholders of our Company will have adequate resources at their disposal at all times to enable them to provide an exit opportunity at the price which may be prescribed by SEBI.

In light of these factors, we may not be able to undertake variation of objects of the Offer to use any unutilized proceeds of the Offer, if any, even if such variation is in our interest. This may restrict our ability to respond to any change in our business or financial condition by re-deploying the unutilized portion of Offer Proceeds, if any, which may adversely affect our business and prospects. For further details on the utilization of Net Proceeds, see "*Objects of the Offer*" beginning on page 80.

28. We currently avail benefits under certain export promotion schemes. In order to continuously avail the benefits, we are required to export goods of a defined amount. Any failure in meeting the obligations, may adversely affect our business operations and our financial condition.

We currently avail benefits under export promotion schemes, such as duty free imports under the Export Promotion Capital Goods Scheme ("**EPCG Scheme**"), Merchandise Exports from India Scheme and duty drawback claims of 0.15% and from Fiscal 2022 onwards are entitled to duty drawback claims of 0.15% and remission of duties in the range of 1% to 4% on eligible products under the Remissions of Duties and Taxes on Exported Products Scheme. We have availed benefits of a total amount of ₹1.13 million, ₹6.48 million and ₹7.29 million, respectively, in Fiscal 2019, 2020 and 2021 under the Merchandise Exports from India Scheme and under duty drawback claims of 0.15%. Additionally, in Fiscal 2021, we have also availed a one-time benefit of ₹2.61 million (import duty waiver) under the EPCG Scheme.

As per the licensing requirement under the said schemes, we are bound by certain export obligations which require us to export goods of a defined amount, failing which, we may have to pay the Government, a sum equivalent to the duty benefit enjoyed by us under the said schemes along with interest. As of September 30, 2021, our pending obligations against EPCG Scheme was ₹31.53 million. Any reduction or withdrawal of benefits or our inability to meet any of the conditions prescribed under any of the schemes would adversely affect our business and financial condition.

29. A disruption or shutdown of our manufacturing operations or under-utilisation of our manufacturing facilities or our failure to commission our new facilities successfully or a shortage or non-availability of fuel, electricity, or water could have an adverse effect on our business, financial condition and results of operations.

Our manufacturing facilities are subject to operational risks, such as the breakdown or failure of equipment, power supply or processes, performance below expected levels of efficiency, obsolescence of equipment or machinery, labour disputes, natural disasters, industrial accidents and the need to comply with the directives of relevant Government authorities. Our business is dependent upon our ability to manage our manufacturing operations effectively, which are subject to various operating risks, including those beyond our control. We also depend on expensive machinery for manufacture of our products and any breakdown in the machinery may lead to halt in our manufacturing process thus adversely affecting our business and results of operations. Our capacity utilisation is also affected by the product requirements by our distributors and demand for our products. Under-utilisation of our manufacturing capacities over extended periods, or significant under-utilisation in the short term, could materially and adversely impact our business, growth prospects and future financial performance. We cannot assure you that there will not be any significant disruptions in our operations or disruptions in commissioning of new manufacturing facilities in the future.

Further, our operations require a significant amount and continuous supply of electricity, fuel and water and any shortage or non-availability may adversely affect our operations. We have on-and-off faced power outages in the past, and although we have diesel generators to meet exigencies at all of our owned facilities, we cannot assure you that our facilities will be operational during power failures. Any failure on our part to obtain alternate sources of electricity, fuel or water, in a timely manner, and at an acceptable cost, may have an adverse effect on our business, financial condition, results of operations and prospects.

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

As at September 30, 2021, we had certain contingent liabilities, as set out in the table below:

(*in ₹ million*)

Sr. No.	Particulars	As of September 30, 2021
1	Tax matter in appeal: Sales tax	19.17
2	Bank guarantees	6.22

In the event, any such contingencies mentioned above were to materialise or if our contingent liabilities were to increase in future, our financial conditions could adversely be affected. For further details, see "*Financial Statements*" beginning on page 185.

31. Certain of our intellectual property rights may not be adequately protected against third party infringement.

We are the registered owners of 28 trademarks including our logo and tradename '24 Mantra' in various classes in India. Additionally, we have registered two trademarks in USA. For further details, see "*Government and Other Approvals – Intellectual Property related approvals*" and "*Our Business*" beginning on pages 277 and 129, respectively. We are yet to register our sub-brand '24 Mantra Living Food' and may not have sufficient protection under law in case of use of our sub-brand by other businesses.

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 and sub-standard 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 and initiating legal proceedings, which may not be adequate to prevent unauthorized use of our intellectual property by third parties. 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. Further, we have filed opposition applications in 30 trademark disputes under various classes, which are currently pending before various authorities in India, and have also filed an opposition petition before the European Union Intellectual Property Office. Further, we have also made applications seeking registration for certain additional trademarks under the Trademarks Act and the Canadian Trademarks Act, which are currently under examination and some of them have been opposed as well. Any such claim could adversely affect our relationship with existing or potential customers, result in costly litigation and divert management's attention and resources.

We cannot assure you that we will continue to have the uninterrupted use and enjoyment of these registered trademarks or logos and our other intellectual property rights. The use of trade names or trademarks by third parties which are similar to our trade names or trademarks may result in confusion among customers and loss of business.

32. One of our Promoters, Rajashekar Reddy Seelam owns our Group Company, Hita OPC, which may compete with the organic products of our Company leading to conflicts of interest.

One of our Promoters, Rajashekar Reddy Seelam, owns our Group Company, Hita OPC, being a one-person company incorporated under the Companies Act. Hita OPC is engaged in the business of selling organic food products of various brands, including the organic food products of our Company, through its retail stores, mobile applications and websites. Our Company entered into an agreement dated November 15, 2021 with Hita OPC for a tenure of five years for selling our organic products through Hita OPC's retails stores, mobile applications and websites. For further details, see "*Our Group Company - Business and other interests*" beginning on page 182.

There can be no assurance that Hita OPC will not sell organic food products or provide more shelf-space to the organic food products manufactured by our competitors. As a result, conflict of interests may arise in allocating business opportunities and affixing priorities amongst our Company and our Group Company in circumstances where our respective interests diverge. We cannot assure you that such conflict of interest with our Group Company, will not have an adverse effect on our business, financial condition and results of operations, including as a result of potential conflicts of interest or otherwise.

33. One of our Directors is involved in a venture which is in the same line of business as that of our Company.

Pranav Kumar Suresh (Nominee Director) is a director on the board of Innovative Foods Limited which is a company involved in the same line of business as that of our Company. There can be no assurance that our Director will be able to address conflicts of interests that arise because of his position in such venture, in an impartial manner. Also, there can be no assurance that our Directors will not engage in any competing business activity or acquire interests in competing ventures in the future. For further details regarding other directorships of our Directors, see "*Our Management*" beginning on page 165.

34. Our insurance coverage may not be adequate to protect us against all material risks.

While we believe that the level of insurance we maintain that is reasonably adequate to cover the normal risks associated with the operation of our business, we cannot assure you that any claim under the insurance policies maintained by us will be honoured fully, or on time, or that such insurance will be sufficient to cover all material losses that we may incur in the future, or that we will be able to renew such policies as and when such policies come due for renewal in the future. For details on our insurance policies, see "*Our Business – Insurance*" beginning on page 154. At present, we insure our assets and operations against, fire and special perils like earthquake, burglary product liability and marine carriage risks. We maintain an insurance policy for our stock in the factories and warehouses. Inability to secure ocean freight when required or at acceptable prices and port congestion and strained infrastructure could adversely affect our business and results of operations. We also maintain a directors' and officers' liability insurance policy. Additionally, the Company has availed fidelity insurance policy, group medical insurance policy and insurance policy in relation to COVID-19 for its employees. As of September 30, 2021, the insurance cover of our Company was ₹1,018.81 million covering 48.31% of the total assets of our Company (excluding intangible assets and deferred tax assets).

Additionally, there may be various other risks and losses for which we are not insured because such risks are either uninsurable such as risk relating to loss or corruption of data in the enterprise resource planning (ERP) used by us or risks relating to outbreak of war or dispute with another country or nation or not insurable on commercially acceptable terms, and in the event any of such risks materialise, our Company would be required to bear the financial liability (as applicable to it) and accordingly face an adverse effect on our financial position and results of operations. We cannot assure you that our current insurance policies will insure us fully against all risks and losses that may arise in the future. Even if such losses are insured, we may be required to pay a significant deductible on any claim for recovery of such a loss, or the amount of the loss may exceed our coverage for the loss. In addition, our insurance policies are subject to annual renewal, and we cannot assure you that we will be able to renew these policies on similar or otherwise acceptable terms, or at all. If we incur a serious uninsured loss or a loss that significantly exceeds the limits of our insurance policies, it could have a material adverse effect on our business, results of operations and financial condition.

35. We have experienced negative cash flows in the past. Any such negative cash flows in the future may adversely affect our business, financial condition, results of operations and prospects.

We have in the past three Fiscals and six months ended September 30, 2021 had, and may in the future, have negative cash flows. The following table sets forth a summary of our cash flows for the periods indicated:

Particulars	For the six months ended September 30, 2021	For the six months ended September 30, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Net cash inflow from operating activities	(126.90)	100.71	20.49	164.85	113.99
Net cash used in investing activities	(34.04)	(28.24)	(1.29)	5.87	(67.06)
Net cash used in financing activities	199.96	(44.96)	(14.78)	(152.82)	(80.15)
Cash and cash equivalents at the end of the period/ year	**105.20**	**89.27**	**66.18**	**61.76**	**43.86**

Negative cash flows over extended periods, or significant negative cash flows in the short term, may materially impact our ability to operate our business and implement our growth plans. As a result, our business, financial condition, results of operations, cash flows and prospects may be materially and adversely affected. For further details, see "*Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 185 and 238, respectively.

36. We have entered into and may in the future enter into related party transactions and we cannot assure that our future related party transactions would be on terms favourable to us when compared to similar transactions with unrelated or third parties.

We have in the ordinary course of our business entered, and will continue to enter, into transactions with related parties. While all of our related party transactions are in compliance with applicable law, we cannot assure you that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties. Further, the transactions we have entered into and any future transactions with our related parties have involved or could potentially involve conflicts of interest which may be detrimental to our Company.

In addition, the Companies Act, has brought into effect significant changes to the Indian company law framework including specific compliance requirements such as obtaining prior approval from the audit committee, board of directors and shareholders for certain related party transactions. We cannot assure you that such related party transactions, individually or in the aggregate, will not have an adverse effect on our business, financial condition and results of operations, including as a result of potential conflicts of interest or otherwise. For more information regarding our related party transactions, see "*Financial Statements*" and "*Related Party Transactions*" beginning on pages 185 and 237.

37. We are subject to stringent labour laws or other industry standards and any strike, work stoppage or increased wage demand by our employees or any other kind of disputes with our employees could adversely affect our business, financial condition, results of operations and prospects.

Our production activities are labour intensive, require our management to undertake significant labour interface, and expose us to the risk of industrial action. We are subject to a number of stringent labour laws that protect the interests of workers, including legislation that sets forth detailed procedures for dispute resolution and employee removal and legislation that imposes financial obligations on employers upon retrenchment.

While we have not suffered any labour related disruptions in past, we had faced labour shortages during the COVID-19 related lockdowns. There can be no assurance that we will not experience disruptions to our operations due to disputes or other problems with our work force such as strikes, work stoppages or increased wage demands in the future, which may adversely affect our business.

While we consider our current labour relations to be good, we cannot assure you that we will not experience disruptions in work due to disputes or other problems with our work force, which may adversely affect our ability to perform our contract obligations.

The number of contract labourers employed by us varies from time to time based on the nature and extent of work contracted to independent contractors. Further, any disputes between our contractors and their employees, or our contractors' failure to satisfy regulatory obligations towards their workers, where we are registered as the principal employer, may also result in disruptions in our operations, or in increased compliance costs for us, which may also adversely affect our ability to complete and undertake our production activities in a timely manner.

38. Concerns over nutritional values of our certain products may reduce demand for such products or increase the cost of such products.

Health groups and consumers are increasingly linking consumption of certain food products including certain categories of confectionary, sweeteners, salty snacks and edible oils with obesity, diabetes, tooth decay, cardiovascular disease, high cholesterol and hypertension, high cholesterol and hypertension in adults. Categorisation of our products as 'unhealthy' may adversely affect our sales. Changes in the marketing and advertising regulatory environment for these unhealthy products may affect our turnover. Further, compulsory nutrition labelling and criteria specified for nutritional and health claims and advertisements as required under FSS (Advertising and Claims) Regulations, 2018, the pressure for simplifying the current system of nutrition labelling, and the need to review or develop policies on marketing and advertising may reduce demand for our products or increase the cost of our products which could have a bearing on the profit margin on our products and adversely affecting the financial performance of our Company.

39. We are subject to the risk of failure of, or weakness in, our internal control systems, which may have an adverse impact on our business, financial condition, results of operations and prospects.

We have established internal control systems and processes for our internal audit team to scrutinise, and periodically test and update, all necessary facets of our operations. Our financial, secretarial compliance, audit and operational risk management functions are commensurate to the current size and complexity of our operations. However, our management information systems and internal control systems may not be sufficient to allow us to identify any irregularity, non-compliance or suspicious activity (including any actual or suspected instances of deviation from internal policies and procedures, failure to obtain requisite internal or other authorisations, theft, fraud, pilferage, employee or vendor or other third party fraud or misconduct or money laundering, or inadequacy of appropriate documentation and preservation of records, any other human or mechanical error or lapse, or failure of communication or automated systems), in a reasonable time or at all, or to rectify, address or pre-empt any or all such issues sufficiently, in a timely manner, or at all. Although there have been no such instances in the past, upon occurrence of any such instance in the future, we may incur expenses or suffer losses, which adversely impact our business, financial condition, results of operations and prospects, or we may also suffer reputational damage.

40. Our Company has issued Equity Shares during the preceding one year at a price that may be below the Offer Price.

We have in the preceding one year prior to filing this Draft Red Herring Prospectus, issued Equity Shares pursuant to (i) a rights issuance; and (ii) the ESOP Scheme, 2008, which may be less than the Offer Price. The price at which the Equity Shares have been issued by our Company in the preceding one year is not indicative of the Offer Price, or the price at which the Equity Shares will be traded going forward. Further, our Company may, in the future, continue to issue Equity Shares, at prices that may be lower than the Offer Price, subject to compliance with applicable law. Any issuances of Equity Shares by our Company that we may implement in the future, may dilute your shareholding in the Company, thereby adversely affecting the trading price of the Equity Shares and our ability to raise capital through any issuance of new securities. For details on such issuances, please see "*Capital Structure - Notes to Capital Structure - Share Capital History of our Company – (a) Equity share capital*" beginning on page 69.

41. Some of our corporate records and other documents relating to issuance of Equity Shares undertaken by us in the past are not traceable.

Certain corporate records of our Company in relation to certain issuances of Equity Shares by our Company are not traceable. Such untraceable board minutes pertain to the approval of the following issuances by our Board:

(i) further issue of 190,000 Equity Shares on March 1, 2005;

(ii) further issue of 775,000 Equity Shares on November 30, 2005;

(iii) further issue of 100,000, 14,000, 51,250 and 25,000 Equity Shares on March 31, 2006;

(iv) preferential issue of 1,905 Equity Shares and further issue of 250,000 Equity Shares on March 22, 2007;

(v) rights issue of 700,904 Equity Shares on June 12, 2008;

(vi) preferential issue of 227,747 Equity Shares on December 23, 2009; and

(vii) further issue of 164, 640 Equity Shares on July 29, 2011.

For further details on the above-mentioned allotments, see "*Capital Structure*" beginning on page 69.

We engaged a firm of practising company secretaries that conducted an extensive search of our records with the RoC on the MCA portal. However, we have not been able to retrieve such documents, and accordingly, have relied on other documents, including resolutions passed by our Board approving the allotment of the Equity Shares and forms filed by our Company with the ROC for corroborating the share capital history of our Company.

Additionally, the letter of offer, acceptance letter and documents evidencing renunciation by the then existing Shareholders for the rights issue undertaken by our Company on June 12, 2008 are not traceable. We cannot assure you that the above resolutions and documents will be available in the future or would not result in any adverse impact on our Company.

42. Certain of Directors and Key Managerial Personnel are interested in our Company in addition to the remuneration and reimbursement of expenses. Further, certain our Promoters are also interested in our Company in addition to its shareholding.

Certain of our Directors and Key Managerial Personnel are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses, as applicable, including to the extent of bonuses distributed by our Company, and their shareholding in our Company as well as any dividends payable, if any. For further details, please see "*Capital Structure*" beginning on page 69.

In addition to his shareholding, our Promoter, Rajashekar Reddy Seelam, is also interested in our Company on account of the related party transactions of our Company with Hita OPC, an entity owned by him. For further details, see "*Related Party Transactions*" and "*Our Group Company - Business and other interests*" beginning on pages 237 and 182. Additionally, our Promoter, Renuka Seelam is also interested in our Company to the extent of the rental income of ₹30,000 per month, received by her from our Company pursuant to the lease agreement dated April 1, 2018 in respect of the premises being used as Registered Office. For further details, see "*Our Promoters and Promoter Group*" and "*Related Party Transactions*" beginning on pages 179 and 237, respectively.

We cannot assure you that our Directors, Promoters and Key Managerial Personnel will exercise their rights as shareholders to the benefit and best interest of our Company. Our Directors, Promoters and Key Managerial Personnel may take or block actions with respect to our business which may conflict with the best interests of our Company or that of minority shareholders. For further information on the interest of our Directors, Promoters and Key Managerial Personnel of our Company, other than reimbursement of expenses incurred or normal remuneration or benefits, see "*Our Management*" and "*Our Promoters and Promoter Group*" beginning on pages 165 and 179, respectively.

43. Certain of our Promoters and Shareholders 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, certain existing Shareholders and also two of our Promoters, namely, Rajashekar Reddy Seelam and Renuka Seelam, will, along with their Promoter Group, continue to hold more than 20% of our post-Offer Equity Share capital. Post listing of our Equity Shares, the Promoters, along with their Promoter Group, will be the largest Shareholders of our Company. 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, PCF and Ventureast Entities shall each have the right to nominate one Director on our Board so long as each of PCF and Ventureast Entities (individually or along with their respective affiliates) hold at least 10% of the paid-up share capital of the Company, on a fully diluted basis and a total of 2 (two) Directors each on our Board as long as each of PCF and Ventureast Entities individually or along with their respective affiliates, hold more than 20% of the paid-up share capital of the Company, on a fully diluted basis. Additionally, our Promoter, Rajashekar Reddy Seelam shall have the right to nominate two Directors on our Board, so long as he along with Renuka Seelam continues to hold not less than 10% of the paid-up share capital of our Company, on a fully diluted basis. For further details on their shareholding and their right to appoint nominee directors, see "*History and Certain Corporate Matters*" and "*Main Provisions of the Articles of Association*" beginning on pages 160 and 315, respectively.

44. Information relating to our installed capacity and the capacity utilization of our secondary processing units included in the DRHP is based on various assumptions and estimates and future production capacity and capacity utilization may vary.

Information relating to the installed capacity and the capacity utilization of our secondary processing units included in this Draft Red Herring Prospectus are based on various assumptions and estimates of our management that have been taken into account by a chartered engineer in the calculation of the installed capacity and the capacity utilization of our secondary processing units 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 organic food industry. Actual production levels and future capacity utilization rates may vary significantly from the estimated production capacities of our secondary processing units and their 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. For further details, see "*Our Business—Manufacturing facilities*" beginning on page 145.

45. This DRHP contains information from industry sources including the Company Commissioned Industry Report which has been exclusively commissioned from Technopak by our Company and any reliance on such information for making an investment decision in the Offer is subject to inherent risks.

This Draft Red Herring Prospectus includes information that is derived from a report dated January 3, 2022 titled "*Organic Food Market in India*" prepared by Technopak. We have exclusively commissioned and paid for this report for the purpose of confirming our understanding of the organic food processing industry in India in connection with the Offer for an agreed amount in accordance with the engagement letter dated July 16, 2021. Technopak is not related to our Company, our Promoters or Directors.

Technopak has advised that the Company Commissioned Industry Report is intended to provide a general guide to the subject matter and should not be relied on as a basis for business decisions and disclaims responsibility with respect to the completeness or accuracy of any information contained in the Company Commissioned Industry Report and for any omissions in the Information or for the losses arising from the use of the Information. The Company Commissioned Industry Report also highlights certain industry, peer and market data, which may be subject to assumptions. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions vary widely among different industry sources. Further, such assumptions may change based on various factors. We cannot assure you that Technopak's assumptions are correct or will not change and, accordingly, our position in the market may differ from that presented in this DRHP. Further, the Company Commissioned Industry Report has been commissioned and paid for by the Company and is not a recommendation to invest or disinvest in our Company. Technopak has disclaimed all financial liability in case of any loss suffered on account of reliance on any information contained in the Company Commissioned Industry Report. Prospective Investors are advised not to unduly rely on the Company Commissioned Industry Report or extracts thereof as included in this Draft Herring Prospectus, when making their investment decisions and should consult your own advisors and undertake an independent assessment of information in this Draft Red Herring Prospectus based on, or derived from, the Company Commissioned Industry Report before making any investment decision regarding the Offer. For further details, see "*Certain Conventions,* *Presentation of Financial, Industry and Market Data and Currency of Presentation*" and "*Industry Overview*" beginning on pages 17 and 98, respectively.

46. Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.

Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flow, working capital requirements, capital expenditure and restrictive covenants of our financing arrangements. The declaration and payment of dividends will be recommended by our Board of Directors and approved by the shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act.

As on date, our Company is not required to and has not adopted a formal dividend policy. We may retain all future earnings, if any, for use in the operations and expansion of the business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among others, our future earnings, financial condition, cash requirements, business prospects and any other financing arrangements. We cannot assure you that we will be able to pay dividends in the future. Accordingly, realization of a gain on Shareholders' investments will depend on the appreciation of the price of the Equity Shares. There is no guarantee that our Equity Shares will appreciate in value. Our Company has not paid any dividend in the past three Fiscals and as on the date of this Draft Red Herring Prospectus. For further details, see "*Dividend Policy*" beginning on page 184.

47. Our Company will not receive the entire proceeds from the Offer. Some of our Shareholders are selling Equity Shares in the Offer and will receive proceeds as part of the Offer for Sale.

The Offer includes a Fresh Issue of [•] Equity Shares aggregating up to ₹500 million by our Company and an Offer for Sale of up to 7,030,962 Equity Shares aggregating up to ₹[•] million by the Selling Shareholders. The proceeds from the Offer for Sale will be paid to the Selling Shareholders, in proportion of the respective portion of their Offered Shares, and our Company will not receive any such proceeds. For further details, see "*Objects of the Offer*" beginning on page 80.

48. We have incurred net loss in Fiscal 2019 and we may not be able to achieve or maintain profitability in the future.

We have in the past incurred, and may in the future incur, net losses. We incurred a net loss of ₹34.69 million in Fiscal 2019. We generated a net profit of ₹94.60 million, ₹103.93 million and ₹11.37 million in Fiscal 2020, Fiscal 2021 and the six month period ended September 30, 2021, respectively. For further details, see "*Financial Statements*" beginning on page 185. We cannot assure you that we will be able to generate net profits in the future. Our growth strategy may not pan out as we expect, and we may not succeed in growing our revenue at a rate faster than our cost. We may not generate sufficient revenue for a number of reasons, including increasing competition, challenging macro-economic environment, the ramifications of the COVID-19 pandemic, as well as other risks discussed elsewhere in this Draft Red Herring Prospectus. If we fail to sustain or increase profitability, our business, results of operations and cash flows could be adversely affected.

External Risk Factors

49. 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 de-regulation. 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. Additionally, the GoI has recently introduced: (a) the Code on Wages, 2019; (b) the Occupational Safety, Health and Working Conditions Code, 2020; and (c) the Industrial Relations Code, 2020 which along with Social Security Code consolidate, subsume and replace numerous existing central labour legislations. While the majority of the rules for implementation under these codes have not been notified, we have yet to determine the impact of all or some such laws on our business and operations which may restrict our ability to grow our business in the future.

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 favour of a concessional tax regime (subject to no other special benefits/exemptions being claimed), which reduces the rate of income tax payable to 22% subject to compliance with conditions prescribed, from the erstwhile 25% or 30% 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.

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 "*—You may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares*" beginning on page 51 below.

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.

50. 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 information regarding impact of COVID-19, see "*– 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.*" beginning on page 27 above. 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.

51. 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$642 billion as at October 29, 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.

52. 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.

53. 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.

54. 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 forest fires or explosions 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 produce, 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 India may be subject to terrorist attacks which may disrupt or damage our operations and facilities. In addition, India has witnessed local civil disturbances in recent years, and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business. Any damage or failure resulting from natural or man-made disasters, including explosions, terrorist attacks, 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.

55. 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*" beginning on page 314.

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.

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

We are a limited liability company incorporated under the laws of India. Our Directors and Key Management 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.

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.

57. 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 Consolidated 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 Prospectus (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.

58. We have presented certain supplemental information of our performance and liquidity which is not prepared under or required under Ind AS.

This Draft Red Herring Prospectus includes certain metrics like EBITDA, EBITDA margin, gross profit, gross profit margin, Net Worth, return on Net Worth, Net Asset Value per Equity Share (collectively "**Non-GAAP Measures**"), which are supplemental measures of our performance and liquidity and are not required by, or presented in accordance with, Ind AS, IFRS or US GAAP. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, IFRS or US GAAP and should not be considered in isolation, or as a substitute for financial information presented in the Restated Consolidated Financial Information, as prepared in accordance with Ind AS. There are significant limitations to using Non-GAAP Measures as measures of performance, including the lack of comparability of results of operations of different companies and different methods of calculating Non-GAAP Measures reported by different companies.

Risks Relating to the Offer and the Equity Shares

59. 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*" beginning on page 88 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 management personnel;
- changes in exchange rates;
- speculative trading in the Equity Shares;
- investor perception of us and the organic food 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.

60. 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.

Additionally, the Finance Act, 2020 ("**Finance Act**") does not require dividend distribution tax ("**DDT**") to be paid in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident. Lastly, in terms of the Finance Act, 2018, with effect from April 1, 2018, the tax payable by an assessee on the capital gains arising from transfer of long-term capital asset being an equity share in a company (introduced as section 112A of the Income-Tax Act, 1961) shall be calculated on such long-term capital gains at the rate of 10%, where the long-term capital gains exceed ₹100,000, subject to certain exceptions in case of a resident individuals and HUF.

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.

61. There is no guarantee that our Equity Shares will be listed on the stock exchanges in a timely manner or at all.

In accordance with Indian law and practice, permission for listing and trading of our Equity Shares will not be granted until after certain actions have been completed in relation to this Offer and until Allotment of Equity Shares pursuant to this Offer.

In accordance with current regulations and circulars issued of SEBI, our Equity Shares are required to be listed on the stock exchanges within such time as mandated under UPI Circulars, subject to any change in the prescribed timeline in this regard. However, we cannot assure you that the trading in our Equity Shares will commence in a timely manner or at all. Any failure or delay in obtaining final listing and trading approvals may restrict your ability to dispose of your Equity Shares.

62. 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. After the Basis of Allotment is approved by the Designated Stock Exchange, the Company undertakes the Allotment and the demat account of the Allottees with depository participants in India are credited with the Equity Shares. The Allotment of Equity Shares in this Offer, the credit of such Equity Shares to the applicant's demat account with depository participant and trading in the Equity Shares upon receipt of final listing and trading approvals from the Stock Exchanges is expected to complete 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 period as specified herein. 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.

63. 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.

64. 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.

65. 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.

66. 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.

67. 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 following table summarizes details of the Offer:

Offer	Up to [•] Equity Shares aggregating up to ₹[•] million
The Offer consists of:	
Fresh Issue[(1)]	Up to [•] Equity Shares aggregating up to ₹500 million
Offer for Sale[(1)(2)] comprises:	Up to 7,030,962 Equity Shares aggregating up to ₹[•] million
The Offer[(3)] consists of:	
A. QIB Portion[(4)]	Not less than [•] Equity Shares
Of which:	
Anchor Investor Portion[(4)]	Up to [•] Equity Shares
Net QIB Portion (assuming the Anchor Investor Portion is fully subscribed)	Up to [•] Equity Shares
Of which:	
Available for allocation to Mutual Funds only (5% of the QIB Portion (excluding Anchor Investor Portion))	At least [•] Equity Shares
Balance of QIB Portion for all QIBs including Mutual Funds	[•] Equity Shares
B. Non-Institutional Category	Not more than [•] Equity Shares
C. Retail Portion	Not more than [•] Equity Shares
Pre and post-Offer Equity Shares	
Equity Shares outstanding prior to the Offer	18,748,858 Equity Shares
Equity Shares outstanding after the Offer	[•] Equity Shares
Utilisation of Net Proceeds	See "*Objects of the Offer*" beginning on page 80 for information about the use of the Net Proceeds. Our Company will not receive any proceeds from the Offer for Sale.

(1) The Offer has been authorized by our Board pursuant to its resolution dated December 15, 2021 and the Fresh Issue has been authorised by our Shareholders pursuant to a special resolution passed at their meeting held on December 17, 2021. Our Board has taken on record the approval for the Offer for Sale by the Selling Shareholders pursuant to a resolution passed at its meeting held on January 7, 2022.

(2) Each Selling Shareholder (severally and not jointly) has specifically confirmed that its respective portion of the Offered Shares are eligible to be offered for sale in the Offer in accordance with the SEBI ICDR Regulations. For details on the quantum of Offered Shares and authorisation of each of the Selling Shareholders in relation to the Offered Shares, see "Other Regulatory and Statutory Disclosures" beginning on page 278. Further, each of the Selling Shareholders have undertaken to reduce their post – Offer shareholding in our Company to below 25% and ensure that their shareholding, either individually or along with persons acting in concert, in our Company is less than the aggregate shareholding of our Promoters, upon completion of the Offer.

(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 met with spill-over from any other category or combination of categories, as applicable, at the discretion of our Company and Selling Shareholders in consultation with the BRLMs and the Designated Stock Exchange, subject to applicable laws. In the event of under-subscription in the Offer, subject to receiving minimum subscription for 90% of the Fresh Issue and compliance with Rule 19(2)(b) of the SCRR and subscription, as required, to ensure that the post-Offer shareholding of each of the Selling Shareholders (severally, and along with their respective persons acting in concert) shall not exceed the aggregate shareholding of our Promoters, Allotment shall first be made towards the Fresh Issue and subsequently, the Offered Shares shall be allocated or transferred in proportion to the Offered Shares by each 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 accordingly be reduced for the Equity Shares allocated to Anchor Investors. 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, which price shall be determined by our Company and Selling Shareholders in consultation with the BRLMs. 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 back to the QIB Portion. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, 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. For further details, see "Offer Procedure" beginning on page 296.

Allocation to all categories, except the Anchor Investor Portion and the Retail Portion, shall be made on a proportionate basis subject to valid Bids received at or above the Offer Price, as applicable. The allocation to each Retail Individual Bidder 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. For further details, see "*Offer Structure*" beginning on page 293. For details of the terms of the Offer, see "*Terms of the Offer*" beginning on page 287.

SUMMARY OF FINANCIAL STATEMENTS

The following tables provide the summary of financial information of our Company derived from the Restated Consolidated Financial Information as at and for the six months ended September 30, 2021 and September 30, 2020 and Fiscal 2021, 2020 and 2019.

The Restated Consolidated Financial Information referred to above are presented under "*Financial Statements*" beginning on page 185. The summary of financial information presented below should be read in conjunction with the Restated Consolidated Financial Information, the notes thereto and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on page 238.

Restated statement of assets and liabilities

(INR in million)

Particulars	As at September 30, 2021	As at September 30, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
ASSETS					
Non-current assets					
Property, plant and equipment	172.93	160.84	168.79	163.85	167.89
Right-of-use assets	134.28	154.45	137.21	119.19	150.36
Financial assets					
(i) Investments	-	-	-	-	-
(ii) Other financial assets	13.97	15.23	13.41	15.89	12.72
Other non-current assets	2.88	5.33	1.03	0.27	0.06
Deferred tax assets (net)	101.81	98.34	97.49	117.20	154.04
Total non-current assets	**425.87**	**434.19**	**417.93**	**416.40**	**485.07**
Current assets					
Inventories	1,174.88	1,209.45	1,062.75	668.22	653.69
Financial assets					
(i) Trade receivables	365.73	345.69	312.48	432.36	261.26
(ii) Cash and cash equivalents	105.20	89.27	66.18	61.76	43.86
(iii) Bank balances other than (ii) above	44.77	66.87	24.50	45.23	58.86
(iv) Loans	0.23	0.42	0.68	0.16	0.09
(v) Other financial assets	1.51	3.44	0.89	2.37	3.90
Other current assets	92.66	73.02	50.33	68.82	82.55
Total current assets	**1,784.98**	**1,788.16**	**1,517.81**	**1,278.92**	**1,104.21**
Total assets	**2,210.85**	**2,222.35**	**1,935.74**	**1,695.32**	**1,589.28**
EQUITY AND LIABILITIES					
EQUITY					
Equity share capital	182.74	182.56	182.61	182.56	182.48
Other equity	590.88	551.96	581.11	482.58	385.23
Total equity	**773.62**	**734.52**	**763.72**	**665.14**	**567.71**
LIABILITIES					
Non-current liabilities					
Financial liabilities					
(i) Borrowings	98.60	88.52	112.94	76.28	85.17
(ii) Lease liabilities	108.94	124.96	113.74	90.82	119.56
Provisions	12.13	9.99	8.48	8.03	6.94
Total non-current liabilities	**219.67**	**223.47**	**235.16**	**175.13**	**211.67**
Current liabilities					
Financial liabilities					
(i) Borrowings	685.02	369.18	413.30	369.20	404.87
(ii) Lease liabilities	45.47	39.90	36.67	35.94	36.22
(iii) Trade payables					
Total outstanding dues of micro and small enterprises	7.60	13.02	14.80	16.25	14.83
Total outstanding dues of creditors other than micro andsmall enterprises	258.10	603.00	369.68	335.20	275.20
(iv) Other financial liabilities	156.80	195.46	73.53	59.61	53.96
Provisions	5.84	4.94	6.24	5.69	3.36
Other liabilities	35.95	25.16	21.81	23.77	18.38
Current tax liabilities (Net)	22.78	13.70	0.83	9.39	3.08

Particulars	As at September 30, 2021	As at September 30, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
Total current liabilities	**1,217.56**	**1,264.36**	**936.86**	**855.05**	**809.90**
Total liabilities	**1,437.23**	**1,487.83**	**1,172.02**	**1,030.18**	**1,021.57**
Total equity and liabilities	**2,210.85**	**2,222.35**	**1,935.74**	**1,695.32**	**1,589.28**

Restated statement of profit and loss

(INR in million)

Particulars	For the six month period ended September 30, 2021	For the six month period ended September 30, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenues					
Revenue from operations	1,600.05	1,556.11	3,120.68	2,622.76	2,055.14
Other income	11.19	9.77	23.02	41.48	26.94
Total income	**1,611.24**	**1,565.88**	**3,143.70**	**2,664.24**	**2,082.08**
Expenses					
Cost of material consumed	925.33	1,017.08	1,972.49	1,395.50	1,095.05
Purchase of stock-in-trade	133.02	119.65	290.60	221.69	204.68
Changes in inventories of finished goods, stock-in-trade and work-in-progress	12.17	(195.48)	(272.71)	28.76	13.81
Employee benefits expense	188.94	172.85	341.99	325.18	274.44
Finance costs	39.67	43.01	69.40	75.19	74.56
Depreciation and amortization	34.23	30.42	65.30	62.50	51.14
Other expenses	252.28	277.74	539.23	414.63	405.15
Total expenses	**1,585.64**	**1,465.27**	**3,006.30**	**2,523.45**	**2,118.83**
Profit/ loss before tax	**25.60**	**100.61**	**137.40**	**140.79**	**(36.75)**
Tax expenses					
Current tax	18.12	8.65	19.90	8.99	2.68
MAT Credit utilized	-	-	-	1.81	-
Deferred tax	(3.90)	18.76	19.51	35.27	(5.22)
Tax pertaining to earlier years	-	-	(5.94)	0.12	0.48
Total tax expense	14.22	27.41	33.47	46.19	(2.06)
Profit/ loss after tax (PAT)	**11.37**	**73.20**	**103.93**	**94.60**	**(34.69)**
Other comprehensive income					
Items that will not be reclassified subsequently to profit and loss					
Remeasurements of defined benefit liability	(1.67)	0.38	0.80	(0.82)	(1.29)
Income-tax relating to these items	0.42	(0.10)	(0.20)	0.24	0.43
Total comprehensive income for the period / year	**10.12**	**73.48**	**104.53**	**94.02**	**(35.55)**
Earnings per share (face value of Rs.10 per share) - Basic	0.62	4.01	5.69	5.18	(1.93)
- Diluted	0.62	4.00	5.67	5.17	(1.93)

Restated statement of cash flow

(INR in Million)

Particulars	For the six month period ended September 30, 2021	For the six month period ended September 30, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
A. Cash flow from operating activities					
Profit/(loss) before tax	25.60	100.61	137.40	140.79	(36.75)
Adjustments for :					
Depreciation and amortization expense	34.23	30.42	65.30	62.50	51.14
Interest expense	29.02	27.20	45.09	58.25	59.74
Interest expense on lease liabilities	8.38	6.54	13.23	13.54	11.36
Loss on discard / sale of fixed assets	-	-	2.41	0.18	1.53
Liabilities no longer required written back	-	-	-	-	(1.93)
Employee stock option expense	0.12	0.21	2.53	0.20	0.09
Foreign Exchange (Gain)/Loss (Net)	2.14	(2.46)	(8.63)	(2.54)	(25.53)
Bad debts written off	0.93	8.60	8.93	5.43	17.09
Provision for / (Reversal of) doubtful receivables	-	9.57	31.72	8.75	36.28
Interest income	(0.69)	(1.07)	(2.14)	(3.31)	(4.12)
Operating profit before working capital changes	**99.73**	**179.62**	**295.84**	**283.79**	**108.90**
Change in assets and liabilities					
(Increase) /Decrease in trade receivables	(54.18)	68.50	79.23	(185.28)	61.90
(Increase)/Decrease in inventories	(112.13)	(541.23)	(394.53)	(14.53)	(70.75)
(Increase) / Decrease in loans and other financial assets	(0.11)	0.40	1.96	(3.24)	(32.07)
(Increase)/Decrease in other assets	(44.18)	(9.26)	17.73	13.52	(0.32)
Increase / (Decrease) in trade payables and other financial liabilities	(35.57)	404.04	42.94	65.40	28.12
Increase / (Decrease) in provision	1.58	1.59	1.80	2.60	5.88
Increase/ (Decrease) in other liabilities	14.14	1.39	(1.96)	5.39	12.41
Cash generated from operations	**(130.73)**	**105.05**	**43.01**	**167.65**	**114.07**
Income taxes paid, (net of refund)	3.83	(4.34)	(22.52)	(2.80)	(0.08)
Net cash inflow from operating activities	**(126.90)**	**100.71**	**20.49**	**164.85**	**113.99**
B. Cash flows from investing activities					
Purchase of Property, Plant and Equipment and intangible assets	(13.84)	(6.60)	(25.66)	(12.60)	(8.42)
Proceeds from sale of Property, Plant and Equipment	-	-	0.02	-	-
Deposits placed having original maturity of more than 3 months, net	(20.27)	(21.64)	20.73	13.63	(58.86)
Interest received	0.07	-	3.62	4.84	0.22
Net cash used in investing	**(34.04)**	**(28.24)**	**(1.29)**	**5.87**	**(67.06)**

Particulars	For the six month period ended September 30, 2021	For the six month period ended September 30, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
activities					
C. Cash flow from financing activities					
Proceeds from issue of shares	0.13	-	0.05	0.08	0.26
Proceeds from/(repayment) of long term borrowings (net)	69.15	(35.92)	(43.00)	(5.78)	(63.86)
Payment of lease liabilities	(28.12)	(28.17)	(48.86)	(50.32)	(41.00)
Proceeds from/(repayment) of short term borrowings (net)	188.23	48.14	123.76	(38.78)	82.38
Interest paid	(29.43)	(29.01)	(46.73)	(58.02)	(57.93)
Net cash used in financing activities	**199.96**	**(44.96)**	**(14.78)**	**(152.82)**	**(80.15)**
Net increase / decrease in cash and cash equivalents	39.02	27.51	4.42	17.90	(33.22)
Cash and cash equivalents at the beginning of the period / year	66.18	61.76	61.76	43.86	77.08
Cash and cash equivalents at end of the period / year	**105.20**	**89.27**	**66.18**	**61.76**	**43.86**

GENERAL INFORMATION

Corporate identity number: U01122TG2004PLC042837

Company registration number: 042837

Registered Office of our Company
203, Pavani Annexe,
Road No. 2, Banjara Hills,
Hyderabad, Telangana,
500 081, India

Corporate Office of our Company
Plot No. 11, Krithika Madhapur Layout
TS No. 64 of Madhapur Village,
Serilingampally Mandal, Rangareddy 500 081
Telangana, India

Address of the Registrar of Companies

Our Company is registered with the Registrar of Companies, Telangana at Hyderabad, situated at the following address:

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

Board of Directors of our Company

Details regarding our Board as on the date of this Draft Red Herring Prospectus are set forth below:

Name	Designation	DIN	Address
Pradeep Narendra Poddar	Chairman and Independent Director	00025199	222, Mont Blanc, A.K. Marg, Shalimar Hotel, Kemps Corner, Mumbai 400 026, Maharashtra, India
Rajashekar Reddy Seelam	Managing Director	00278954	B-27, Rolling Hills, Gachibowli Road, Hyderabad 500 032, Telangana, India
Balasubramanian Narayanan	Whole-time Director and Chief Executive Officer	03070468	G-3 Ashoka Silent Valley Road no. 10, Banjara Hills, Khairatabad, Hyderabad 500 034, Telangana, India
Pranav Kumar Suresh	Nominee Director	08380082	TC 39/1484, Pura 26(A), Pranavam, Nethaji road, Near pump house, Poojappura P. O., Thiruvananthapuram 695 012, Kerala, India
Ramesh Alur	Nominee Director	00026462	7-1-77/C, Dharam Karan Road, Begum Pet, Hyderabad 500 016, Andhra Pradesh, India
Padma Parthasarathy	Independent Director	00340850	Villa 418, Phase 2, Adarsh Palm Meadows, Vartur Road, Bangalore 560 066, Karnataka, India

For further details of our Directors, please see the section entitled "*Our Management*" beginning on page 165.

Company Secretary and Compliance Officer

Padmasri Samaleti is our Company Secretary and Compliance Officer. Her contact details are set forth below:

Padmasri Samaleti
Sresta Natural Bioproducts Limited
Plot No. 11, Krithika Madhapur Layout
TS No. 64 of Madhapur Village, Serilingampally Mandal
Rangareddy 500 081
Telangana, India
Tel: +91 40 4007 2526
E-mail: investorrelations@srestaorganic.com

Book Running Lead Managers

JM Financial Limited
7th Floor, Cnergy
Appasaheb Marathe Marg
Prabhadevi
Mumbai 400 025
Maharashtra, India
Tel: +91 22 6630 3030
E-mail: sresta.ipo@jmfl.com
Investor grievance e-mail: grievance.ibd@jmfl.com
Website: www.jmfl.com
Contact Person: Prachee Dhuri
SEBI Registration No.: INM000010361

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: ankit.bhatia@axiscap.in
Investor grievance e-mail: complaints@axiscap.in
Website: www.axiscapital.co.in
Contact Person: Ankit Bhatia
SEBI Registration No.: INM000012029

Legal Counsel to our Company and the Selling Shareholders as to Indian law

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

Legal Counsel to the Book Running Lead Managers as to Indian law

Trilegal
Peninsula Business Park
17th Floor, Tower B
Ganpat Rao Kadam Marg
Lower Parel (West)
Mumbai 400 013

International Legal Counsel to the Book Running Lead Managers

Dentons US LLP
2000 McKinney Avenue
Suite 1900
Dallas, Texas 75201
United States
Tel.: +1 214 259 0952

Registrar to the Offer

KFin Technologies Private Limited
Selenium Tower B
Plot No. 31 and 32, Financial District
Nanakramguda, Serilingampally
Hyderabad, Rangareddi 500 032
Telangana, India
Tel.: +91 40 6716 2222
Toll free number: 1800 309 4001
E-mail: sresta.ipo@kfintech.com
Investor Grievance E-mail: einward.ris@kfintech.com
Website: www.kfintech.com
Contact Person: M Murali Krishna
SEBI Registration No.: INR000000221

Statutory Auditors to our Company

M S K A & Associates
1101/B, Manjeera Trinity Corporate,
11th floor, JNTU Hitech City Road, Kukatpally
Hyderabad 500 072
Telangana, India
Tel: +91 40 6814 2999
E-mail: ananthakrishnangovindan@mska.in
Peer Review number: 013267
Firm Registration number: 105047W

Changes in Auditors

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

Particulars	Date of change	Reason for change
M S K A & Associates 1101/B, Manjeera Trinity Corporate, 11th floor, JNTU Hitech City Road, Kukatpally Hyderabad 500 072 Telangana, India Tel.: +91 40 6814 2999 E-mail: ananthakrishnangovindan@mska.in Peer Review number: 013267 Firm Registration number: 105047W	September 30, 2021* June 7, 2021^	Appointment as statutory auditors
Gandhi & Gandhi, Chartered Accountants 1002 Paigah Plaza, Basheerbagh Hyderabad 500 063 Telangana, India Tel.: +91 40 6701 8000 E-mail: info@gandhis.com Firm Registration Number: 000849S Peer Review Number: 013545	June 1, 2021	Resignation due to staff constraint

*****_M S K A & Associates has been re-appointed as the statutory auditors from September 30, 2021 for a period of five Fiscals for the accounting period April 1, 2021 to March 31, 2026._
^_M S K A & Associates was previously appointed on June 7, 2021 as the statutory auditors of the Company for one Fiscal for the accounting period from April 1, 2020 to March 31, 2021 to fill the casual vacancy created due to resignation by Gandhi & Gandhi, Chartered Accountants._

Bankers to the Offer

Escrow Collection Bank(s)

[•]

Refund Bank(s)

[•]

Public Offer Bank(s)

[•]

Sponsor Bank

[•]

Banker to our Company

Axis Bank Limited
CBB Hyd, 1st Floor, G. Pulla Reddy Building
6/3/879/B, Begumpet Road
Hyderabad 500 016
Telangana, India
Tel: +91 40 2425 2474
E-mail: cbbhyderabad.branchhead@axisbank.com
Website: www.axisbank.com
Contact Person: E. Venkata Narayan Rao, Vice President, CBB Hyderabad

Syndicate Members

[•]

Inter-se Allocation of Responsibilities among the BRLMs

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

Sr. No.	Activity	Responsibility	Co-ordinator
1	Capital structuring with the relative components and formalities such as type of instruments, size of issue, allocation between primary and secondary, etc. Due diligence of our Company's operations/management/business /legal etc., drafting and design of this Draft Red Herring Prospectus, the Red Herring Prospectus and Prospectus, abridged prospectus and application form. The BRLMs shall ensure compliance and completion of prescribed formalities with the Stock Exchanges, SEBI and RoC including finalisation of the Red Herring Prospectus, Prospectus and RoC filing, follow up and coordination till final approval from all regulatory authorities	JM, Axis	JM
2	Drafting and approval of statutory advertisement	JM, Axis	JM
3	Drafting and approval of all publicity material other than statutory advertisements including corporate advertisements, brochures, filing of media compliance report with SEBI, etc.	JM, Axis	Axis
4	Appointment of Registrar to the Offer, Printer to the Offer, and Advertising Agency (including coordination for their agreements)	JM, Axis	JM
5	Appointment of all other intermediaries and including co-ordination for all other agreements	JM, Axis	Axis
6	Preparation of road show presentation and FAQs for the road show team	JM, Axis	Axis
7	International institutional marketing of the Offer, which will cover, *inter alia*: • International Institutional marketing strategy; • Finalizing the list and division of international investors for one-to-one meetings; and • Finalizing international road show and investor meeting schedule.	JM, Axis	Axis
8	Domestic institutional marketing of the Offer, which will cover, *inter alia*: • Domestic Institutional marketing strategy; • Finalizing the list and division of domestic investors for one-to-one meetings; and • Finalizing domestic road show and investor meeting schedule.	JM, Axis	JM
9	Conduct non-institutional marketing of the Issue, which will cover, inter-alia: • Finalising media, marketing and public relations strategy; • Formulating strategies for marketing to Non - Institutional Investors	JM, Axis	JM
10	Conduct retail marketing of the Issue, which will cover, inter-alia: • Finalising media, marketing, public relations strategy and publicity budget including list of frequently asked questions at retail road shows • Finalising collection centres	JM, Axis	Axis

Sr. No.	Activity	Responsibility	Co-ordinator
	• Finalising application form • Finalising centres for holding conferences for brokers etc. • Follow - up on distribution of publicity and issue material including form, RHP/Prospectus and deciding on the quantum of the Issue material		
11	Managing anchor book related activities, coordination with Stock Exchanges for anchor intimation, submission of letters with regulators post completion of anchor allocation, book building software, bidding terminals and mock trading, payment of 1% security deposit to the designated stock exchange.	JM, Axis	Axis
12	Managing the book and finalization of pricing in consultation with our Company	JM, Axis	JM
13	Post bidding activities including management of escrows accounts, coordinate non-institutional allocation, coordination with Registrar, SCSBs and Bankers to the Offer, intimation of allocation and dispatch of refund to Bidders, etc. 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, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds and coordination with various agencies connected with the post-Offer activity such as registrar to the Offer, Bankers to the Offer, SCSBs including responsibility for underwriting arrangements, as applicable. Payment of the applicable securities transactions tax on sale of unlisted equity shares by the Selling Shareholders under the Offer for Sale to the Government and filing of the securities transactions tax return by the prescribed due date as per Chapter VII of Finance (No. 2) Act, 2004. 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.	JM, Axis	Axis

IPO Grading

No credit rating agency registered with SEBI has been appointed for grading the Offer.

Monitoring Agency

On account of the Fresh Issue size being less than Rs. 1,000 million, our Company is not required to appoint a monitoring agency in accordance with Regulation 41 of SEBI ICDR Regulations.

Appraising Entity

None of the objects for which the Net Proceeds will be utilised have been appraised by any agency.

Credit Rating

As this is an Offer of Equity Shares, credit rating is not required.

Debenture Trustees

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

Green Shoe Option

No green shoe option is contemplated under the Offer.

Designated Intermediaries

Self-Certified Syndicate Banks

The list of SCSBs notified by SEBI for the ASBA process is available at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated SCSB Branches with which an ASBA Bidder (other than a RIB using the UPI Mechanism), not bidding through Syndicate/Sub Syndicate or through a Registered Broker, RTA or CDP may submit the Bid cum Application Forms, is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34, or at such other websites as may be prescribed by SEBI from time to time.

SCSBs and mobile applications enabled for UPI Mechanism

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Retail Individual Bidders Bidding using the UPI Mechanism may apply through the SCSBs and mobile applications whose names appears on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40) and (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43) respectively, as updated from time to time.

Syndicate SCSB Branches

In relation to Bids (other than Bids by Anchor Investors) 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 (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35) 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 https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 as updated from time to time.

Registered Brokers

Bidders can submit ASBA Forms in the Offer using the stock broker network of the Stock Exchanges, *i.e.* through the Registered Brokers at the Broker Centres. The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at https://www.bseindia.com/ and https://www.nseindia.com, as updated from time to time.

Registrar and Share Transfer Agents

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 the Stock Exchanges at https://www.bseindia.com/Static/PublicIssues/RtaDp.aspx and http://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 the Stock Exchanges at https://www.bseindia.com/Static/PublicIssues/RtaDp.aspx and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as updated from time to time.

Expert to the Offer

Except as disclosed below, our Company has not obtained any expert opinions:

Our Company has received a written consent dated January 7, 2022 from M S K A & Associates, to include their name as required under Section 26(5) of the Companies Act, 2013, in this Draft Red Herring Prospectus, and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 in respect of their (i) examination report dated January 3, 2022 on our Restated Consolidated Financial Information; and (ii) their report dated January 7, 2022 on the Statement of Possible Special Tax Benefits issued in their capacity as our Statutory Auditors for inclusion in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

The chartered engineer, P. Kanaka Rao, has by way of his written consent dated January 10, 2022 consented to include his name as an "expert" as defined under Section 2(38) of the Companies Act, 2013 in this Draft Red Herring Prospectus in his capacity as a chartered engineer.

Technopak has by way of its consent letter dated January 6, 2022 consented to include its name as an "expert", in terms of the provisions of the Companies Act, 2013, in this Draft Red Herring Prospectus.

Filing

A copy of this Draft Red Herring Prospectus has been filed electronically on the SEBI's online portal and emailed at cfddil@sebi.gov.in in accordance with the instructions issued by SEBI on March 27, 2020, in relation to "Easing of Operational Procedure –Division of Issues and Listing –CFD". has been filed with SEBI electronically on the platform provided by SEBI at https://siportal.sebi.gov.in, in accordance with SEBI circular bearing reference 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 with the RoC under Section 32 of the Companies Act, 2013 would be filed with the Registrar of Companies and a copy of the Prospectus to be filed under Section 26 of the Companies Act, 2013 would be filed with the RoC at its office.

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, which will be decided by our Company and the Selling Shareholders in consultation with the BRLMs, and which will either be included in the Red Herring Prospectus or will be advertised in all editions of [•], [•] editions of [•] and [•] editions of [•] (which are widely circulated English daily newspapers, Hindi daily newspapers and Telugu daily newspapers, Telugu being the regional language of Telangana, where our Registered Office is located), 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 respective websites. The Offer Price shall be determined by our Company and the Selling Shareholders in consultation with the BRLMs after the Bid/Offer Closing Date. For details, please see the section entitled "*Offer Procedure*" beginning on page 296.

All Bidders (other than Anchor Investors) shall participate in this Offer mandatorily through the ASBA process by providing the details of their respective bank accounts in which the corresponding Bid Amount will be blocked by the SCSBs. In addition to this, the RIBs 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 Offer through the ASBA process.

In terms of the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of the number of Equity Shares or the Bid Amount) at any stage. RIBs can revise their Bid(s) during the Bid/ Offer Period and withdraw their Bid(s) until Bid/ Offer Closing Date. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bidding Date. Except for Allocation to RIBs and the Anchor Investors, Allocation in the Offer will be on a proportionate basis. Further, allocation to Anchor Investors will be on a discretionary basis.

For further details, please see the section entitled "*Terms of the Offer*" "*Offer Structure*" and "*Offer Procedure*" beginning on pages 287, 293 and 296, respectively.

The Book Building Process under the SEBI ICDR Regulations and the bidding process are subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to submitting a Bid in the Offer.

Bidder should note that, the Offer is also subject to obtaining (i) the final approval of the RoC after the Prospectus is filed with the RoC; and (ii) final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment.

Underwriting Agreement

The Underwriting Agreement has not been executed as on the date of this Draft Red Herring Prospectus. 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 intends 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 each of the Underwriters will be several and will be subject to certain conditions specified therein. The extent of underwriting obligations and the Bids to be underwritten in the Offer shall be as per the Underwriting Agreement.

The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

(This portion has been intentionally left blank and will be filled in before filing of the Prospectus with the RoC.)

Name, address, telephone number and e-mail address of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (in ₹ million)
[•]	[•]	[•]
[•]	[•]	[•]
[•]	[•]	[•]
[•]	[•]	[•]

The aforementioned underwriting commitments are indicative and will be finalised after the Pricing Date and finalization of the Basis of Allotment and actual allocation will be subject to the provisions of the SEBI ICDR Regulations.

In the opinion of our Board of Directors (based on representations made to our Company by the Underwriters), the resources of the aforementioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The aforementioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges. Our Board of Directors/IPO Committee, at its meeting held on [•], approved the acceptance and entering into the Underwriting Agreement mentioned above on behalf of our Company.

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

Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to investors respectively procured by them in accordance with the Underwriting Agreement. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure purchasers for or purchase the Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement.

CAPITAL STRUCTURE

The share capital of our Company, as of the date of this Draft Red Herring Prospectus, is set forth below:

(in ₹, except share data)

Particulars	Aggregate value at face value	Aggregate value at Offer Price(2)
A) AUTHORIZED SHARE CAPITAL(1)		
22,000,000 Equity Shares	220,000,000	-
4,200,000 CCC Preference Shares	42,000,000	-
Total	**262,000,000**	
B) ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER		
18,748,858 Equity Shares	187,488,580	-
C) PRESENT OFFER(3)		
Offer of [•] Equity Shares aggregating ₹[•] million	[•]	[•]
Of which:		
Fresh Issue of [•] Equity Shares aggregating up to ₹500 million	[•]	[•]
Offer for Sale of up to 7,030,962 Equity Shares aggregating ₹[•] million(4)	[•]	[•]
D) ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER		
[•] Equity Shares	[•]	[•]
E) SECURITIES PREMIUM ACCOUNT		
Before the Offer		989,792,411
After the Offer(2)		[•]

(1) For details of changes to our Company's authorised share capital in the last 10 years, please see "History and Certain Corporate Matters - Amendments to the Memorandum of Association" beginning on page 160.

(2) To be updated upon finalisation of the Offer Price.

(3) The Offer has been authorized by our Board pursuant to its resolution dated December 15, 2021 and the Fresh Issue has been authorised by our Shareholders pursuant to a special resolution passed at their meeting held on December 17, 2021.

(4) Each Selling Shareholder (severally and not jointly) has specifically confirmed that its respective portion of the Offered Shares are eligible to be offered for sale in the Offer in accordance with the SEBI ICDR Regulations. For details on the authorisation of each of the Selling Shareholders in relation to the Offered Shares, see "Other Regulatory and Statutory Disclosures" beginning on page 278.

Notes to Capital Structure

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

(a) Equity share capital

The following table sets forth the history of the equity share capital of our Company:

Date of allotment / subscription	No. of Equity Shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Reason / nature of allotment	Nature of consideration
March 9, 2004	10,000	10	10	Initial subscription to the Memorandum of Association(1)	Cash
March 1, 2005*	190,000	10	10	Further allotment(2)	Cash
November 30, 2005*	775,000	10	10	Further allotment (3)	
March 31, 2006*	100,000	10	25	Further allotment (4)	Cash
	14,000	10	35	Further allotment (5)	Cash
	51,250	10	10	Further allotment (6)	Cash
	25,000	10	20	Further allotment (7)	Cash
March 22, 2007*	1,905	10	10	Preferential allotment (8)	Cash
	250,000	10	10	Further allotment(9)	Cash
December 31, 2007	251,000	10	10	Preferential allotment(10)	Cash
June 12, 2008*	700,904	10	30	Rights issue(11)	Cash
December 23, 2009*	227,747	10	14.65	Preferential allotment(12)	Cash
January 27, 2011	917	10	31.43	Preferential allotment (13)	Cash
July 29, 2011*	164,640	10	14.65	Further allotment*(14)	Cash
	70,000	10	10	Allotment pursuant to ESOP Scheme, 2008(15)	Cash

Date of allotment / subscription	No. of Equity Shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Reason / nature of allotment	Nature of consideration
	1,590,000	10	31.43	Conversion of CCC Preference Shares[16]	Cash
	782,855	10	25.55	Conversion of ROC Preference Shares[17]	Cash
	2,474,156	10	29.90	Conversion of ROC Preference Shares [18]	Cash
July 30, 2011	1,192,251	10	12.58	Further allotment [19]	Cash
September 20, 2011	3,130,505	10	48.17	Preferential allotment[20]	Cash
November 23, 2011	5,000	10	10	Allotment pursuant to the ESOP Scheme, 2008[21]	Cash
October 29, 2012	10,000	10	10	Allotment pursuant to the ESOP Scheme, 2008[22]	Cash
January 11, 2013	30,000	10	10	Allotment pursuant to the ESOP Scheme, 2008[23]	Cash
April 3, 2013	10,000	10	10	Allotment pursuant to the ESOP Scheme, 2008[24]	Cash
August 30, 2013	17,500	10	10	Allotment pursuant to the ESOP Scheme, 2008[25]	Cash
December 19, 2013	1,149,213	10	60.91	Conversion of CCC Preference Shares[26]	Cash
May 28, 2014	60,000	10	10	Allotment pursuant to the ESOP Scheme, 2008[27]	Cash
	1,057,364	10	94.57	Conversion of CCC Preference Shares[28]	Cash
March 2, 2015	62,500	10	10	Allotment pursuant to the ESOP Scheme, 2008[29]	Cash
November 9, 2015	127,500	10	10	Allotment pursuant to the ESOP Scheme, 2008[30]	Cash
January 21, 2016	30,000	10	10	Allotment pursuant to the ESOP Scheme, 2008[31]	Cash
June 3, 2016	90,000	10	10	Allotment pursuant to the ESOP Scheme, 2008[32]	Cash
September 30, 2016	1,736,833	10	143.94	Conversion of CCC Preference Shares[33]	Cash
	1,059,434	10	188.78	Conversion of CCC Preference Shares[34]	Cash
February 6, 2017	15,000	10	10	Allotment pursuant to the ESOP Scheme, 2008[35]	Cash
December 2, 2017	25,000	10	10	Allotment pursuant to the ESOP Scheme, 2008 [36]	Cash
May 19, 2018	15,000	10	10	Allotment pursuant to the ESOP Scheme, 2008[37]	Cash
August 6, 2018	497,100	10	219.07	Conversion of CCC Preference Shares[38]	Cash
	237,806	10	235.91	Conversion of CCC Preference Shares[39]	Cash

Date of allotment / subscription	No. of Equity Shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Reason / nature of allotment	Nature of consideration
August 28, 2018	11,000	10	10	Allotment pursuant to the ESOP Scheme, 2008[(40)]	Cash
August 20, 2019	8,000	10	10	Allotment pursuant to the ESOP Scheme, 2008[(41)]	Cash
March 23, 2021	5,000	10	10	Allotment pursuant to the ESOP Scheme, 2008[(42)]	Cash
September 27, 2021	12,500	10	10	Allotment pursuant to the ESOP Scheme, 2008[(43)]	Cash
December 1, 2021	365,478	10	42	Rights issue [(44)]	Cash
December 2, 2021	109,500	10	10	Allotment pursuant to the ESOP Scheme, 2008 [(45)]	Cash
Total	**18,748,858**				

**Certain corporate records of our Company in relation to certain allotments of Equity Shares by our Company are not traceable. In particular, minutes of meetings of our Board approving the issuance of Equity Shares on March 1, 2005, November 30, 2005, March 31, 2006, March 22, 2007, June 12, 2008, December 23, 2009 and July 29, 2011 are not available. For further details, see "Risk Factors - Some of our corporate records and other documents relating to issuance of Equity Shares undertaken by us in the past are not traceable" beginning on page 43.*

(1) Allotment of 5,000 Equity Shares each to Rajashekar Reddy Seelam and Renuka Seelam;

(2) Allotment of 108,000 Equity Shares to Rajashekar Reddy Seelam, 80,000 Equity Shares to Renuka Seelam and 2,000 Equity Shares to Sivasankara Prasad Yedla;

(3) Allotment of 462,000 Equity Shares to Rajashekar Reddy Seelam, 135,000 Equity Shares to Renuka Seelam, 28,000 Equity Shares to Sivasankara Prasad Yedla, 50,000 Equity Shares to Vijay Bhasker Reddy Seelam and 100,000 Equity Shares to K. Pandiarajan;

(4) Allotment of 100,000 Equity Shares to R.K. Misra;

(5) Allotment of 14,000 Equity Shares to Sunil Jalihal;

(6) Allotment of 26,500 Equity Shares to Rajashekar Reddy Seelam, 4,750 Equity Shares to Renuka Seelam and 20,000 Equity Shares to VSK Kishore;

(7) Allotment of 25,000 Equity Shares to Meena Mohan;

(8) Allotment of 1,905 Equity Shares to VTCPL (A/c – The Biotechnology Venture Fund) pursuant to share subscription and cum shareholders agreement dated July 3, 2006;

(9) Allotment of 170,000 Equity Shares to Rajashekar Reddy Seelam, 50,000 Equity Shares to Renuka Seelam; 20,000 Equity Shares to Sivasankara Prasad Yedla and 10,000 Equity Shares to Sriram Rao Vellanki;

(10) Allotment of 251,000 Equity Shares to Rajashekar Reddy Seelam pursuant to share subscription and cum shareholders agreement dated July 3, 2006;

(11) Allotment of 448,469 Equity Shares to Rajashekar Reddy Seelam, 182,108 Equity Shares to Renuka Seelam; 42,027 Equity Shares to K. Pandiarajan, 17,500 Equity Shares to YSS Prasad, 800 Equity Shares to VTCPL (A/c – The Biotechnology Venture Fund) and 10,000 Equity Shares to K. Jaishree;

(12) Allotment of 227,747 Equity Shares to Rajashekar Reddy Seelam pursuant to the debenture subscription agreement dated April 21, 2009;

(13) Allotment of 917 Equity Shares to VTCPL (A/c – The Ventureast Life Fund III) pursuant to the share subscription and cum shareholders agreement dated September 16, 2010 and addendum dated December 15, 2010;

(14) Allotment of 164,640 Equity Shares to Rajashekar Reddy Seelam;

(15) Allotment of 15,000 Equity Shares to YSS Prasad, 30,000 Equity Shares to N. Balasubramaniam and 25,000 Equity Shares to K. Jaishree

(16) Allotment of 7,95,000 Equity Shares each to VTCPL (A/c – The Ventureast Life Fund III) and VLF pursuant to conversion of 1,590,000 CCC Preference Shares;

(17) Allotment of 782,855 Equity Shares to VTCPL (A/c – The Biotechnology Venture Fund) pursuant to conversion of 782,855 ROC Preference Shares;

(18) Allotment of 2,474,156 Equity Shares to VTCPL (A/c – The Biotechnology Venture Fund) pursuant to conversion of 2,703,504 ROC Preference Shares;

(19) Allotment of 1,192,251 Equity Shares to Rajashekar Reddy Seelam;

(20) Allotment of 3,130,505 Equity Shares to PCF pursuant to the Investment Agreement;

(21) Allotment of 5,000 Equity Shares to Shiva Sankara Prasad Yedla;

(22) Allotment of 10,000 Equity Shares to Shiva Sankara Prasad Yedla;

(23) Allotment of 30,000 Equity Shares to N. Balasubramaniam;

(24) Allotment of 10,000 Equity Shares to Shiva Sankara Prasad Yedla;

(25) Allotment of 5000 Equity Shares each to Johnson Munnangi Bidhudatta Misra and Yadavalli Sri Lakshmi and 2500 Equity Shares to D. Murali Mohan Reddy;

(26) Allotment of 1,149,213 Equity Shares to PCF pursuant to conversion of 1,453,186 CCC Preference Share;

(27) Allotment of 60,000 Equity Shares to Balasubramanian Narayanan;

(28) Allotment of 528,682 Equity Shares to PCF, 304,924 Equity Shares to VLF and 223,758 Equity Shares to VTCPL (A/c – The Ventureast Life Fund III) pursuant to conversion of 1,666,664 CCC Preference Shares;

(29) Allotment of 62,500 Equity Shares to K. Jaishree;

(30) Allotment of 90,000 Equity Shares to N. Balasubramaniam and 37,500 Equity Shares to K. Jaishree;

(31) Allotment of 30,000 Equity Shares to Siva Shanker Prasad Yedla;

(32) Allotment of 90,000 Equity Shares to N. Balasubramaniam;

(33) Allotment of 868,417 Equity Shares to PCF, 500,870 Equity Shares to VLF and 367,546 Equity Shares to VTCPL (A/c – The Ventureast Life Fund III) pursuant to conversion of 3,125,000 CCC Preference Shares;

(34) Allotment of 529,717 Equity Shares to PCF, 323,716 Equity Shares to VLF and 206,001 Equity Shares to VTCPL (A/c – The Ventureast Life Fund III) pursuant to conversion of 1,600,000 CCC Preference Shares;

(35) Allotment of 10,000 Equity Shares to Bala Krishna Reddy and 5,000 Equity Shares to Raghuveer Reddy S;

(36) Allotment of 25,000 Equity Shares to Unnikrishnan Nambiat;

(37) Allotment of 5,000 Equity Shares each to Sanjay Kumar and Nirupama Desikan and 2,500 Equity Shares each to SL Deshmukh and G. Renuka;

(38) Allotment of 376,591 Equity Shares to PCF and 120,509 Equity Shares to VLF pursuant to conversion of 871,200 CCC Preference Shares;

(39) Allotment of 229,523 Equity Shares to VLF and 8,283 Equity Shares to VTCPL (A/c – The Ventureast Life Fund III) pursuant to conversion of 448,800 CCC Preference Shares;

(40) Allotment of 3000 Equity Shares each to Y. Sri Lakshmi and Raghuveer Reddy S. and 5,000 Equity Shares to Rahul Mathur;

(41) Allotment of 5,000 Equity Shares to Yadvendra and 3,000 Equity Shares to Johnson Munnangi;

(42) Allotment of 5,000 Equity Shares to Savneesh S.

(43) Allotment of 12,500 Equity Shares to Unnikrishnan Nambiar

(44) Allotment of 306,393 Equity Shares to Rajashekar Reddy Seelam and 59,085 Equity Shares to Renuka Seelam.

(45) Allotment of 40,000 Equity Shares to Balasubramanian Narayanan, 17,000 Equity Shares to YSS Prasad, 15,000 Equity Shares to Venkatesan Karaiyalan, 12,500 Equity Shares to Unnikrishnan Nambiar, 10,000 Equity Shares to Kumar Kota, 7,500 Equity Shares to Komal Agarwal and 2,500 Equity Shares each to Sarath Chandra B, R Naresh Kumar and Saji John

(b) Preference Share capital

Our Company does not have any outstanding Preference Shares and all Preference Shares issued in the past have been converted to Equity Shares, as on the date of this Draft Red Herring Prospectus. For details, see "*– (a) Equity Share Capital"* beginning on page 69.

(c) Equity Shares issued for consideration other than cash

Our Company has not issued any Equity Shares for consideration other than cash since its incorporation.

(d) Equity Shares issued out of revaluation reserves

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

(e) Allotment of Equity Shares pursuant to scheme of arrangement

Our Company has not allotted any Equity Shares pursuant to a scheme of arrangement approved under Section 391 to 394 of the Companies Act, 1956 or Sections 230 to 234 of the Companies Act, 2013.

(f) ***Issue of Equity Shares under employee stock option schemes***

For details of Equity Shares issued by our Company pursuant to the exercise of options which have been granted under the ESOP Scheme, 2008, see "- *(a) Equity share Capital"* beginning on page 69 above. As on date, all options under the ESOP Scheme, 2008 have been vested and exercised and our Company does not have any other employee stock option scheme.

(g) ***Issue of Equity Shares at a price lower than the Offer Price***

Except as disclosed above under " *– Notes to Capital Structure – Share capital History of our Company – (a) Equity share Capital"* beginning on page 69, our Company has not issued any Equity Shares at a price which may be lower than the Offer Price during a period of one year preceding the date of this Draft Red Herring Prospectus.

2. ***History of the Equity Share capital held by our Promoters***

Our Promoters, Rajashekar Reddy Seelam, Renuka Seelam and Balasubramanian Narayanan collectively hold 4,429,970 Equity Shares, constituting 23.63% of the issued, subscribed and paid-up Equity Share capital of our Company.

The details regarding the equity shareholding of our Promoters, since the incorporation of our Company, are set forth in the table below:

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

Date of allotment / Transfer	Nature of acquisition / transfer	No. of Equity Shares	Nature of consideration	Face value per equity share (₹)	Issue / purchase / sale price per equity share (₹)	Percentage of the pre-Offer capital (%)	Percentage of the post-Offer capital (%)
Rajashekar Reddy Seelam							
March 12, 2004	Initial subscription to the Memorandum of Association	5,000	Cash	10	10	0.03	[•]
March 1, 2005*	Further allotment	108,000	Cash	10	10	0.58	[•]
November 30, 2005*	Further allotment	462,000	Cash	10	10	2.46	[•]
March 31, 2006*	Further allotment	26,500	Cash	10	10	0.14	[•]
March 22, 2007*	Further allotment	170,000	Cash	10	10	0.91	[•]
December 31, 2007	Preferential allotment	251,000	Cash	10	10	1.34	[•]
June 12, 2008*	Rights issue	448,469	Cash	10	30	2.39	[•]
December 23, 2009*	Preferential allotment	227,747	Cash	10	14.65	1.21	[•]
June 26, 2011	Transfer from Sriram Rao	10,000	Cash	10	32	0.05	[•]
	Transfer from RK Mishra	60,000	Cash	10	5	0.32	[•]
July 29, 2011*	Further allotment	164,640	Cash	10	14.65	0.88	[•]
July 30, 2011	Further allotment[&]	1,192,251	Cash	10	12.58	6.36	[•]
September 2, 2016	Transfer to Gowni Balvardhan Reddy	(20,000)	Cash	10	10	(0.11)	[•]
December 1, 2021	Rights issue	306,393	Cash	10	42	1.63	[•]
SUB-TOTAL (A)		**3,412,000**				**18.20**	
Renuka Seelam							
March 12, 2004	Initial subscription to the Memorandum of Association	5,000	Cash	10	10	0.03	[•]
March 1, 2005*	Further allotment	80,000	Cash	10	10	0.43	[•]
November 30, 2005*	Further allotment	135,000	Cash	10	10	0.72	[•]

Date of allotment / Transfer	Nature of acquisition / transfer	No. of Equity Shares	Nature of consideration	Face value per equity share (₹)	Issue / purchase / sale price per equity share (₹)	Percentage of the pre-Offer capital (%)	Percentage of the post-Offer capital (%)
March 31, 2006*	Further allotment	4,750	Cash	10	10	0.03	[•]
March 22, 2007*	Further allotment	50,000	Cash	10	10	0.27	[•]
June 12, 2008*	Rights issue	182,108	Cash	10	30	0.97	[•]
June 15, 2013	Transfer from K. Pandiarajan	142,027	Cash	10	11.41	0.76	[•]
December 1, 2021	Rights issue	59,085	Cash	10	42	0.32	[•]
SUB-TOTAL (B)		**657,970**				**3.51**	
Balasubramanian Narayanan^							
June 27, 2011	Transfer from R.K. Misra	20,000	Cash	10	10	0.11	[•]
July 29, 2011	Allotment pursuant to ESOP Scheme, 2008	30,000	Cash	10	10	0.16	[•]
January 11, 2013	Allotment pursuant to ESOP Scheme, 2008	30,000	Cash	10	10	0.16	[•]
May 28, 2014	Allotment pursuant to ESOP Scheme, 2008	60,000	Cash	10	10	0.32	[•]
November 9, 2015	Allotment pursuant to ESOP Scheme, 2008	90,000	Cash	10	10	0.48	[•]
June 3, 2016	Allotment pursuant to ESOP Scheme, 2008	90,000	Cash	10	10	0.48	[•]
December 2, 2021	Allotment pursuant to ESOP Scheme, 2008	40,000	Cash	10	10	0.21	[•]
SUB-TOTAL (C)		**360,000**				**1.92**	
TOTAL (A+B+C)		**4,429,970**				**23.63**	

&Except for 1,192,251 Equity Shares allotted to Rajashekar Reddy Seelam, which were made fully paid-up on March 24, 2015, all the Equity Shares were fully paid-up on the respective dates of allotment or acquisition of such Equity Shares.

^Identified as a promoter of our Company vide resolution passed by our Board on December 6, 2021

**Certain corporate records of our Company in relation to certain allotments of Equity Shares by our Company are not traceable. In particular, minutes of meetings of our Board approving the issuance of Equity Shares on March 1, 2005, November 30, 2005, March 31, 2006, March 22, 2007, June 12, 2008, December 23, 2009 and July 29, 2011 are not available. For further details, see "Risk Factors - Some of our corporate records and other documents relating to issuance of Equity Shares undertaken by us in the past are not traceable" beginning on page 43.*

As on the date of this Draft Red Herring Prospectus, none of the Equity Shares held by our Promoters are pledged.

(b) Equity shareholding of our Promoters and our Promoter Group

The details of shareholding of our Promoters and members of the Promoter Group as on the date of this Draft Red Herring Prospectus are set forth below:

Sr. No.	Name of the shareholder	Pre-Offer Number of Equity Shares	Percentage of the Pre-Offer Equity Share Capital (%)	Post-Offer Number of Equity Shares	Percentage of the Post-Offer Equity Share Capital (%)
Promoters					
a)	Rajashekar Reddy Seelam	3,412,000	18.20	[•]	[•]
b)	Renuka Seelam	657,970	3.51	[•]	[•]
c)	Balasubramanian Narayanan	360,000	1.92	[•]	[•]
Members of the Promoter Group					
a)	Vijay Bhasker Reddy Seelam	64,000	0.34	[•]	[•]
Total		**4,493,970**	**23.97**	[•]	[•]

Except as disclosed above, none of the members of our Promoter Group hold any Equity Shares as on date of this Draft Red Herring Prospectus.

(c) Details of Promoter's contribution and lock-in

In accordance with Regulation 14 and Regulation 16 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Offer Equity Share capital of our Company held by our Promoters, shall be locked in for a period of eighteen months from the date of Allotment and the shareholding of our Promoters in excess of 20% of the fully diluted post-Offer Equity Share capital shall be locked in for a period of six months from the date of Allotment as a majority of the Net Proceeds are not proposed to be utilized for capital expenditure. Under Regulation 16 of the SEBI ICDR Regulations, "*capital expenditure*" includes civil work, miscellaneous fixed assets, purchase of land, building and plant and machinery, etc. For details of objects of the Offer, see "*Objects of the Offer*" beginning on page 80.

The details of the Equity Shares held by our Promoters, which shall be locked-in for a period of eighteen months from the date of Allotment are set forth below:

Name of Promoter	Number of Equity Shares locked-in	Date of allotment/ transfer*	Nature of transaction	Face value (₹)	Issue/ Acquisition price per Equity Share (₹)	Percentage of pre-Offer paid-up Equity Share capital	Percentage of post-Offer paid-up Equity Share Capital
[•]	[•]	[•]	[•]	10	[•]	[•]	[•]

**Subject to finalisation of Basis of Allotment*

Our Promoters have given consent to include such number of Equity Shares held by them as may constitute 20% of the fully diluted post-Offer Equity Share capital of our Company as the minimum Promoter's contribution. Our Promoters have agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner, the Promoters' contribution from the date of filing of this Draft Red Herring Prospectus, until the expiry of the lock-in period 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.

Our Company undertakes that the Equity Shares that are being locked-in are not ineligible for computation of Promoters' contribution in terms of Regulation 15 of the SEBI ICDR Regulations. For details of the build-up of the share capital held by our Promoters, see "- *Build-up of our Promoter's shareholding in our Company*" beginning on page 73.

In this connection, we confirm the following:

(i) The Equity Shares offered for Promoters' contribution do not include (a) equity shares acquired in the three immediately preceding years for consideration other than cash and revaluation of assets or capitalisation of intangible assets was involved in such transaction; (b) equity shares that have resulted from bonus issue by utilisation of revaluation reserves or unrealised profits of our Company or resulted from bonus issue against equity shares which are otherwise ineligible for computation of Promoters' contribution;

(ii) The Promoters' contribution does not include any equity shares acquired during the immediately preceding year at a price lower than the price at which the equity shares are being offered to the public in the Offer;

(iii) Our Company has not been formed by the conversion of a partnership firm or a limited liability partnership firm into a Company;

(iv) The equity shares held by the Promoters and offered for Promoters' contribution are not subject to any pledge; and

(v) All the equity shares held by the Promoters are held in dematerialised form.

3. ***Other Lock-in requirements***

a. Details of Equity Shares locked-in for six months:

In addition to 20% of the fully diluted post-Offer shareholding of our Company held by our Promoters and locked-in for eighteen months as prescribed under the SEBI ICDR Regulations as specified above, in terms of Regulation 16(b) and Regulation 17 of the SEBI ICDR Regulations, the entire pre-Offer

Equity Share capital of our Company will be locked-in for a period of six months from the date of Allotment as prescribed under the SEBI ICDR Regulations, except for (i) the Equity Shares transferred pursuant to the Offer for Sale; (ii) any Equity Shares allotted to the employees of our Company, whether currently employees or not and including the legal heirs or nominees of any deceased employees or ex-employees, under the ESOP 2008 prior to the Offer; and (iii) any Equity Shares held by a VCF or Category I AIF or Category II AIF or FVCI, as applicable, provided that such Equity Shares shall be locked in for a period of at least one year from the date of purchase by such shareholders. 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.

In terms of Regulation 22 of the SEBI ICDR Regulations, the Equity Shares held by the Promoters, which are locked-in may be transferred to and amongst the members of the Promoter Group or to any new promoter or persons in control of our Company, 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.

The Equity Shares held by the Promoters which are locked-in for a period of six months from the date of Allotment as prescribed under the SEBI ICDR Regulations 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 of the SEBI ICDR Regulations.

However, the relevant lock in period shall continue post the invocation of the pledge referenced above, and the relevant transferee shall not be eligible to transfer the Equity Shares till the relevant lock in period has expired in terms of the SEBI ICDR Regulations.

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

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

b. *Lock-in of the Equity Shares to be Allotted, if any, to the Anchor Investors*

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

4. ***Our shareholding pattern***

Set forth below is the equity shareholding pattern of our Company as on the date of this Draft Red Herring Prospectus:

Category (I)	Category of the Shareholder (II)	No. of Shareholders (III)	No. of fully paid up equity shares held (IV)	No. of partly paid-up Equity Shares held (V)	No. of Equity Shares underlying depository receipts (VI)	Total No. Equity Shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of Equity Shares (calculated as per SCRR, 1957) As a % of (A+B+C2) (VIII)	No. of Voting Rights held in each class of securities (IX)			No. of Equity Shares underlying outstanding convertible securities (including Warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a % of diluted share capital (XI)=(VII)+ (X) as a % of (A+B+C2))	Number of locked in Equity Shares (XII)		Number of Equity Shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialized form (XIV)
								No. of voting rights (X)		Total as a % of total voting rights			No. (a)	As a % of total Equity Shares held (b)	No. (a)	As a % of total Equity Shares held (b)	
								Class: Equity Shares	Total								
(A)	**Promoter & Promoter Group**	4	4,493,970	0	0	4,493,970	23.97%	4,493,970	4,493,970	23.97%	0	0					4,493,970
(B)	**Public**	28	14,254,888	0	0	14,254,888	76.03%	14,254,888	14,254,888	76.03%	0	0					14,254,888
(C)	**Non Promoter-Non Public**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-1	**Shares underlying depository receipts**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-2	**Shares held by employee trust**	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total (A)+(B)+(C)	32	18,748,858	0	0	18,748,858	**100%**	18,748,858	18,748,858	100%	0	0	-	-	-	-	18,748,858

5. As on the date of this Draft Red Herring Prospectus, our Company has 32 Shareholders.

6. The BRLMs and their respective associates (as defined under the SEBI Merchant Bankers Regulations) do not hold any Equity Shares.

7. ***Shareholding of our Directors and Key Managerial Personnel in our Company***

Except for 3,412,000 Equity Shares held by Rajashekar Reddy Seelam, 360,000 Equity Shares held by Balasubramanian Narayanan and 15,000 Equity Shares held by Venkatesan Karaiyalan, none of our Directors or Key Managerial Personnel hold any Equity Shares in our Company.

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

(a) Set forth below are details of our Shareholders holding 1% or more of the paid-up Equity Share capital of our Company as on date of this Draft Red Herring Prospectus:

Sr. No.	Shareholder	Number of Equity Shares	Percentage of equity share capital held (%)
1.	PCF	6,583,125	35.11
2.	Rajashekar Reddy Seelam	3,412,000	18.20
3.	VTCPL (acting on behalf of the Bio Fund)	3,259,716	17.39
4.	VLF	2,275,001	12.13
5.	VTCPL (acting on behalf of VLF III)	1,601,046	8.54
6.	Renuka Seelam	657,970	3.51
7.	Balasubramanian Narayanan	360,000	1.92
	Total	**18,148,958**	**96.80**

(b) Set forth below are details of our Shareholders holding 1% or more of the paid-up Equity Share capital of our Company as of 10 days prior to the date of this Draft Red Herring Prospectus:

Sr. No.	Shareholder	Number of Equity Shares	Percentage of Equity Share Capital held (%)
1.	PCF	6,583,125	35.11
2.	Rajashekar Reddy Seelam	3,412,000	18.20
3.	VTCPL (acting on behalf of the Bio Fund)	3,259,716	17.39
4.	VLF	2,275,001	12.13
5.	VTCPL (acting on behalf of VLF III)	1,601,046	8.54
6.	Renuka Seelam	657,970	3.51
7.	Balasubramanian Narayanan	360,000	1.92
	Total	**18,148,958**	**96.80**

(c) Set forth below are details of Shareholders holding 1% or more of the paid-up Equity Share capital of our Company as of one year prior to the date of this Draft Red Herring Prospectus:

Sr. No.	Shareholder	No. of Equity Shares	Percentage of Equity Share capital held (%)
1.	PCF	6,583,125	36.06
2.	VTCPL (acting on behalf of the Bio Fund)	3,259,716	17.85
3.	Rajashekar Reddy Seelam	3,105,607	17.01
4.	VLF	2,275,001	12.46
5.	VTCPL (acting on behalf of VLF III)	1,601,046	8.76
6.	Renuka Seelam	598,885	3.28
7.	Balasubramanian Narayanan	320,000	1.75
	Total	**17,743,380**	**97.17**

(d) Set forth below are details of Shareholders holding 1% or more of the paid-up share capital of our Company as of two years prior to the date of this Draft Red Herring Prospectus:

Sr. No.	Shareholder	No. of Equity Shares	Percentage of Equity Share capital held (%)
1.	PCF	6,583,125	36.06
2.	VTCPL (acting on behalf of the Bio Fund)	3,259,716	17.85
3.	Rajashekar Reddy Seelam	3,105,607	17.01

Sr. No.	Shareholder	No. of Equity Shares	Percentage of Equity Share capital held (%)
4.	VLF	2,275,001	12.46
5.	VTCPL (acting on behalf of VLF III)	1,601,046	8.76
6.	Renuka Seelam	598,885	3.28
7.	Balasubramanian Narayanan	320,000	1.75
	Total	**17,743,380**	**97.17**

9. As on the date of this Draft Red Herring Prospectus, our Company does not have any employee stock option scheme.

10. All the Equity Shares held by our Promoters are held in dematerialized form prior to filing of this Draft Red Herring Prospectus.

11. Except as disclosed under " - *Notes to Capital Structure - Share Capital History of our Company – (a) Equity share capital*" beginning on page 69 above, none of the members of our Promoter Group or our Directors or their relatives have sold or purchased our Equity Shares during the six months preceding the date of this Draft Red Herring Prospectus.

12. There have been no financing arrangements whereby members of our Promoter Group or our Directors or any of their relatives have financed the purchase by any other person of securities of our Company (other than in the normal course of the business of the relevant financing entity) during the six months immediately preceding the date of filing of this Draft Red Herring Prospectus.

13. Our Company, our Directors and the BRLMs have not entered into any buy-back or other arrangements for the purchase of Equity Shares.

14. Any oversubscription to the extent of 1% of the Offer size can be retained for the purposes of rounding off to the nearest multiple of minimum allotment lot while finalizing the Basis of Allotment.

15. The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares. The Equity Shares to be issued or transferred pursuant to the Offer shall be fully paid-up at the time of Allotment.

16. Our Company has no outstanding warrants, options to be issued or rights to convert debentures, loans or other convertible instruments into Equity Shares. Further, there are no outstanding convertible securities of our Company or any other right which would entitle any person with any option to receive Equity Shares of our Company.

17. Our Company presently does not intend or propose to alter the 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 for, directly or indirectly into Equity Shares), whether on a preferential basis or by issue of bonus or rights or further public issue of Equity Shares. Provided, however, that the foregoing restriction does not apply to the Allotment under the Offer.

18. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.

19. Our Company shall ensure that any transactions in Equity Shares by our Promoters and Promoter Group during the period between the date of registering this Draft Red Herring Prospectus filed in relation to this Offer and the date of closure of the Offer shall be reported to the Stock Exchanges within 24 hours of the transactions.

20. For details on the price at which Equity Shares were acquired by our Promoters, members of our Promoter Group and the Selling Shareholders in the last three years immediately preceding the date of this Draft Red Herring Prospectus, see "*Offer Document Summary*" on page 12.

OBJECTS OF THE OFFER

The Offer comprises a Fresh Issue and an Offer for Sale.

Offer for Sale

Each Selling Shareholder will be entitled to the proceeds of the Offer for Sale after deducting their respective proportion of the Offer related expenses and relevant taxes thereon. Our Company will not receive any proceeds from the Offer for Sale and the proceeds received from the Offer for Sale will not form part of the Net Proceeds. For further details, see "- *Offer related expenses"* beginning on page 85 below.

Fresh Issue

Requirement of Funds

Our Company proposes to utilise the Net Proceeds towards funding of the following objects:

1. Funding the working capital requirements of our Company;

2. Repayment or pre-payment in full or part, of certain outstanding unsecured / secured borrowings availed by our Company; and

3. General corporate purposes

(collectively, referred to as the "**Objects**").

In addition to the Objects, we expect to achieve the benefit of listing of our Equity Shares on the Stock Exchanges which, we believe, will result in the enhancement of our brand name and creation of a public market for our Equity Shares in India.

Net Proceeds

The details of the Net Proceeds are set forth in the table below:

(*in ₹ million*)

Particulars	Estimated amount
Gross Proceeds from the Fresh Issue	500
Less: Offer related expenses (only those apportioned to our Company)*	[•]
Net Proceeds*	[•]

**To be determined upon finalisation of the Offer Price and updated in the Prospectus prior to filing with the RoC.*

Utilisation of Net Proceeds

The proposed utilisation of the Net Proceeds is set forth in the table below:

(*in ₹ million*)

Particulars	Estimated amount
Funding the working capital requirements of our Company	314.58
Repayment or pre-payment in full or part, of certain outstanding unsecured / secured borrowings availed by our Company	87.50
General corporate purposes*	[•]
Net Proceeds**	[•]

**The amount to be utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds. To be determined upon finalisation of the Offer Price and updated in the Prospectus prior to filing with the RoC*

***To be determined upon finalisation of the Offer Price and updated in the Prospectus prior to filing with the RoC.*

The main objects of our Memorandum of Association enable us to carry on our existing business activities, and the activities for which funds are being raised through the Fresh Issue.

Proposed schedule of implementation and Utilisation of Net Proceeds

(*in ₹ million*)

Particulars	**Total estimated amount/expenditure**	**Amount to be deployed from the Net Proceeds in Fiscal 2023**	**Amount to be deployed from the Net Proceeds in the Fiscal 2024**
Funding working capital requirements of our Company	314.58	127.98	186.61
Repayment or pre-payment in full or part, of certain outstanding unsecured / secured borrowings availed by our Company	87.50	87.50	-
General corporate purposes**	[•]	[•]	[•]
Net Proceeds**	[•]	[•]	[•]

****To be finalised upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC.*

Our Company may decide to accelerate the estimated Objects ahead of the schedule specified above. Further, if the Net Proceeds are not utilized (in full or in part) for the objects of the Offer during the period stated above due to factors such as (i) the timing of completion of the Offer; (ii) market conditions outside the control of our Company; and (iii) any other business and commercial considerations, the remaining Net Proceeds shall be utilized in subsequent periods as may be determined by our Company, in accordance with applicable laws.

The deployment of funds indicated above is based on management estimates, current circumstances of our business and prevailing market conditions, which are subject to change. The deployment of funds described herein has not been appraised by any bank or financial institution or any other independent agency. Given the nature of our business, we may have to revise our funding requirements and deployment from time to time on account of various factors, such as financial and market conditions, competition, business and strategy and interest/exchange rate fluctuations and other external factors, which may not be within the control of our management. This may entail rescheduling the proposed utilisation of the Net Proceeds and changing the allocation of funds from its planned allocation at the discretion of our management, subject to compliance with applicable law. For details, see "*Risk Factors - Any variation in the utilisation of the Net Proceeds as disclosed in this DRHP shall be subject to certain compliance requirements, including prior Shareholders' approval. If there are delays or cost overruns in utilisation of Net Proceeds, our business, financial condition and results of operations may be adversely affected*" beginning on page 38.

In the event of any increase in the actual utilisation of funds earmarked for the purposes set forth above, such additional funds for a particular activity will be met by way of means available to us, including from internal accruals and/or debt arrangements from existing and future lenders, subject to compliance with applicable law. We believe that such alternate arrangements would be available to fund any such shortfalls.

Means of finance

The entire requirement of funds towards the Objects will be met from the Net Proceeds. Accordingly, as required under the SEBI ICDR Regulations, we confirm that there is no requirement for us to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the Net Proceeds or through existing identifiable internal accruals.

Details of utilisation of Net Proceeds

(1) Funding the working capital requirements of our Company

We have significant working capital requirements and we fund our working capital requirements in the ordinary course of business from our internal accruals, financing from banks and financial institutions. As on September 30, 2021, our Company's working capital facilities consisted of an aggregate fund based limit of ₹1,015.40 million, on a standalone basis. Our Company requires additional working capital for meeting the future demand for its products, for funding future growth requirements of our Company and for other strategic, business and corporate purposes.

Basis of estimation of working capital requirement and estimated working capital requirement

Set forth below are the details of our Company's working capital requirement and holding levels as at September 30, 2021 and Fiscals ended March 31, 2019, March 31, 2020 and March 31, 2021, on a standalone basis:

(in ₹ million)

Sr. No.	Particulars	Notes	Net working capital Fiscal 2019	Fiscal 2020	Fiscal 2021	As on the six months ended September 30, 2021
1	**Current Assets**					
a	Inventories		443.71	491.81	771.53	959.95
b	Debtors		446.30	599.04	607.19	525.43
c	Other current assets		75.31	52.75	47.40	83.96
	Total Current assets	**(A)**	**965.32**	**1,143.60**	**1,426.12**	**1,569.34**
2	**Current Liabilities**					
a	Trade Payables		286.82	347.86	368.04	254.55
b	Provisions		3.36	5.69	6.24	5.84
c	Other current liabilities		71.39	81.34	102.88	209.57
	Total Current Liabilities	**(B)**	**361.57**	**434.89**	**477.16**	**469.96**
3	**Net working capital requirements**	**(C) = (A) – (B)**	**603.75**	**708.71**	**948.96**	**1,099.38**
4	**Existing funding pattern**					
	Borrowings from banks, financial institutions and non-banking financial companies		388.20	377.63	519.50	783.62
	Internal accruals / Equity		215.55	331.08	429.46	315.76
	Total		**603.75**	**708.71**	**948.96**	**1,099.38**

Note: As certified vide certificate dated January 10, 2022 from Gandhi & Gandhi, Chartered Accountants.

On the basis of our existing working capital requirements and the projected working capital requirements, the details of our Company's expected working capital requirements and holding levels and the proposed funding for the same on a standalone basis for Fiscal 2022, Fiscal 2023 and Fiscal 2024, as approved by our Company's Board of Directors, are as provided below:

(in ₹ million)

Sr. No.	Particulars	Notes	Net working capital Fiscal 2022	Fiscal 2023	Fiscal 2024
1	**Current Assets**				
a	Inventories		787.54	927.00	1,112.40
b	Debtors		600.03	706.28	847.54
c	Other current assets		75.00	88.29	105.94
	Total Current assets	**(A)**	**1,462.57**	**1,721.57**	**2,065.88**
2	**Current Liabilities**				
a	Trade Payables		337.52	397.29	476.74
b	Provisions		7.50	8.83	10.59
c	Other current liabilities		112.51	132.43	158.91
	Total Current Liabilities	**(B)**	**457.52**	**538.54**	**646.25**
3	**Net working capital requirements**	**(C) = (A) – (B)**	**1,005.05**	**1,183.03**	**1,419.63**
4	**Source of Finance**				
	Borrowings from banks, financial institutions and non-banking financial companies or internal accruals		1,005.05	1,055.05	1,233.03
	Proceeds from the Offer		-	127.98	186.61
	Total Source of Finance		**1,005.05**	**1,183.03**	**1,419.63**

Note: As certified vide certificate dated January 10, 2022 from Gandhi & Gandhi, Chartered Accountants.

Our Statutory Auditors have provided no assurance on the prospective financial information, working capital estimates or projections and have performed no service with respect to it.

Our Company proposes to utilize ₹314.58 million from the Net Proceeds towards funding the working capital requirements of the Company.

The table below contains the details of the holding levels (in number of days or relevant matrix, as applicable) considered, on a standalone basis, for Fiscal 2019, Fiscal 2020 and Fiscal 2021 and for the six months ended September 30, 2021, the projections for Fiscal 2022, Fiscal 2023 and Fiscal 2024, and the assumptions based on which the working plan projections has been made and approved by our Board of Directors:

	No. of days					
Particulars	**March 31, 2019 (Actual)**	**March 31, 2020 (Actual)**	**March 31, 2021 (Actual)**	**March 31, 2022 (Assumed)**	**March 31, 2023 (Assumed)**	**March 31, 2024 (Assumed)**
Inventories	102	88	105	105	105	105
Debtors	103	107	83	80	80	80
Other current assets	17	9	6	10	10	10
Trade payables	66	62	50	45	45	45
Provisions	1	1	1	1	1	1
Other current liabilities	16	14	14	15	15	15
Net working capital days	139	126	129	134	134	134

Note: As certified vide certificate dated January 10, 2022 from Gandhi & Gandhi, Chartered Accountants.

Key assumptions for working capital projections made by our Company are as follows:

Sr. No	**Particulars**	**Assumptions**
Current Assets		
1.	Trade receivables	Historically, the holding levels of trade receivables have ranged from 83-107 days in last three years. We expect the trend to continue and hence assumed 80 days of holding.
2.	Inventories	Inventory levels tend to be more volatile depending upon the procurement season. Our assumption of 105 days is based on the projected revenue and procurement season
3.	Other financial and current assets	The key items under this head are prepaid expenses, advances to suppliers, security deposits with government authorities, etc. With the increased sales volume our assumption of 10 days holding period is closer to trends in last 1-1.5 years.
Current Liabilities		
1.	Trade payables	Since our major trade payables belong to raw material procurement, our payment cycle to farmers will remain the same as the previous year trends. A part of that practice has been retained and hence trade payable days have been projected at 45 days of sales.
2.	Other current liabilities and provisions	The holding levels under this head has ranged from 15-17 days in the last three years. We have projected the last year trend of 15 days.

Note: As certified vide certificate dated January 10, 2022 from Gandhi & Gandhi, Chartered Accountants.

Our Board of Directors pursuant to its resolution dated December 15, 2021 has approved the working capital requirements of our Company. See "*Material Contracts and Documents for Inspection – Material Documents*" beginning on page 329.

Our Company proposes to utilize ₹127.98 million and ₹186.61 million of the Net Proceeds in Fiscal 2023 and Fiscal 2024, respectively, towards meeting its long term working capital requirements. The balance portion of our long term working capital requirement will be arranged from existing equity, internal accruals and borrowings from banks.

(2) Repayment or pre-payment in full or part, of certain outstanding unsecured / secured borrowings availed by our Company

Our Company enters into various financial arrangements from time to time. The loan facilities availed by our Company include borrowings in the form of, amongst other things, working capital facilities and cash credit facilities. For further details, see "*Financial Indebtedness*" beginning on page 266.

As on September 30, 2021, the amount outstanding under our fund based loan facilities was ₹783.62 million. The following table provides details of certain borrowings availed by our Company, which are outstanding as on September 30, 2021, which are currently proposed to be repaid or prepaid, in full or in part, to the extent of ₹87.50 million from the Net Proceeds. Given the nature of these borrowings and the terms of repayment or pre-payment, the aggregate outstanding amounts under these borrowings may vary from time to time, and our Company may, in accordance with the relevant repayment schedule, repay or refinance, or prepay, some of their existing borrowings prior to Allotment. Accordingly, we may utilise the Net Proceeds for full or partial pre-payment or repayment of any such refinanced facilities, or full or partial pre-payment, or repayment of any additional facilities obtained by our Company.

In light of the above, at the time of filing the Red Herring Prospectus, the table below shall be suitably updated to reflect the revised amounts or loans, as the case may be, which have been availed by us. However, the aggregate amount to be utilised from the Net Proceeds towards pre-payment or repayment of borrowings (including refinanced or additional facilities availed, if any), in part or full, would not exceed ₹87.50 million.

Sr. No.	Name of the Lender	Amount sanctioned (in ₹ million)	Amount outstanding* as on September 30, 2021 (in ₹ million)	Purpose of the loan[1]	Repayment/ Pre-payment penalty/conditions	Rate of interest
1.	Pravesa Holding Private Limited	40	40	To meet the working capital requirements	Repayment at the end of the third year from the disbursement date.	18% p.a.
		20	20		Repayment/ Pre-payment with 60 days' notice	16% p.a.
		10	10		Repayment/ Pre-payment with 60 days' notice	
2.	Caspian Impact Investments Private Limited ("**Caspian**")	70	25.27	To meet the working capital requirements	Repayable in 36 monthly installments. Pre-payment subject to providing two days' notice and the minimum amount being prepaid being ₹2.5 million and also upon payment of an extra amount equivalent to 2% of the amount being prepaid plus taxes	14.50% p.a.
		17.90	17.40			14% p.a.
		100	83.53			13.75% p.a.

**As certified by Gandhi & Gandhi, Chartered Accountants by way of their certificate dated January 10, 2022*
[1]*As certified by the Statutory Auditor by way of certificate dated January 7, 2022*

(3) General corporate purposes

The Net Proceeds will first be utilised for the Objects as set out above. Subject to this, our Company intends to deploy the balance Net Proceeds towards general corporate purposes and the business requirements of our Company, as approved by our Board, from time to time, subject to such utilisation for general corporate purposes not exceeding 25% of the Gross Proceeds from the Fresh Issue, in compliance with the SEBI ICDR Regulations.

The general corporate purposes for which our Company proposes to utilise the Net Proceeds include, without limitation, (i) funding growth opportunities, (ii) strengthening marketing capabilities and brand building exercises, (iii) meeting ongoing general corporate contingencies, (iv) expenses incurred in ordinary course of business, (v) business requirements of our Company, and (vi) any other purpose, as may be approved by our Board or a duly constituted committee thereof from time to time, subject to compliance with applicable law, including provisions of the Companies Act.

The allocation or quantum of utilisation of funds towards the specific purposes described above will be determined by our Board, based on our business requirements and other relevant considerations, from time to time. Our management, in accordance with the policies of our Board, shall have the flexibility in utilising surplus amounts, if any. In the event that our Company is unable to utilise the entire amount that our Company has currently estimated for use out of Net Proceeds in a Fiscal, our Company will utilise such unutilised amount in the next Fiscal.

Offer related expenses

The total expenses in relation to the Offer are estimated to be approximately ₹[•] million. The expenses in relation to the Offer include, among others, listing fees, underwriting fees, selling commission, fees payable to the BRLMs, fees payable to legal counsel, fees payable to the Registrar to the Offer, Escrow Collection Bank to the Offer and Sponsor Bank, including processing fee to the SCSBs for processing ASBA Forms, brokerage and selling commission payable to Registered Brokers, RTAs and CDPs, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges.

All charges, fees and expenses associated with and incurred in connection with the IPO, except listing fees and all corporate publicity other than strictly Offer-related advertisements, which shall be borne by our Company and fees and expenses in relation to the legal counsel to the Selling Shareholders which will be borne by the respective Selling Shareholders, will be shared pro-rata between our Company and the Selling Shareholders, subject to Section 28 of the Companies Act, 2013. It is clarified that our Company shall solely bear all expenses in relation to the Fresh Issue and each Selling Shareholder shall bear its portion of the expenses in proportion to Offered Shares. All the above payments shall be made first by our Company. Each Selling Shareholder will reimburse our Company in proportion to its respective portion of the Offered Shares, for any expenses incurred by our Company on behalf of such Selling Shareholder. However, in the event any Selling Shareholder withdraws, abandons or terminates its participation in the offer for sale at any stage prior to the completion of Offer, it will reimburse to our Company all costs, charges, fees and expenses incurred in connection with the Offer on a pro-rata basis, up to the date of such withdrawal, abandonment or termination with respect to such Selling Shareholder in a reasonable manner as may be mutually agreed between our Company and the Selling Shareholder.

Additionally, in the event that the Offer is postponed or withdrawn or abandoned for any reason or is not successfully completed, our Company and the Selling Shareholders will proportionately be liable for the expenses incurred in relation to the Offer on a pro rata basis, up to the date of such withdrawal, abandonment or termination.

The break-down of the estimated Offer expenses is disclosed below:

S. No	Activity	Estimated amount[(1)] (*in ₹ million*)	As a % of total estimated offer Expenses[(1)]	As a % of Offer Size[(1)]
1.	BRLMs' fees and commissions (including underwriting commission, brokerage and selling commission)	[•]	[•]	[•]
2.	Selling commission/processing fee for SCSBs, Banker(s) to the Offer, Sponsor Bank and fee payable to the Sponsor Bank for Bids made by RIBs[(2)(3)(4)]	[•]	[•]	[•]
3.	Brokerage and selling commission and bidding charges for members of the Syndicate (including their sub-Syndicate Members), Registered Brokers, RTAs and CDPs[(5)]	[•]	[•]	[•]
4.	Fees payable to the Registrar to the Offer	[•]	[•]	[•]
5.	Other expenses:			
	(i) Listing fees, SEBI filing fees, upload fees, BSE and NSE processing fees, book building software fees and other regulatory expenses	[•]	[•]	[•]
	(ii) Printing and stationery	[•]	[•]	[•]
	(iii) Advertising and marketing expenses	[•]	[•]	[•]
	(iv) Fee payable to legal counsels	[•]	[•]	[•]
	(v) Miscellaneous	[•]	[•]	[•]
	Total estimated Offer Expenses	[•]	[•]	[•]

[(1)] *Amounts will be finalised and incorporated in the Prospectus on determination of Offer Price. Offer expenses include applicable taxes,* *where applicable. Offer expenses are estimates and are subject to change.*

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

*Portion for Retail Individual Bidders**	*[•]% of the Amount Allotted* (plus applicable taxes)*
*Portion for Non-Institutional Bidders**	*[•]% 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 applications 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/CRTAs/ CDPs and submitted to SCSB for blocking, would be as follows:*

Portion for Retail Individual Bidders	*₹[•] per valid Bid cum Application Form (plus applicable taxes)*
Portion for Non-Institutional Bidders	*₹[•] 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:*

Sponsor Bank	*₹[•] per valid Bid cum Application Form* (plus applicable taxes)* *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, CRTAs and CDPs or for using 3-in-1 type accounts- linked online trading, demat & bank account provided by some of the Registered Brokers which are Members of the Syndicate (including their Sub-Syndicate Members) would be as follows:*

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

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

Uploading charges payable to Members of the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs on the applications made by RIBs using 3-in-1 accounts and Non-Institutional Bidders which are procured by them and submitted to SCSB for blocking or using 3-in- 1 accounts, would be as follows: ₹[•] plus applicable taxes, per valid application bid by the Syndicate (including their sub-Syndicate Members), CRTAs and CDPs.

(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), CRTAs 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), CRTAs and CDPs.*

The selling commission and bidding charges payable to Registered Brokers the CRTAs 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, CRTAs/CDPs on the portion for RIBs and Non-Institutional Bidders which are directly procured by the Registered Brokers or CRTAs or CDPs and submitted to SCSB for processing, would be as follows:

*Portion for Retail Individual Bidders**	*₹ [•] per valid application (plus applicable taxes)*
*Portion for Non-Institutional Bidders**	*₹ [•] per valid application (plus applicable taxes)*

** Based on valid applications*

All such commissions and processing fees set out above shall be paid as per the timelines in terms of the Syndicate Agreement and Escrow and Sponsor Bank Agreement. Further, the processing fees for applications made by Retail Individual Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

Interim use of Net Proceeds

The Net Proceeds shall be retained in the Public Offer Account until receipt of the listing and trading approvals from the Stock Exchanges by our Company. Pending utilisation of the Net Proceeds for the purposes described above, our Company shall temporarily deposit the Net Proceeds in one or more scheduled commercial banks included in the Second Schedule of Reserve Bank of India Act, 1934 as may be approved by our Board. In accordance with Section 27 of the Companies Act, 2013, our Company confirms that it shall not use the Net

Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets.

Bridge financing facilities

Our Company has not raised any bridge loans from any bank or financial institution as at the date of this Draft Red Herring Prospectus, which are proposed to be repaid from the Net Proceeds.

Monitoring utilisation of funds

As the funds received by our Company will be less than ₹1,000 million, our Company is not required to appoint a monitoring agency for the Offer in accordance with Regulation 41 of the SEBI ICDR Regulations.

Pursuant to Regulation 18(3) and Regulation 32(3) of the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee the uses and application of the Net Proceeds. The Audit Committee shall make recommendations to our Board for further action, if appropriate. Our Company shall, on an annual basis, prepare a statement of funds utilised for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the Statutory Auditors. Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilisation of the proceeds of the Fresh Issue from the object of the Fresh Issue as stated above; and (ii) details of category wise variations in the actual utilisation of the proceeds of the Fresh Issue from the object of the Fresh Issue as stated above. This information will also be uploaded onto our website.

Variation in the Objects

In accordance with Section 13(8) and Section 27 of the Companies Act, 2013, read with Regulation 59 and Schedule XX of the SEBI ICDR Regulations and applicable rules, our Company shall not vary the Objects without our Company being authorised to do so by the Shareholders by way of a special resolution. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution ("**Notice**") shall specify the prescribed details, including justification for such variation and be published and placed on website of our Company, as required under the Companies Act, 2013 read with applicable rules. The Notice shall simultaneously be published in the newspapers, one in English and one in the vernacular language of the jurisdiction where the Registered Office is situated. Pursuant to Section 13(8) of the Companies Act, 2013, the Promoters or controlling Shareholders will be required to provide an exit opportunity to such Shareholders who do not agree to the proposal to vary the objects, subject to the provisions of the Companies Act, 2013 and in accordance with such terms and conditions, including in respect of pricing of the Equity Shares, in accordance with the Companies Act, 2013 and the SEBI ICDR Regulations. For risk associated with variation in Objects, see "*Risk Factors – Any variation in the utilisation of the Net Proceeds as disclosed in this DRHP shall be subject to certain compliance requirements, including prior Shareholders' approval. If there are delays or cost overruns in utilisation of Net Proceeds, our business, financial condition and results of operations may be adversely affected*" beginning on page 38.

Appraising agency

None of the Objects of the Offer for which the Net Proceeds will be utilized has been appraised by any agency.

Other confirmations

No part of the Net Proceeds will be paid by our Company as consideration to the Promoters, the Directors, or the Key Managerial Personnel. Further, there is no existing or anticipated transactions in relation to utilization of Net Proceeds by our Company with the Promoters, members of the Promoter Group, the Directors, the Key Managerial Personnel or Group Company.

BASIS FOR OFFER PRICE

The Price Band and the Offer Price will be determined by our Company and the Selling Shareholders, in consultation with the Book Running Lead Managers, on the basis of the Book Building Process and the quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹10 each and the Offer Price is [•] times the Floor Price and [•] times the Cap Price. Investors should refer to "*Risk Factors*", "*Our Business*", "*Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 22, 129, 185 and 238, 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:

a) Market leader and one of the pioneers in the rapidly growing organic foods industry in India with a diversified and innovation driven product portfolio through our research and development efforts;

b) Pan-India presence and market leadership fostered by an omni-channel distribution network;

c) One of the leading Indian organic food brands in the USA with exports to a total of 34 countries;

d) Large scale and efficient sourcing and procurement network, which is an entry barrier, further strengthened through exclusive procurement access to farmers within our network;

e) Asset-light model with strategically located processing facilities and end-to end control over the integrated supply chain with a focus on quality; and

f) Experienced Promoters and professional management team

For further details, see *"Risk Factors"* and *"Our Business"* beginning on pages 22 and 129, respectively.

Quantitative factors

Some of information presented below relating to our Company is based on the Restated Consolidated Financial Information. For details, see *"Financial Statements"* beginning on page 185.

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 ₹10 each:

As per Restated Consolidated Financial Information:

Year/period ended	Basic EPS (₹)	Diluted EPS (₹)	Weight
March 31, 2021	5.69	5.67	3
March 31, 2020	5.18	5.17	2
March 31, 2019	(1.93)	(1.93)	1
Weighted Average	**4.25**	**4.24**	
Six-month ended September 30, 2021*	0.62	0.62	

**Not Annualised*

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. *Basic Earnings per Equity Share (₹) = Net profit after tax attributable to owners of the Company, as restated / Weighted average no. of Equity Shares outstanding during the year*
3. *Diluted Earnings per Equity Share (₹) = Net Profit after tax attributable to owners of the Company, as restated / Weighted average no. of potential Equity Shares outstanding during the year*
4. *Earnings per Share calculations are in accordance with the notified Indian Accounting Standard 33 'Earnings per share'.*
5. *The figures disclosed above are based on the Restated Ind-AS Financial Statements of the Company.*

2. **Price/Earning ("P/E") 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)
Based on basic EPS for Fiscal 2021 on Restated Consolidated Financial Information	[•]	[•]
Based on diluted EPS for Fiscal 2021 on Restated Consolidated Financial Information	[•]	[•]

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

There are no listed companies in India whose business is exactly comparable with that of our business and our scale of operations.

4. **Average Return on Net Worth ("RoNW")**

Period/Year ended	RoNW (%)	Weight
March 31, 2021	13. 61	3
March 31, 2020	14.22	2
March 31, 2019	(6.11)	1
Weighted Average	10.53	
Six-month ended September 30, 2021*	1.47	

**Not Annualised*

Notes:

1. *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.*
2. *Return on Net Worth (%) = Net Profit after tax attributable to owners of the Company, as restated / restated net worth at the end of the year/period.*
3. *'Net worth' under Ind-As: Net worth has been defined as 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 as on March 31, 2019; 2020 and 2021 in accordance with Regulation 2(1)(hh) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.*

5. **NAV per Equity Share (Face value of ₹10 each)**

NAV	(₹)
As on September 30, 2021	42.33
After the Offer	
- At the Floor Price	[•]
- At the Cap Price	[•]
- At Offer Price	[•]

Notes:

1. *Net Asset Value per Equity Share = Net worth as per the Restated Consolidated Financial Information/ Number of equity shares outstanding as at the end of year/period.*
2. *'Net worth' under Ind-As: Net worth has been defined as 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 as on March 31, 2019; 2020 and 2021 in accordance with Regulation 2(1)(hh) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.*

6. **Comparison of accounting ratios with listed industry peers**

There are no listed companies in India whose business is exactly comparable with that of our business and our scale of operations.

7. **The Offer Price is [•] times of the face value of the Equity Shares**

The Offer Price of ₹[•] has been determined by our Company and the Selling Shareholders, in consultation with the Book Running Lead Managers, 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.

Investors should read the above mentioned information along with "*Risk Factors*", "*Our Business*" and "*Financial Statements*" beginning on pages 22, 129 and 185, respectively, to have a more informed view. The trading price of the Equity Shares of our Company could decline due to the factors mentioned in "*Risk Factors*" beginning on page 22 and you may lose all or part of your investments.

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS

To,

The Board of Directors
SRESTA NATURAL BIOPRODUCTS LIMITED
CIN: U01122TG2004PLC042837
REGD. OFFICE: 203, PAVANI ANNEXE, ROAD NO. 2, BANJARA HILLS,
HYDERABAD TELANGANA 500034 IN

Sub: Statement of possible special tax benefits available to Sresta Natural Bioproducts Limited, its shareholders and Fyve Elements LLC prepared in accordance with the requirements under Schedule VI (Part A)(9)(L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended ("SEBI ICDR Regulations")

1. We, M S K A & Associates ("the Firm"), Chartered Accountants, the statutory auditors of Sresta Natural Bioproducts Limited (the "Company") hereby confirm the enclosed statement ("Statement") in the Annexure prepared and issued by the Company, which provides the possible special tax benefits under Income-tax Act, 1961 ('Act') presently in force in India viz. the Income-tax Act, 1961, ('Act'), the Income-tax Rules, 1962, ('Rules'), regulations, circulars and notifications issued thereon, as applicable to the assessment year 2022-23 relevant to the financial year 2021-22, possible special tax benefits under the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 and applicable State Goods and Services Tax Act, 2017 ("GST Acts"), the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act"), as amended by the Finance Act 2021 including the relevant rules, notifications and circulars issued there under, applicable for the Financial Year 2021-22, available to the Company, its shareholders; and Fyve Elements LLC ("Material Subsidiary") identified as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. Several of these benefits are dependent on the Company, its shareholders, and Material Subsidiary, as the case may be, fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company, its shareholders, and Material Subsidiary to derive the special tax benefits is dependent upon their fulfilling such conditions, which based on business imperatives the Company, its shareholders and Material Subsidiary face in the future, the Company, its shareholders and Material Subsidiary may or may not choose to fulfil.

2. This statement of possible special tax benefits is required as per Schedule VI (Part A)(9)(L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended ('SEBI ICDR Regulations'). While the term 'special tax benefits' has not been defined under the SEBI ICDR Regulations, it is assumed that with respect to special tax benefits available to the Company, the same would include those benefits as enumerated in the statement. Any benefits under the Taxation Laws other than those specified in the statement are considered to be general tax benefits and therefore not covered within the ambit of this statement. Further, any benefits available under any other laws within or outside India, except for those specifically mentioned in the statement, have not been examined and covered by this statement.

3. 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.

4. The benefits discussed in the enclosed Statement cover the possible special tax benefits available to the Company, its shareholders and its Material Subsidiary and do not cover any general tax benefits available to them.

5. In respect of non-residents, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.

6. The benefits stated in the enclosed Statement are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that this 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 distinct nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the issue and we shall in no way be liable

or responsible to any shareholder or subscriber for placing reliance upon the contents of this statement. Also, any tax information included in this written communication was not intended or written to be used, and it cannot be used by the Company or the investor, for the purpose of avoiding any penalties that may be imposed by any regulatory, governmental taxing authority or agency.

7. We do not express any opinion or provide any assurance whether:

- The Company, its shareholders and Material Subsidiary will continue to obtain these benefits in future;
- The conditions prescribed for availing the benefits have been/would be met;
- The revenue authorities/courts will concur with the views expressed herein.

8. The contents of the enclosed Statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. We have relied upon the information and documents of the Company being true, correct, and complete and have not audited or tested them. Our view, under no circumstances, is to be considered as an audit opinion under any regulation or law. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our Firm or any of partners or affiliates, shall not be responsible for any loss, penalties, surcharges, interest or additional tax or any tax or non-tax, monetary or non-monetary, effects or liabilities (consequential, indirect, punitive or incidental) before any authority / otherwise within or outside India arising from the supply of incorrect or incomplete information of the Company.

9. This Statement is addressed to Board of Directors and issued at specific request of the Company. The enclosed Annexures to this statement are intended solely for your information and for inclusion in the draft red herring prospectus, the red herring prospectus, the prospectus and any other material in connection with the proposed initial public offering of equity shares of the Company, and is not to be used, referred to or distributed for any other purpose without our prior written consent. 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 statement is shown or into whose hands it may come without our prior consent in writing. Any subsequent amendment / modification to provisions of the applicable laws may have an impact on the views contained in our statement. While reasonable care has been taken in the preparation of this statement, we accept no responsibility for any errors or omissions therein or for any loss sustained by any person who relies on it.

For **M S K A & Associates**
Chartered Accountants
Firm Registration Number:105047W

Ananthakrishnan Govindan
Partner
Membership No: 205226
UDIN: 22205226AAAAAV7083

Place: Hyderabad
Date: January 7, 2022

ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO SRESTA NATURAL BIOPRODUCTS LIMITED (THE "COMPANY") AND ITS SHAREHOLDERS

Outlined below are the possible Special Tax Benefits available to the Company and its shareholders under the Income Tax Act, 1961 presently forced in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the Equity Shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have different interpretation on the benefits, which an investor can avail.

STATEMENT OF POSSIBLE SPECIAL DIRECT TAX BENEFITS AVAILABLE TO THE COMPANY, AND TO THE SHAREHOLDERS OF THE COMPANY

Under the Income Tax Act, 1961 ('the Act')

1. Special tax benefits available to the company under the Act

Section 115BAA of the Act: Corporate Tax Rate of 22%

- Section 115BAA, as inserted vide The Taxation Laws (Amendment) Act, 2019, provides that domestic company can opt for a rate of 22% (plus applicable surcharge and education cess) for the financial year 2019-20 onwards, provided the total income of the company is computed without claiming certain specified deductions or set–off of losses, depreciation etc., and claiming depreciation determined in the prescribed manner.

- In case a company opts for section 115BAA, provisions of Minimum Alternate Tax would not be applicable and earlier year MAT credit will not be available for set – off.

- The options needs to be exercised on or before the due date of filing the income tax return. Option once exercised, cannot be subsequently withdrawn for the same or any other tax year.

Further, if the conditions mentioned in section 115BAA are not satisfied in any year, the option exercised shall become invalid in respect of such year and subsequent years, and the other provisions of the Act shall apply as if the option under section 115BAA had not been exercised.

- The company has represented to us that they have opted section 115BAA of the Act for AY 2020-21.

Section 80M of the Act: Deduction on inter-corporate dividends

- The Dividend Distribution Tax ('DDT') regime under the tax laws was applicable till 31 March 2020 and dividends were not subject to tax in the hands of the shareholders. The Finance Act 2020 abolished DDT with effect from 1 April 2020.

- It also inserted section 80M of the Act effective 1 April 2020 to eliminate the cascading tax effect in case of inter-corporate dividends by providing a deduction in respect of dividends received by a domestic company from another domestic company or a foreign company or a business trust, to the extent such dividend is distributed by it on or before the due date. In this case, due date means one month prior to the date for furnishing the return of income under sub-section (1) of section 139 of the Act.

- Dividend received by Indian company from specified foreign company (in which it has shareholding of 26% or more) is taxable at 15% (plus applicable surcharge, education cess and higher education cess) as per Section 115BBD of the Act.

- The company has three subsidiaries and should be eligible to claim this deduction in respect of dividends received from the subsidiaries and further distributed to its shareholders subject to conditions of section 80M of the Act

Section 80JJAA of the Act: Deduction in respect of employment of new employees

- In accordance with and subject to the conditions specified under Section 80JJAA of the Act, a company is entitled to a deduction of an amount equal to 30% of additional employee cost incurred in the course of business in a previous year, for 3 consecutive assessment years including the assessment year relevant to the previous year in which such additional employment cost is incurred.

- Additional employee cost means the total emoluments paid or payable to additional employees employed in the previous year. The deduction under section 80JJAA would continue to be available to the company even where the company opts for the lower tax rate of 22% under the provisions of section 115BAA (as discussed above).

- The company should be eligible to claim this deduction in case it incurs additional employee cost within the meaning of Explanation (i) to sub-section (2) of Section 80JJAA of the Act and satisfies the conditions mentioned in the section.

2. Special tax benefits available to the Material Subsidiary (M/s Fyve Elements LLC, USA)

- Material subsidiary is not eligible for any special tax benefit in India.

3. Special tax benefits available to the shareholders under the Act

- Long term capital gains on transfer on shares on which Securities Transactions Tax has been paid will be subject to tax in the hands of shareholders as per the provisions of Section 112A of the Act at 10% (plus applicable surcharge and cess).

- Short term capital gains arising on transfer of shares on which Securities Transactions Tax has been paid will be subject to tax in the hands of shareholders as per the provisions of Section 111A of the Act at 15% (plus applicable surcharge and cess).

- Non-resident shareholders including foreign portfolio investors may choose to be governed by the provisions of Double Taxation Avoidance Agreement, to the extent they are more beneficial.

Notes:

- These 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.

- This statement does not discuss any tax consequences in the country outside India of an investment in the shares. The shareholders / investors in the country outside India are advised to consult their own professional advisors regarding possible Income tax consequences that apply to them.

- We understand that the Company has opted for concessional income tax rate under section 115BAA of the Act. Accordingly, surcharge shall be levied at the rate of 10% irrespective of the amount of total income.

- Health and Education Cess @ 4% on the tax and surcharge is payable by all category of tax payers.

- We understand that the Company has opted for concessional tax rate under section 115BAA of the Act. Hence, it will not be allowed to claim any of the following deductions;

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

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

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

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

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

- Deduction under section 35CCD (Expenditure on skill development)
- Deduction under any provisions of Chapter VI-A other than the provisions of section 80JJAA and section 80M;
- 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 above;
- 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 above

- Further, it is also clarified in section 115JB(5A) 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. Further, such Company will not be entitled to claim tax credit relating to MAT.
- The above statement of possible direct tax benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.

For Sresta Natural Bioproducts Limited

Venkatesan Karaiyalan
Chief Financial Officer

Date: January 7, 2022
Place: Hyderabad

ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL INDIRECT TAX BENEFITS AVAILABLE TO THE COMPANY, AND TO THE SHAREHOLDERS OF THE COMPANY

Outlined below are the possible tax benefits available to the Company and its shareholders under the Indirect tax laws in force in India. This Statement is as per the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 and applicable State Goods and Services Tax Act, 2017 ("GST Acts"), the Customs Act, 1962 ("Customs Act") and the Customs Tariff Act, 1975 ("Tariff Act"), as amended by the Finance Act 2021 including the relevant rules, notifications and circulars issued there under, applicable for the Financial Year 2021-22, presently in force in India.

UNDER THE INDIRECT TAX

BENEFITS TO THE COMPANY UNDER VARIOUS INDIRECT TAX LAWS:

1. Special tax benefits available to the Company

(i) The Company has a total of Seventeen (17) GSTIN's operating in India including one (1) ISD registration.

(ii) Few eligible food products sold by the Company are exempt from GST in terms of Notification No. 2/ 2017 – Central Rate Tax dated 28th June,e 2017.

(iii) We understand that the Company is into export of goods. Exporter of goods are entitled to various Indirect tax benefits including Remission of Duties and Taxes on Exported Products (RoDTEP), Export Promotion Capital Goods (EPCG), GST refunds, Duty Drawback under Customs Act etc.

2. Special tax benefits available to the Material Subsidiary (M/s Fyve Elements LLC, USA)

There are no special tax benefits available to the Material Subsidiary.

3. **Special Tax Benefits available to the Shareholders of the Company**

(i) The shareholders of the Company are not required to discharge any GST on transaction in securities of the Company.

Securities are excluded from the definition of Goods as defined u/s 2(52) of the Central Goods and Services Tax Act, 2017 as well from the definition of Services as defined u/s 2(102) of the Central Goods and Services Tax Act, 2017.

(ii) Apart from above, the shareholders of the Company are not eligible to special tax benefits under the provisions of the Customs Tariff Act, 1975 and / or Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, respective Union Territory Goods and Services Tax Act, 2017 respective State Goods and Services Tax Act, 2017, Goods and Services Tax (Compensation to States) Act, 2017 including the relevant rules, notifications and circulars issued there under.

Notes:

1. This Statement covers only certain relevant Indirect tax law benefits and does not cover any other benefit under any other law.

2. These tax benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Indian Indirect Tax Regulation. 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.

3. The 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 issue.

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 laws 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.

For Sresta Natural Bioproducts Limited

Venkatesan Karaiyalan
Chief Financial Officer

Date: January 7, 2022
Place: Hyderabad

SECTION IV ABOUT OUR COMPANY

INDUSTRY OVERVIEW

*Unless noted otherwise, the information in this section is obtained or extracted from the report titled "Organic Food Market in India" dated January 3, 2022 (the "**Company Commissioned Industry Report**") prepared and issued by Technopak 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. The data may have been re-classified by us for the purposes of presentation. Further, the calculation of certain of our financial information/ ratios specified in this Draft Red Herring Prospectus may vary from the manner such information is calculated by Technopak for purposes of, and as specified in, the Company Commissioned Industry Report. 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. The recipient should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction. See "Certain Conventions, Presentation of Financial, Industry and Market Data and Currency of Presentation –Industry and Market Data" beginning on page 19. Unless otherwise indicated, financial, operational, industry and other related information included herein with respect to any particular year refers to such information for the relevant calendar year.*

1.1 MACROECONOMIC OVERVIEW OF INDIA

1.1.1 India is the world's 6th largest economy and expected to be in top 3 global economies by Fiscal 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 Fiscal 2050.

GDP Ranking of Key Global Economies (CY 2020)

Country	Rank	% Share (World GDP, at current prices)	Rank PPP	% Share (World GDP, PPP)
USA	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
Note:- Available for 2019*
For India, CY 2019 is Fiscal 2019

1.1.2 India expected to fare better than developed economies and recover to a high growth path in the coming years

The impact of COVID-19 has caused several large economies to shrink. However, it is estimated that India's GDP is expected to resume its pre-COVID growth rate by Fiscal 2022.

Real GDP growth rate of Key Global Economies (CY 2018 - CY2021(P))

Country	GDP Growth Rate - 2018 (in %)	GDP Growth Rate - 2019 (in %)	GDP Growth Rate - 2020 (in %)	GDP Growth Rate – 2021P (in %)
USA	3.0%	2.2%	-3.5%	5.1%
China	6.8%	6.0%	2.3%	8.1%
Japan	0.6%	0.3%	-5.8%	3.1%

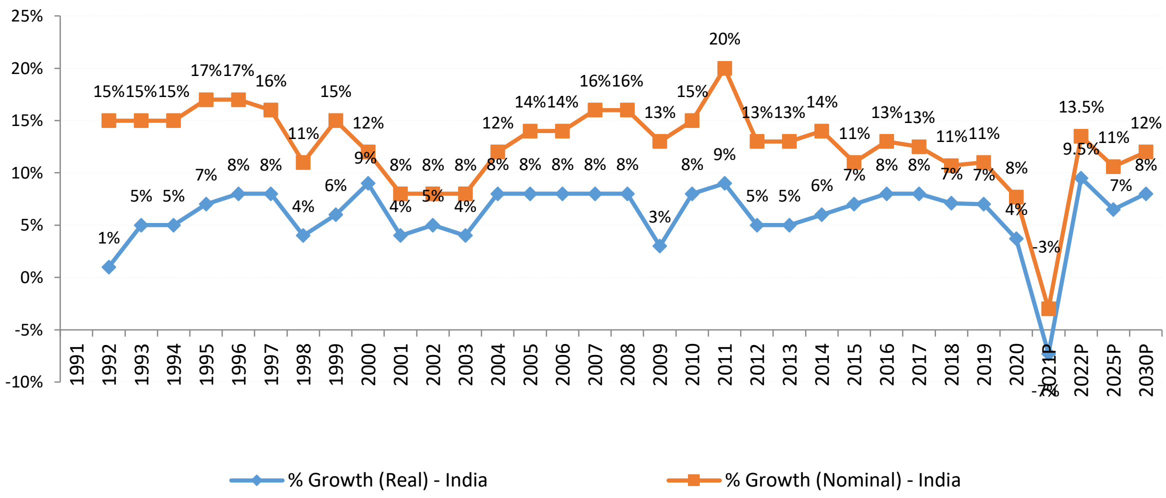
Country	GDP Growth Rate - 2018 (in %)	GDP Growth Rate - 2019 (in %)	GDP Growth Rate - 2020 (in %)	GDP Growth Rate – 2021P (in %)
Germany	1.1%	1.1%	-4.6%	3.5%
United Kingdom	1.3%	1.4%	-10.0%	4.5%
India*	6.1%	4.2%	-7.3%	9.5%
France	1.9%	1.8%	-7.9%	5.5%
Italy	0.9%	0.4%	-8.9%	3.0%
Brazil	1.8%	1.4%	-4.1%	3.6%
Canada	2.4%	1.9%	-5.3%	3.6%

Source: World Bank data, WEO January 2021 by IMF; Data of India is based on Fiscal (April-March) basis.
** Secondary sources and Technopak Analysis*
2021P: Predicted numbers for 2021

1.1.3 India's GDP growth

Since Fiscal 2005, Indian economy's growth rate has been twice as 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 Fiscal 2021 and is expected to bounce back and reach USD 4 trillion by Fiscal 2025. It is also expected that the growth trajectory of the Indian economy will enable India to be among the top 3 global economies by Fiscal 2050.

Historical GDP Growth (%)



Source: RBI Data, World Bank, IMF
**2012- GDP Spike in Real growth rate due to change of base from 2004-05 to 2011-12. Hence excluded from decadal growth rate as well*

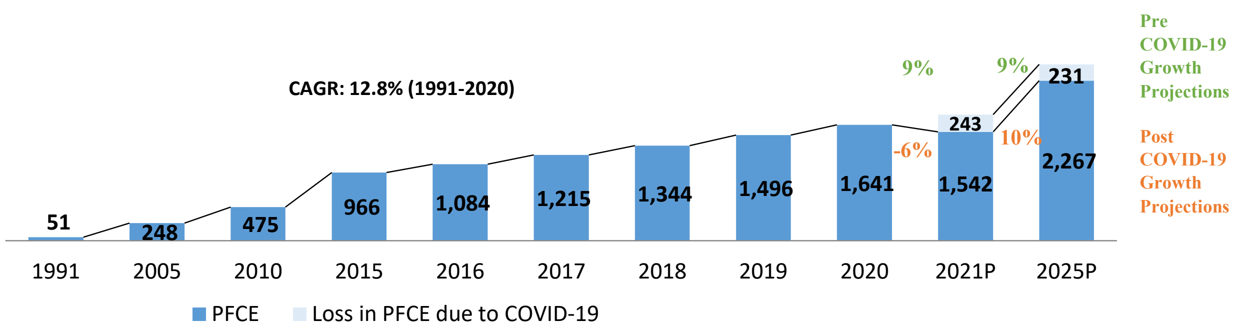
2.1 DOMESTIC CONSUMPTION

2.1.1 High share of domestic consumption in private final consumption expenditure

India's economy is primarily consumption-driven and India's share of domestic consumption, measured as private final consumption expenditure, in its GDP was approximately 60.5% in Fiscal 2020. This private consumption expenditure comprises both goods (food, lifestyle, home, pharmaceuticals, etc.) and services (food services, education, healthcare, etc.). In comparison, China's domestic consumption share to GDP in 2020 was 39.24%. 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 7.3% between Fiscal 2016 and Fiscal 2021, compared to 2.8% and 4.7% in the USA and China, respectively, during the similar period of CY 2015 and CY 2020.

Consumption priorities are also driven by the health and safety concerns and other behavioral changes adopted due to the outbreak of the COVID-19 pandemic. While the discretionary categories like apparel and lifestyle have been severely impacted by the pandemic, need based categories like food and pharma have witnessed growth in the last financial year.

India's Household Final Consumption Expenditure



Source: Technopak Analysis, RBI Data; Year indicates FY

Total Private Final Consumption Expenditure (Current Prices USD Bn)

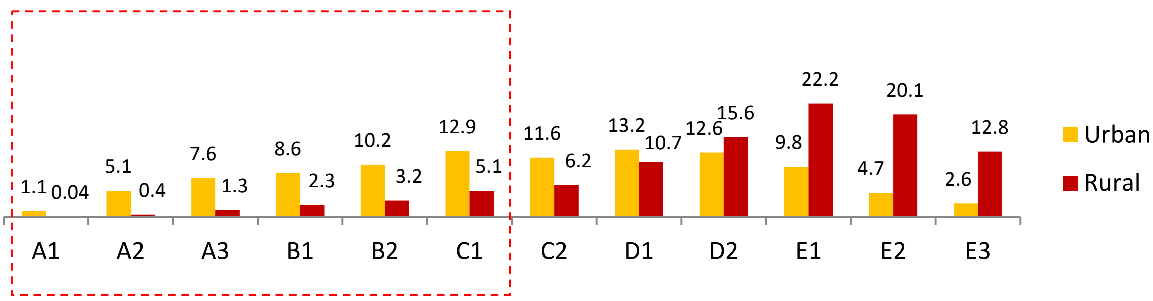
Country	CY 2010	CY 2011	CY 2012	CY 2013	CY 2014	CY 2015	CY 2016	CY 2017	CY 2018	CY 2019	CY 2020	CY 2021P	Contribution to GDP (2019)	CAGR 2015-2020
U.S.	10,260	10,699	11,047	11,363	11,847	12,263	12,693	13,239	13,993	14,428	14,047	14,347	64.80%	2.75%
Brazil	2,090	2,637	3,019	3,429	3,845	4,178	4,344	4,745	5,353	5,605	NA	6,347	37.20%	-
Italy	1,872	2,036	1,937	2,036	2,075	1,778	1,829	1,918	2,068	2,018	1,951	1,924	49.60%	1.87%
India*	411**	447**	749	863	966	1,084	1,215	1,344	1,505	1,641	1,542	1,718	57.50%	7.30%
Indonesia	1,463	1,573	1,469	1,536	1,549	1,318	1,341	1,397	1,503	1,463	1,398	1,394	48.80%	1.19%
Malaysia	1,296	1,401	1,279	1,304	1,309	1,116	1,128	1,179	1,258	1,202	1,093	1,108	54.80%	-0.42%
France	1,330	1,577	1,514	1,526	1,546	1,153	1,154	1,331	1,239	1,216	906	1,230	56.40%	-4.71%
Germany	424	495	518	519	509	495	539	582	594	648	624	723	48.50%	4.74%
Thailand	178	196	212	221	214	206	207	223	248	271	265	259	50.20%	5.17%
China	123	143	156	167	177	163	165	177	206	218	205	226	19.00%	4.69%

Source: World Bank, RBI, Technopak Research & Analysis
2020P: The projections have been arrived at by considering impact of COVID-19
** For India, CY 2020P means Fiscal 2021P*
*** For CY 2010 & CY 2011, base year was 2004-05*
1USD = INR 75

2.1.2 Top 20% of Indian households account for approximately 50% of the total household consumption

Household consumption in India is skewed towards the urban population. Socioeconomic classifications ("**SEC**") A, B and C1, which account for approximately 45.5% of urban population and approximately 12.3% of rural population is commonly referred to as the "top 20%" by income of Indian households. However, within the "top 20%" group, SEC A population accounts for approximately 14% of urban population and approximately 1.7% of rural population. Overall SEC A households account for approximately 6% of the total number of households in India.

SEC Break-up of Indian Households (in %age) Fiscal 2019



Source: RBI Data, Economic Survey, World Bank, EIU, IMF

In Fiscal 2019, the top 20% accounted for 40% to 50% of total household consumption expenditure and approximately 44% of household income. The next 40% of households accounted for 40% of the overall household expenditure, whilst the bottom 40% of households (largely comprising SEC E) made up 10% to 20%

of household consumption. The per capita consumption for the top 20%'s was twice the national average.

3.1 GROWTH DRIVERS

India's medium to long term growth and its positive impact on private consumption will be determined by inter-play of demographics, urbanization, and policy reforms.

3.1.1 Demographic profile of India

a) Young population

India has one of the youngest populations globally compared to other leading economies. The median age in India is estimated to be 28.1 years in Fiscal 2021 as compared to 38.1 years and 37.4 years in the USA and China, respectively, and is expected to remain under 30 years until 2030.

Median Age: Key Emerging & Developed Economies (CY 2021 Estimated)

Country	India	China	USA	Singapore	Russia	Korea	Canada	UK
Median Age (Yrs.)	28.1	37.4	38.1	34.6	39.6	41.8	42.2	40.5

Source: World Population Review, Technopak Analysis

b) Women Workforce

Numerous factors, including better health care and greater media focus are allowing women in India, in both urban and rural areas, to exercise greater influence on their families and society. 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.

3.1.2 Urbanization

India has the second largest urban population in the world in absolute terms at 472 million in Fiscal 2019, second only to China. However, only 34.5% of India's population is classified as urban compared to a global average of 54%. It is the pace of India's urbanization that is a key trend to note for implication on India's economic growth. Currently urban population contributes 63% of India's GDP. Going forward, it is estimated that 37% (541 million) of India's population will be living in urban centers by Fiscal 2025. Urban population is expected to contribute 75% of India's GDP in Fiscal 2030.

India's urbanization trend will also witness people moving into cities from rural areas, from smaller towns to bigger cities and from one city to the other due to nuclearization of families which would result in 'migrant tendencies' among citizens. They will have limited or no attachment to past baggage of habits and would no longer be bounded by any rigid rules like food or retail preferences. They will be open to experimentation and form new habits which may result in an increase in consumer adoption of upcoming trends and practices in retail sector.

Urban Population as Percentage of Total Population of Key Economies (CY 2020)

Country	World	India	China	USA	Singapore	Russia	Malaysia	Vietnam	UK
Urban population as % age of total population	56.15%	35%	61%	83%	100%	75%	77%	37%	84%

Source: World Bank

3.1.3 Growing Middle Class

The households with annual earnings between USD 5,000-10,000 have grown at a CAGR of 10% from Fiscal 2012-2020. The households with annual earnings between USD 10,000-50,000 have grown at a CAGR of 20% between Fiscal 2012-2020.

Increase in the number of households with annual earnings of USD 10,000 to USD 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, wellness products, ready to eat / on the go categories, etc.

Household Annual Earning Details

Year	Total House Holds (in Million)	HHs with Annual earning USD 5,000 - 10,000 (Million)	*% of total HHs*	HHs with Annual earning USD 10,000 – 50,000 (Million)	*% 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*

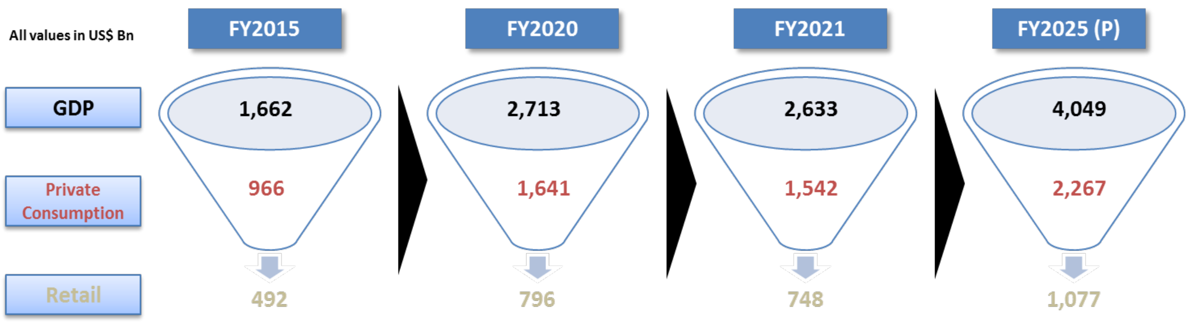
3.1.4 Nuclearization

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 less members, compared to 65% in 2001. The growing trend in nuclearization and higher disposable income will lead to higher spend in health and wellness categories as it is one of the priority categories.

4.1 RETAIL MARKET IN INDIA

Retail market in India was valued at USD 796 billion in Fiscal 2020 and is expected to grow at a CAGR of 6.23% to reach USD 1,077 billion by Fiscal 2025.

India's consumption funnel



Share of Merchandise and Services in Household Expenditure (Fiscal 2020)

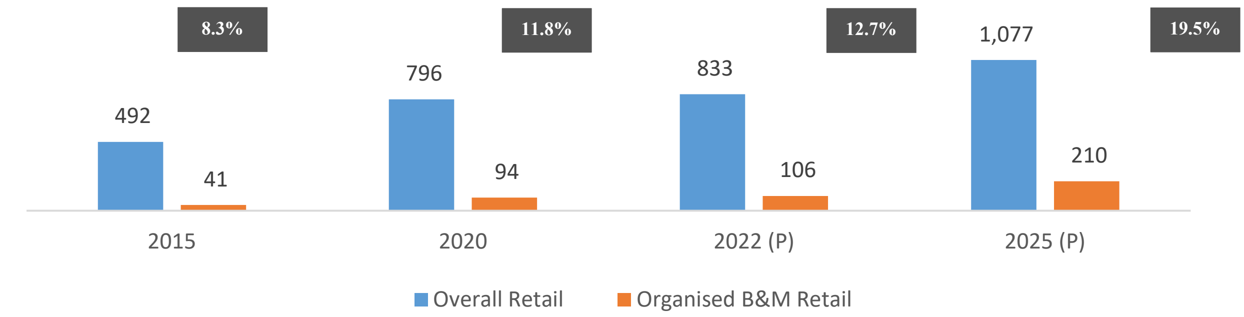
	Category	Share of Wallet
Merchandise Retail	Food and Grocery	**32%**
	Jewellery	4%
	Apparel & Accessories	4%
	Footwear	1%
	Pharma & Wellness	1%
	Consumer Durables & Information Technology	3%
	Home & Living	2%
	Others Retail Categories	2%
Services		52%

Source: Technopak Analysis

4.1.1 Extent of Organization – Overall & Category wise

While organized retail, primarily brick and mortar, has been in India for 2 decades now, its contribution to total retail is low at 11.8% (USD 94 billion) in Fiscal 2020. The organized retail penetration was only 8.3% in 2015.

Overall Retail Market (USD Bn)



Source: Technopak analysis

Organized Penetration across Key Categories

Categories	**2015**	**2020**	**2022 (P)**	**2025 (P)**
Total Organized Retail (USD Bn)	**41**	**94**	**106**	**210**
Food and Grocery	3%	4.5%	5.5%	9.0%
Jewellery & Watches	27%	32%	32%	40%
Apparel & Accessories*	23%	32%	35%	45%
Footwear	9%	30%	30%	38%
Pharmacy & Wellness	5%	10%	15%	20%
Consumer Electronics	26%	32%	35%	45%
Home & Living	9%	15%	22%	30%
Others	11%	14%	20%	22%

**Accessories include bags, belts, and wallets.*

Others include books & stationery, toys, eyewear, sports goods, alcoholic beverages & tobacco, etc.

Size of Organized Retail across Categories

	2015	**2020**	**2025 (P)**	**CAGR 2015-2020**	**CAGR 2020-25**
Total Organized Retail (USD billion)	**41**	**94**	**210**	18.1%	17.4%
Food and Grocery	8.0	23.7	61.3	24.3%	20.9%
Jewellery	9.6	19.1	36.4	14.7%	13.8%
Apparel & Accessories*	9.7	21.1	44.7	16.8%	16.2%
Footwear	1.6	2.7	5.3	11.0%	14.4%
Pharmacy & Wellness	0.7	2.3	7.1	26.9%	25.3%
Consumer Electronics	7.0	16.3	34.5	18.4%	16.2%
Home & Living	2.0	5.1	14.1	20.6%	22.6%
Others	2.0	3.7	6.9	13.1%	13.3%

**Accessories include bags, belts, wallets and watches*
Source: Secondary research, Industry reports, Technopak Analysis

Share of Brick and Mortar and E-commerce across Categories

	Fiscal 2020					**Fiscal 2025 (P)**				
	Share of Retail	**Retail Size (USD Bn)**	**Share of traditional retail**	**Share of B&M Retail**	**Share of E-commerce**	**Share of Retail**	**Retail Size (USD Bn)**	**Share of traditional retail**	**Share of B&M Retail**	**Share of E-Commerce**
Food and Grocery	66.10%	526	95.50%	4.00%	0.50%	63.3%	681	91.00%	5.00%	4.00%
Jewellery	7.50%	60	68.00%	28.00%	4.00%	8.40%	91	60.00%	33.00%	7.00%
Apparel & Accessories*	8.30%	66	68.00%	14.50%	17.50%	9.30%	100	55.00%	23.00%	22.00%
Footwear	1.20%	10	70.00%	14.00%	16.00%	1.30%	14	62.00%	16.00%	22.00%
Pharmacy & Wellness	2.90%	23	90.00%	7.80%	2.20%	3.30%	36	80.40%	11.20%	8.40%
Consumer Electronics	6.40%	51	68.00%	4.70%	27.30%	7.10%	77	55.00%	9.00%	36.00%
Home & Living	4.30%	34	85.00%	7.70%	7.30%	4.40%	47	70.00%	11.00%	19.00%
Others	3.30%	26	86.00%	5.30%	8.70%	2.9%	31	78.00%	11.00%	11.00%

	Fiscal 2020					Fiscal 2025 (P)				
	Share of Retail	Retail Size (USD Bn)	Share of traditional retail	Share of B&M Retail	Share of E-commerce	Share of Retail	Retail Size (USD Bn)	Share of traditional retail	Share of B&M Retail	Share of E-Commerce
Total	**100%**	**796**				**100%**	**1,077**			

**Accessories include bags, belts, wallets and watches*
Source: Technopak Analysis

4.1.2 Consumption of Retail basket across Key Categories

Currently, the food & grocery (F&G) segment forms the major share of the retail market (approximately 66.1%). F&G will continue to be the dominant contributor in the retail market with 63.3% share in Fiscal 2025.

5.1 SHARE OF SPENDS ON FOODS

Total Share of Spends on Food in India (in USD Bn)

	2020	2025
Private Final Consumption Expenditure in India	796	1,077
Merchandising Retail	66.1%	63.2%
Total Food and Grocery Retail in India	526	681
- Urban Share	46%	52%
- Rural Share	54%	48%
Total Food and Grocery in Urban India	242	354

Source: Secondary Research, Technopak Analysis. Note: All values in USD Bn

Share of Spends on Food in Urban India (in USD Bn)

	2020	2025
Total Food and Grocery Retail Value in Urban India	242	354
- Fresh Fruits and Vegetables	99	145
- Dairy	37	54
- Poultry and Fish	28	41
- Non-Packaged Food	34	50
- Packaged Food & Beverages	32	47
- Premium Foods	3	5
- Non-Food FMCG	8	11

Source: Secondary Research, Technopak Analysis.
Note: All values in USD Bn
Note: 34.5% of Urban India contributes to 46% of Spend in Food and Grocery in India

6.1 HEALTH AND WELLNESS INDUSTRY IN INDIA

The health and wellness food industry in India is currently at approximately INR 60,980 crore and has grown at 19% CAGR between Fiscal 2015 and Fiscal 2020. 'Fortified Functional Food' and 'Naturally Healthy' products have the highest contribution with approximately 36% and approximately 52%, respectively. While organic food contributes approximately 4% to the overall market, the category has shown tremendous growth with CAGR of over 21% between Fiscal 2015 and Fiscal 2020. In Fiscal 2025, the Indian Health and Wellness industry is expected to reach approximately INR 1,27,290 crore, growing at CAGR of 16% between Fiscal 2020 and Fiscal 2025. Organic foods are expected to grow at a CAGR of approximately 24% CAGR between Fiscal 2020 and Fiscal 2025 and is expected to further increase its share to 4% of the overall health and wellness market.

Health and Wellness industry in India (in INR crore)

	Market Size Fiscal 2015 (INR Cr)	Share in Fiscal 2015	Market Size Fiscal 2020 (INR Cr)	Share in Fiscal 2020	Market Size Fiscal 2025 (INR Cr)	Share in Fiscal 2025	CAGR (Fiscal 2015-Fiscal 2020)	CAGR (Fiscal 2020-Fiscal 2025)
Better For You	2,190	9%	5,630	9%	11,660	9%	21%	16%
Fortified/Functional	8,250	32%	21,750	36%	51,750	41%	21%	19%
Free From	110	<1%	200	<1%	310	<1%	13%	9%
Naturally Healthy	14,170	56%	31,500	52%	58,000	46%	17%	13%

	Market Size Fiscal 2015 (INR Cr)	Share in Fiscal 2015	Market Size Fiscal 2020 (INR Cr)	Share in Fiscal 2020	Market Size Fiscal 2025 (INR Cr)	Share in Fiscal 2025	CAGR (Fiscal 2015-Fiscal 2020)	CAGR (Fiscal 2020-Fiscal 2025)
Organic Food	730	3%	1,900	3%	5,600	4%	21%	24%
Total Health and Wellness Market	**25,450**		**60,980**		**127,290**		**19%**	**16%**

Source: Secondary Research, Technopak Analysis

7.1 FUTURE OF HEALTH AND WELLNESS INDUSTRY IN INDIA

COVID-19 pandemic has brought about a significant change in the health and wellness industry, giving it a boost by making Indian consumers aware about the benefits of health and wellness. Implementation of mandatory lockdown during the 1st and 2nd waves of COVID-19 impacted the retail and traditional markets, slashed businesses, and consumer confidence. However, businesses have adapted to the new normal by implementing doorstep delivery and e-retailing due to the Indian government's push to prefer e-commerce as a major distribution channel to maintain social distancing.

Growing awareness towards health and preventive care is driving wellness category. Within packaged food and beverages, products such as organic staples, organic beverages, concoctions, immunity boosting products, nutraceuticals, etc. saw high growth. Indian consumers are aware of the benefits of organic and health and wellness products over their counterparts and while they are not ready to completely switch to organic products, they are willing to have some portion of their grocery basket dedicated to health and wellness products such as organic spices, organic beverages, concoctions, etc.

7.1.1 Focus on Health and Wellness Industry will further drive Organic Food consumption

Organic products (both food and non-food categories) are expected to benefit from the growth of the health and wellness industry. As the COVID-19 situation subsides, customers may increasingly substitute organic foods, including staples and other grocery items, in place of non-organic foods. Organic food is considered safer than conventionally grown produce as they are free from harmful pesticides and chemicals. Consumers trust certified organic food products as they meet the required standards. These standards regulate how such foods are grown, handled and processed.

Post COVID-19, customers have also started to demand sustainable, transparent and clean labels for consumption. Organic farming is widely considered to be a far more sustainable alternative to conventional methods and provide product traceability in most cases.

8.1 OVERVIEW OF GLOBAL ORGANIC FOOD MARKET

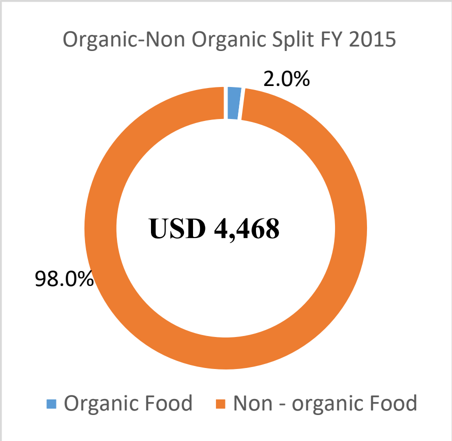
8.1.1 Global Food Market

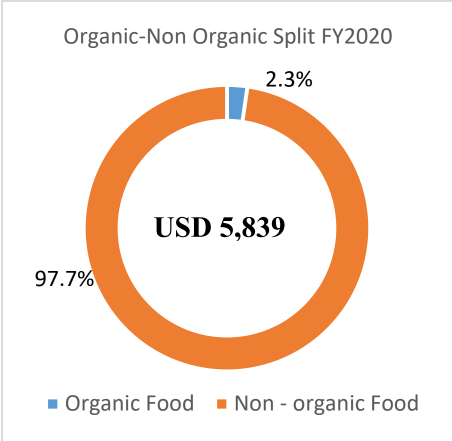
The global food market, currently valued at USD 5,839 billion, is expected to grow at 6.5% over the next 5 years reaching a value of USD 8,000 billion by Fiscal 2025.

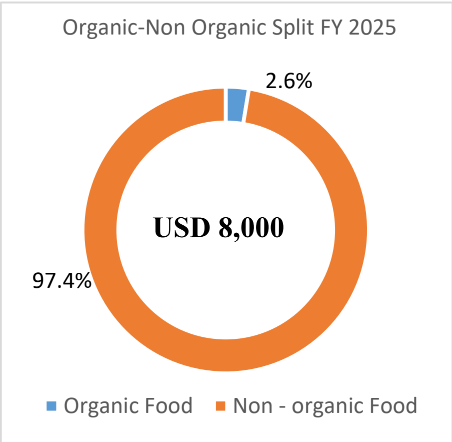
Global food market size (CY 2015 – CY 2025) (USD billion)

	Market Size CY 2015 (USD Bn)	Share in CY 2015	Market Size CY 2020 (USD Bn)	Share in CY 2020	Market Size CY 2025 (USD Bn)	Share in CY 2025	CAGR (CY 2015-CY 2020)	CAGR (CY 2020-CY 2025)
Total Food Market	**4,468**	**-**	**5,839**	**-**	**8,000**	**-**	**5.5%**	**6.5%**
Organic Food Market	89	2.0%	135	2.3%	210.	2.6%	8.7%	9.4%
Non-Organic Food Market	4,379	98.0%	5,704	97.7%	7,890	97.4%	5.4%	6.7%

Source: Secondary Research, Technopak Analysis







Source: Secondary Research, Technopak Analysis

8.1.2 Global Organic Food Market

As per FAO (Food and Agriculture Organization of the UN), organic agriculture is practiced in 187 countries and 72.3 million hectares of agricultural land is under organic cultivation by at least 3.1 million farmers. Globally, organic farming continues to grow and is accepted widely by the farmers, consumers and policymakers. Preference for organic products has been growing due to safety, human health, and environmental concern. Consumers also prefer other attributes of organic food such as taste, appearance, freshness, etc.

Global organic food market was worth USD 89 billion in CY 2015 and subsequently grew to USD 135 billion in CY 2020. The share of organic food in the total food market grew from 2.0% in CY 2015 to 2.3% in CY 2020. Organic food market is expected to grow at 9.4% between CY 2020 and CY 2025 reaching a value of USD 210 billion and contributing 2.6% share to the total food market.

Packaged foods are expected to grow faster than fresh food segment, growing at a CAGR of 13.1%, constituting 55% of the global organic food market by Fiscal 2025.

Global Organic Food Market Size (2015-2025) (USD Bn)

	Market Size CY 2015 (USD Bn)	Share in CY 2015	Market Size CY 2020 (USD Bn)	Share in CY 2020	Market Size CY 2025 (USD Bn)	Share in CY 2025	CAGR (CY 2015-CY 2020)	CAGR (CY 2020-CY 2025)
Packaged Food*	32	36.0%	62	46.0%	115	55.0%	14.1%	13.1%
Fresh**	57	64.0%	73	54.0%	95	45.0%	5.1%	5.4%
Total	**89**		**135**		**210**		**8.7%**	**9.4%**

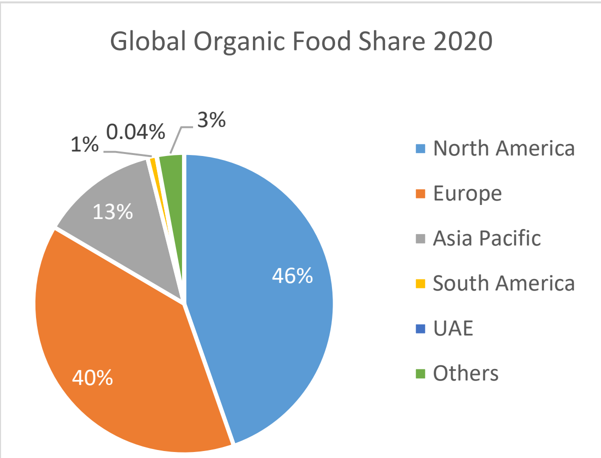
Source: Secondary Research, Technopak Analysis
Note- Including staples, snacks, frozen and processed foods, organic beverages*
*Note**- Including dairy, fruits and vegetables, meat, fish, and poultry, etc.*

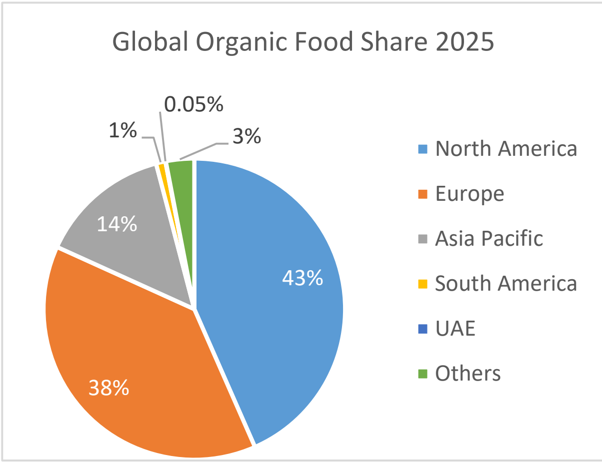
8.1.3 Region wise split of global organic food market

Region-wise Global Food Market (2015-2025) (USD Bn)

	Market Size CY 2020 (USD Bn)	Share in CY 2020	Market Size CY 2025 (USD Bn)	Share in CY 2025	CAGR (CY 2020-CY 2025)
North America	60	46%	90	43%	8.5%
Europe	52	40%	80	38%	9.0%
Asia Pacific	17	13%	30	14%	12.0%
South America	1	1%	2	1%	14.9%
UAE	0.05	0.04%	0.1	0.05%	14.9%
Africa	NA	NA	NA	NA	NA
Others (Rest of World)	4	3%	7	3%	14.9%
Total	**135**	**-**	**210**	**-**	**9.4%**

Source: Secondary Research, Technopak Analysis





Source: Secondary Research, Technopak Analysis

8.1.4 United States is the largest market for global organic food market

North America contributes approximately 46% of the global organic food market and is valued at USD 60 billion. United States has the largest share in the North American packaged organic food sales, contributing to approximately USD 56 billion in organic food and beverages and has presence of over 500 brands in organic food space. Organic food market (USD 56 billion) had a share of 5.8% in the total food market (USD 968 billion) in US in Fiscal 2020.

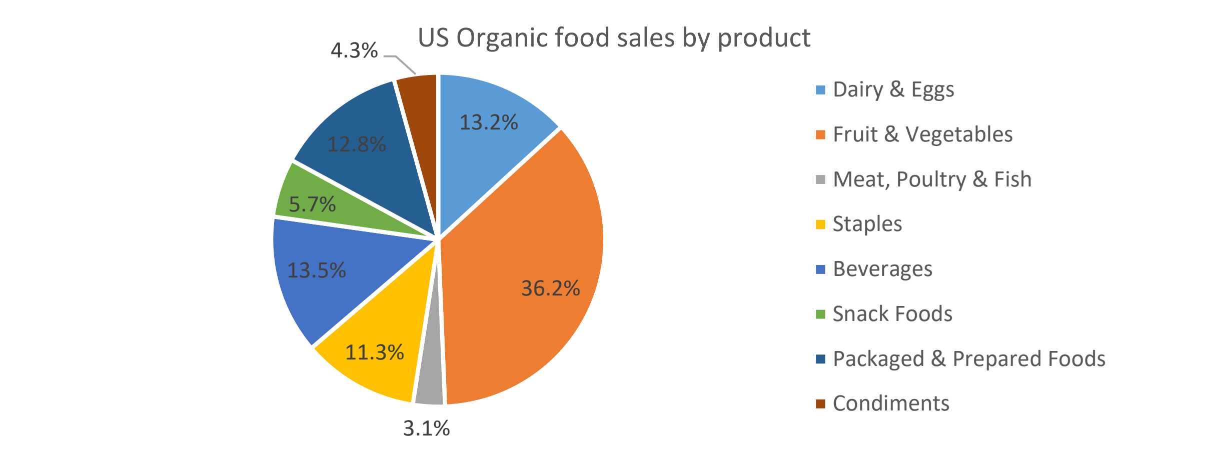
United States Organic Food Market (2015-2025) (USD Bn)

	Market Size CY 2015 (USD Bn)	Market Size CY 2020 (USD Bn)	Market Size CY 2025 (USD Bn)	CAGR (2015-20)	CAGR (2020-25)
United States	39	56	89	6.7%	10.5%

Source: Secondary Research, Technopak Analysis

While the fresh organic category (including dairy, fruits and vegetables, meat, fish, and poultry, etc.) constituted 52.5% of the organic food sales in US, the overall organic packaged food category (including staples, snacks, frozen and processed foods, organic beverages) contributed approximately 47.5% to the total organic food sales in US.

United States Organic food sales by product categories (2020)



Source: Secondary Research, Technopak Analysis

Since there is sizeable presence of Indian diaspora in the United States, there is demand for organic staples, rice, flour, pulses, and other cooking aids suitable for Indian taste palate and cooking style. There are number of brands both of Indian origin as well as from the United States catering to this demand, targeting Indian diaspora, and providing a good substitute to the non-organic food and grocery products. Most of the brands offers complete range of packaged organic food and grocery products through the leading retail stores in the United States, which includes ethnic stores and mainstream stores. 24 Mantra is one of the leading Indian organic food brands in the United States with presence in 39 states across Indian ethnic stores and mainstream stores.

Indian Organic Brands in United States

Organic Brands in United States offering Indian Food and Grocery Products
24 Mantra Organic
Organic India
Eco Life
Dwaraka
Jiva Organics

Note: Players with B2C branded play considered

9.1 CONSUMPTION VS EXPORT OF ORGANIC FOOD

9.1.1 Europe is the largest producer of Organic food globally

Europe has the highest area under cultivation for organic products with 16.5 million hectares of agricultural land used for producing organic products.

Organic Land under Cultivation

	Organic Land (in Hectare)
North America	3,64,623
Europe	1,65,28,677
Asia Pacific	59,11,622
South America	82,92,139
Africa	20,30,829
Others (Rest of World)	3,95,22,391
Total	**7,22,85,658**

Source: FiBL 2019

9.1.2 Countries with highest exports of Organic Produce (Food and Non-Food) (USD Bn)

Country	Organic Exports (in USD Bn)
USA	3.3
Italy	2.7

Country	Organic Exports (in USD Bn)
Spain	1.0
France	0.9
India	~1.0
Vietnam	0.6
Others	5.6
Total	**15.2**

Source: FiBL 2019, Exchange rate 1 € = 1.1 US $

10.1 DISTRIBUTION CHANNEL OF GLOBAL ORGANIC FOOD MARKET

10.1.1 Modern retail formats have most relevance for the sale of organic food

The channel of distribution for organic food varies by geography. In USA, majority of sales happens through modern retail channels contributing 70% of the total organic food sales, especially through supermarkets and hypermarkets. There is also a significant contribution of specialty stores to the sales of organic food. Specialty stores contribute approximately 18% to the total organic food sales in the US.

In the European countries, for instance Italy, traditional retail stores have a higher share in sale of organic food, while some countries such as Spain have modern retail dominating the sales of organic food. Asian countries such as India and China have higher distribution through traditional channels while the share of specialty stores is still negligible.

Distribution Channel in Leading countries in Global Organic Food Market (2020)

	North America	Europe		Asia	
	USA	Italy	Spain	India	China
Traditional Retail	4%	51%	11%	60%	35%
Modern Retail	70%	42%	82%	28%	56%
Specialty Stores	18%	3 %	1%	-	-
Online Channel	8%	4%	6%	12%	9%

Source: Technopak Analysis

11.1 COUNTRIES WITH HIGH PRESENCE OF INDIAN DIASPORA

11.1.1 USA has the largest population of Indian diaspora

India has the highest transnational population in the world with approximately 23.4 million migrants (of Indian origin) spread across the globe. Indian diaspora is distributed across several major countries, with USA being the most preferred destination, having 4.4 million Indian diaspora. The Saudi Arabia and UAE are the second and third most preferred countries with 4.1 million and 3.8 million Indian diasporas, respectively. The total addressable population (excluding students, low and semi-skilled workers, etc.) for organic food is 9.2 million (out of 23.4 million). Middle and high income groups are the key target consumers for organic food products.

Region wise Indian Diasporas

Region	Indian Diaspora (2020) (in Million)	Relevant Population
North America	**6.1**	**2.9**
USA	4.4	2.2
Canada	1.4	0.7
Others	0.3	Negligible
Asia Pacific	**10.8**	**3.5**
Saudi Arabia	4.1	1.0
UAE	3.8	1.0
Malaysia	2.1	1.1
Singapore	0.7	0.4
Europe	**1.6**	**0.8**
United Kingdom	1.0	0.5
European Union	0.6	0.3
Africa	**3.0**	**1.5**
South Africa	1.4	0.7
Others	1.6	0.8
Other	**1.9**	**0.5**

Region	Indian Diaspora (2020) (in Million)	Relevant Population
Oceania	1.01	0.3
Australia	0.4	0.1
Fiji Islands	0.3	0.1
New Zealand	0.1	0.1
TOTAL	**23.4**	**9.2**

Source: Technopak Analysis

11.1.2 Preference for sustainable food brands in the developed countries

Modern digital customers are increasingly inclined to prefer products that can help them live a more sustainable and socially responsible life. One of the key trends in the global food industry is growth in *ecolabels* (*Ecolabelling* is a voluntary method of environmental performance certification and labelling that is practised around the world. An *ecolabel* identifies products or services proven to be environmentally preferable within a specific category). It is known that 'organic' was the first eco-label which was introduced in the 1990s. 'Organic' remains the most successful eco-label in the food industry, with other important eco-labels specifically in the U.S. food industry such as Non-GMO Project Verified, Fair Trade, and Rainforest Alliance.

12.1 OVERVIEW OF PACKAGED FOOD MARKET IN INDIA

12.1.1 Packaged Food Market in India

Indian packaged food market is currently valued at approximately INR 6,02,000 crore and contributes 15.3% of the total food and grocery industry in India. By Fiscal 2025, it is expected to value at approximately INR 10,13,000 crore and contribute approximately 20% to the total food and grocery market showing a significant growth in the next 5 years.

Indian Packaged Food Market Size (Fiscal 2015- Fiscal 2025) (in INR Cr)

	Market Size Fiscal 2015 (INR Cr)	Share in Packaged Food 2015	Market Size Fiscal 2020 (INR Cr)	Share in Packaged Food 2020	Market Size Fiscal 2025 (INR Cr)	Share in Packaged Food 2025	Market Size Fiscal 2030 (INR Cr)	Share in Packaged Food 2030
Total Food & Grocery Market	**26,00,000**		**39,45,000**		**50,92,500**		**64,55,000**	
Share of Packaged food in Total F&G	**14.5%**		**15.3%**		**19.9%**		**20.2%**	
Total Packaged Food Market	**3,76,000**	**100%**	**6,02,000**	**100%**	**10,13,000**	**100%**	**13,03,850**	**100%**
-Packaged Fresh Dairy	*55,000*	*14.6%*	*96,800*	*16.1%*	*1,67,000*	*16.5%*	*2,08,750*	*16%*
-Packaged Meat	*12,000*	*3.2%*	*15,000*	*2.5%*	*20,000*	*2.0%*	*25,000*	*2%*
-Packaged Staple	*1,51,000*	*40.2%*	*2,26,000*	*37.5%*	*3,54,000*	*34.9%*	*4,56,500*	*35%*
-Other Processed Packaged Food	*1,28,000*	*34.0%*	*2,16,200*	*35.9%*	*3,95,000*	*39.0%*	*5,13,500*	*39%*
-Packaged Beverages	*30,000*	*8.0%*	*48,000*	*8.0%*	*77,000*	*7.6%*	*1,00,100*	*7.7%*

Source: Secondary Research and Analysis, Technopak estimates

12.1.2 Indian packaged food market is expected to contribute 20.2% to the overall food and grocery market by 2030

While the Indian food retail 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.

Health concerns and limitation in movement due to COVID -19 have 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 the Indian households. Annual per capita spend on all categories of packaged food in India is estimated to be approximately INR 4,650, much lesser as compared to China at approximately INR 16,000 and the USA at more than INR 1,12,500, thereby offering vast scope for growth in India.

13.1 GROWTH OF PACKAGED FOOD IN INDIA

13.1.1 Growth of packaged food led by entry of established Indian conglomerates in food and grocery segment

Adani and ITC were one of the first large multi-product companies to venture into the packaged staples market and have now expanded their portfolio into various categories of food and grocery, including oils, fats, ready to eat, ready to cook, snacks, frozen foods, etc. In 2019, the Tata Group, formally ventured into packaged food with formation of Tata Consumer Products Pvt. Ltd. Traditionally, the Tata Group owned Tata Salt and Tata Tea which helped in building a wide portfolio of brands across segments of packaged food and staples. Other large Indian conglomerates such as ITC, Fortune and LT Foods have also added multiple SKUs in packaged staples and have scaled food and grocery business.

13.1.2 D2C and digital first brands led play in packaged food and beverage

Apart from national brands, regional brands and private labels, packaged food industry also saw number of D2C (direct to consumer) and digital first (primarily sold through online channel) brands vying for consumer attention. These brands often differentiate their offering in a unique way and are available primarily through digital mediums to begin with and work on an asset light business model. Growth of D2C and digital first brands has also happened due to COVID-19 led changes in consumption pattern, increase in time spent on digital mediums and lack of product alternatives.

D2C and Digital First Brands in Indian Food and Beverage industry

D2C Brand	Year of incorporation	Sub-sector	Key Investors	Total amount raised till date (USD Million)	Total amount raised till date (INR Cr.)	Annual Revenues in 2020 (INR Cr.)
Blue Tokai	2012	Coffee	Snow Leopard Technology Ventures	5.6	42.0	Not disclosed
Freshtohome	2015	Packaged Meat	Abu Dhabi Investment Office (Adio), Investment Corporation Of Dubai (Icd), Iron Pillar	152.0	1140.0	~600
Growfit	2015	Nutrition Meals	Manipal Group	5.4	40.5	Not disclosed
Licious	2015	Packaged Meat	Multiples Alternate Asset Management Private Limited, Temasek Holdings	286.5	2148.8	~130
Tea Box	2012	Tea	Nb Ventures, Rb Investments Pte. Ltd	14.0	105.0	20.25
Vahdam Teas	2015	Tea	Sixth Sense Ventures, Innoven Capital, Mumbai Angels, Fireside Ventures	15.1	113.3	20.63*
Yoga Bar	2016	Protein Bars	Saif Partners, Fireside Ventures	11.6	87.0	~50-100
ZappFresh	2015	Packaged Meat	Sidbi Venture Capital, Amit Burman	7.7	57.8	48.38**
Slay Coffee	2015	Coffee	Fireside Ventures, Kanwaljit Singh,Manish Singhal	1.7	12.8	30.00
Bonhomia Coffee	2012	Coffee and Tea	Valpro Capital, Apurva Salarpuria, Nita Mirchandani, Alok Rawat, Kanwaljit Singh	3.5	26.3	Not disclosed
Country Delight	2015	Packaged Dairy	Orios Venture Partners, Matrix Partners India, Alteria Capital, Elevation Capital	44	330	65[#]

D2C Brand	Year of incorporation	Sub-sector	Key Investors	Total amount raised till date (USD Million)	Total amount raised till date (INR Cr.)	Annual Revenues in 2020 (INR Cr.)
Soulfull	2011	Packaged Snacks	Aavishkaar Venture Capital	5.4	40.5	40
Sleepy Owl	2016	Coffee	Rukam Capital	0.5	3.8	5.2
Good Dot	2016	Packaged Meat	New Crop Capital, RCM Business	1.9	14.3	10.95**

Source: Secondary Research and Analysis
Note- As of December 2018, **- as of December 2019, #- for FY19*

While a number of D2C have emerged in the food and non-food categories, there has been limited play in the organic food space, though organic food has higher percentage penetration in the online e-commerce segment than the overall food and grocery segment. There is scope for building a strong D2C brand in the organic food space.

13.1.3 Heightened PE/VC investments in packaged food space

The Indian packaged food industry is expected to grow at 10.5% CAGR over the next five years. One of the key factors for this growth is high investments (value and volume) from private equity and venture capital firms. Companies (subsequently brands) which follow a balanced approach for growth and customer acquisition are far more capital efficient compared to start-ups (new-age companies) which attempt to grow faster on the back of capital raise and external funds. D2C/ digital brands have created a niche as consumers are seeking multiple options across categories rather than relying on a few established brands. These brands have created differentiated products and have different operating models than traditional brands. D2C/ digital first brands leverage ecommerce, social media and technology to gain quicker visibility and access to consumers. This allows them to tread on a much faster growth path which has led to rising investor interest in such brands as they expected to achieve milestones much quicker than traditional brands.

14.1 ORGANIC FOOD MARKET IN INDIA

OVERVIEW OF ORGANIC FOOD MARKET IN INDIA

14.1.1 Organic Food Market in India is valued at INR 1,900 crore

The demand for organic food has witnessed a steady growth in India. Production of organic food in India is also being promoted by the Indian government through various schemes and support programs that provide financial help and technical know-how to the organic farming community. Though the Indian organic food market is at a very nascent and evolving stage, the market has high potential for growth in future. Currently the domestic organic food market in India is estimated at INR 1,900 crore and is expected to reach INR 5,600 crore by 2025, growing at a CAGR of 24% which is accelerated by COVID-19 induced demand for the segment. The organic food market contributes 0.3% to the total food market in India which is quite low as compared to the current global contribution of approximately 3.5% of organic food to the total food market and approximately 5.8% contribution of organic food market to the total food market in US. Following a similar trajectory, the organic food market has the potential to achieve penetration of 5-6% of the total packaged food market in the top 300 cities in India in the long term and grow to INR 35,000 crore.

Indian Organic Food Market Size and Growth (Fiscal 2015- Fiscal 2025) (INR Cr)

	Market Size Fiscal 2015 (INR Cr)	Share in Fiscal 2015	Market Size Fiscal 2020 (INR Cr)	Share in Fiscal 2020	Market Size Fiscal 2025 (INR Cr)	Share in Fiscal 2025	CAGR (Fiscal 2015-Fiscal 2020)	CAGR (Fiscal 2020-Fiscal 2025)
Packaged Food*	375	51%	1,050	55%	3,000	54%	23%	23%
Fresh**	355	49%	850	45%	2,600	46%	19%	25%
Total	**730**		**1,900**		**5,600**		**21%**	**24%**

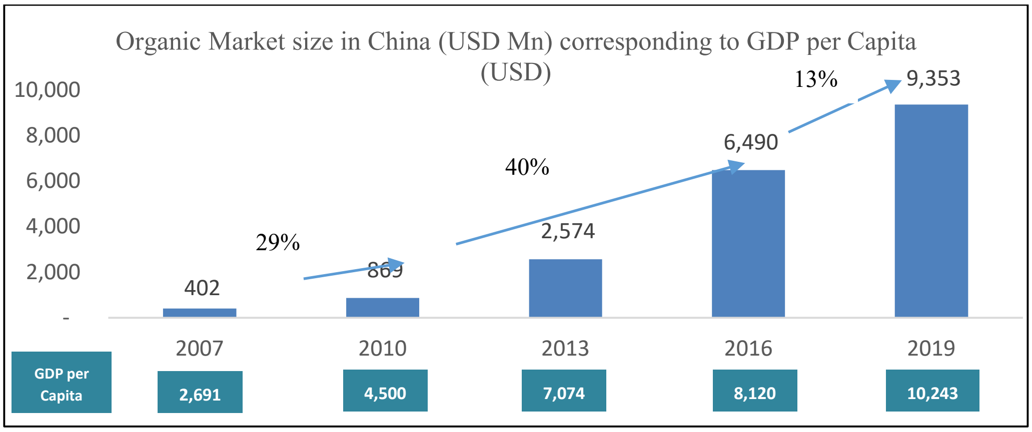
Source: Secondary Research, Technopak Analysis
Note- Including Staples, Snacks, Frozen and Processed Foods, Organic Beverage*
*Note**- Including Dairy, Fruits and Vegetables, Meat, Fish, and Poultry, etc.*

14.1.2 *Organic food market in China and India*

In Fiscal 2020, packaged food and beverages contributed 55% to the total organic food market in India and the share is expected to remain similar in the next five years. Packaged food and beverages is likely to contribute almost 54% of the total organic food market in India by Fiscal 2025 and will be worth INR 3,000 crore.

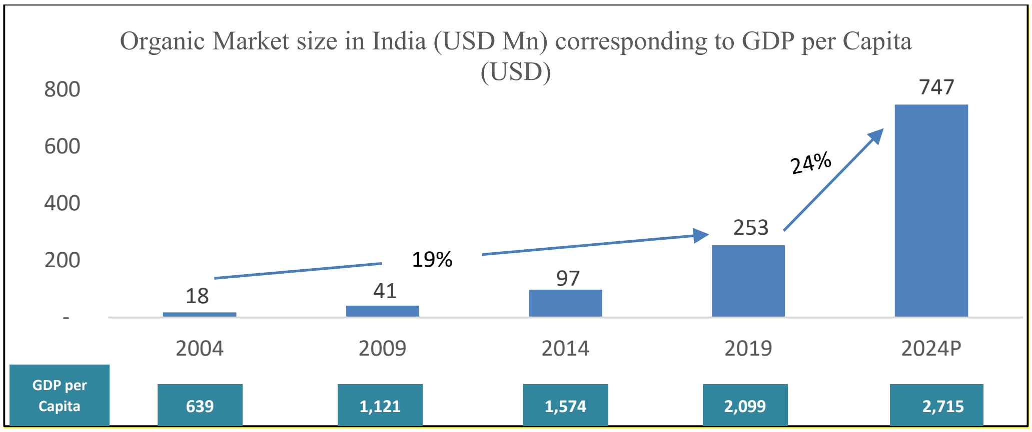
Comparing India to another developing economy like China, India's organic food market is at its inflexion point with similar GDP per capita of China as in 2007. China followed a high growth path a per capita income surpassed USD 2,000. It is expected that a similar trend will be followed in India as GDP per capita crosses the USD 2,000 level between CY 2019 and CY 2024.

Organic Food Market in China (In USD Mn)



Source: Secondary Research, Technopak Analysis
GDP per capita in USD; Data for China in CY

Organic Food Market in India (In USD Mn)



Source: Technopak Analysis
GDP per capita in USD; Data for India in CY.

14.1.3 *Organic Food Market in India*

Organic food products such as staples, packaged food, organic beverages, etc. which are sold by certified farmers/retail brands primarily through organized retail channels are in the packaged form. Other organic produce including organic fruits and vegetables, food grains are often sold as both loose as well as in packaged form, largely through organized formats.

The penetration of organic food in the total packaged food is estimated at 0.4% (in Fiscal 2020 and is estimated to increase to 0.6% by the year Fiscal 2025. The organic food market has grown at CAGR 21.4% from Fiscal 2015-2020 and is expected to grow at approximately 24% from Fiscal 2020 to 2025.

Indian Food Market Size (Fiscal 2015- Fiscal 2025) (in INR Cr)

	Market Size Fiscal 2015 (INR Cr)	Share Fiscal 2015	Market Size Fiscal 2020 (INR Cr)	Share Fiscal 2020	Market Size Fiscal 2025 (INR Cr)	Share Fiscal 2025	CAGR (Fiscal 2015-Fiscal 2020)	CAGR (Fiscal 2020-Fiscal 2025)
Total Packaged Food Market	**376,000**	**100%**	**602,000**	**100%**	**1,013,000**	**100%**	**10%**	**11%**
Packaged Organic Food Market	*730*	*0.2%*	*1,900*	*0.3%*	*5,600*	*0.6%*	*21%*	*24%*
Non-Organic Packaged Food Market	*375,270*	*99.8%*	*600,100*	*99.7%*	*1,007,400*	*99.4%*	*10%*	*11%*

Source: Secondary Research, Technopak Analysis

Total packaged food market includes food and grocery products sold in packaged forms through any channel.

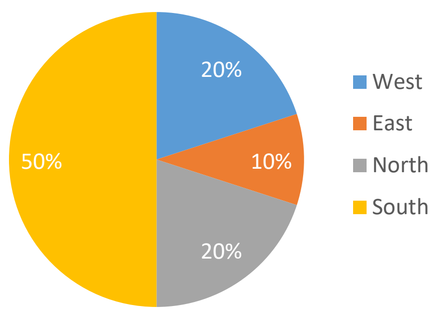
Packaged organic food market includes packaged and processed organic food (and grocery) products sold through any retail channel. This will include products like processed dairy, fruits and vegetables, meat sold in packaged form.

As the packaged food market mature, there will be demand for niche segment within packaged food segment such as naturally healthy foods, organic variants, premium priced, fortified, and functional foods and many more. The various niche sub segments of packaged food are expected to benefit corresponding the growth in packaged food industry.

15.1 REGION WISE SPLIT OF INDIAN ORGANIC FOOD MARKET

South India has the highest contribution to the sales of packaged organic food in the Indian market. East India, is showing high growth and currently contributes 10% to the packaged organic food market in India.

Share by Region - Indian Packaged organic food market (Fiscal 2020) (USD Bn)



Source: Secondary Research, Technopak Analysis

16.1 DISTRIBUTION CHANNEL OF ORGANIC FOOD IN DOMESTIC MARKET

16.1.1 Organic food brands adopting a multichannel strategy to fuel growth of organic foods

Modern retail channels contributed 40% to the total sales of packaged organic food products in the year 2020 and the trend further continuing in 2021 and beyond, driven by the sudden rise in the contribution of online retail medium (owing to COVID-19).

Distribution Channel in Indian Organic Food Market (Fiscal 2020)

Channel	Share (Fiscal 2020)
Traditional Retail	**60%**
- Grade A+ and A Stores	50%
- Small Kirana Stores	10%
Modern Retail	**40%**
- Cash and Carry Hypermarkets	3%
- Supermarkets	12%

Channel	Share (Fiscal 2020)
- Specialty Retail	13%
- Online Grocery Specialists	8%
- E-com Marketplaces	4%

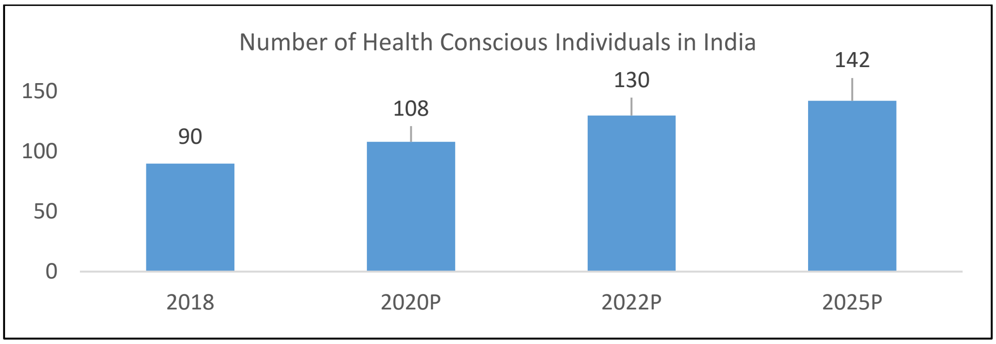
Source: Technopak Analysis

17.1 GROWTH DRIVERS OF ORGANIC FOOD MARKET IN INDIA

17.1.1 Rising number of health-conscious individuals in India

Lately, there has been a shift in the consumer behavior towards health and well-being which has been accelerated due to the pandemic. There has been an increase in the focus towards consumption of food supplements as part of diet and the quality of the nourishment. Consumers are becoming increasingly aware about the side-effects caused by chemically synthesized foods and health and wellness products. This paves the way for an increase in the use of natural substances over artificially created/modified products which contains harmful chemicals. This, in turn, increases the acceptability of organic products especially after understanding its health benefits.

Number of Health-Conscious Individuals in India (2018-2025) (in Million)



Source: Technopak Analysis

17.1.2 Inherent capacity for growth of organic food and grocery

As of 2020, it is estimated that the addressable target audience for organic food in India (which includes health-conscious households (coinciding with the elite and affluent households) is approximately 25 million households. It is estimated that only 10-12% of the addressable customer segment (3 million households) is consuming organic food.

17.1.3 Working population and urbanization

Urbanization in India is on the rise and is expected that about 45% of the total population will be residing in cities (Tier 1/2) by 2030. This will result in increased spending power and a wider target audience for organic producers.

17.1.4 Modern Retail Offline Chains and Grade A Stores provide higher sales and visibility to organic food brands

There are 10,000+ modern retail outlets and Grade A stores (including various large formats, EBO's and MBO's) which stock (or can potentially stock) organic food and grocery.

Modern retail footprint in India

Format	Indicative examples	No. of Outlets
Gourmet Stores	Nature's Basket, Foodhall, Le Marche, Modern Bazaar, Dorabjee's, Loyal World Mart, Namdhari's Fresh	250+
Hyper Market and Super Markets (includes regional Super Market chains)	Big Bazaar, More Supermarket, D-Mart, Spencers, Needs, Nilgiri's, Star Bazaar/Market, Reliance Fresh/Mart, Kolkata Mart	3500+
Traditional Stores (Grade A)	NA	6500+
Speciality Organic Stores (EBO's and MBO's)	24 Mantra, Organic India, Fab India	~350-400

Source: Technopak Analysis. Note: EBO refers to Exclusive Brand Outlets and MBO's means Multi Brand Outlets; Store count as on 10th August 2021

Further a trend of organic specialty stores which have come up in leading Indian cities is also contributing to creating awareness regarding organic food and non-food products. Such stores are experiential in nature and serve as key point of insemination of knowledge regarding benefits of consumption of organic food.

Organic speciality stores in key Indian cities (offline)

Cities	Organic Speciality Stores
Delhi NCR	Nature soul, Earth's Organic, Roots Organic Lifestore
Mumbai	The Farmer's Store, Conscious Food, Cornucopis
Pune	Satvyk, Organomart, Swap4pure
Hyderabad	Goodseeds, Jiva Organics
Bangalore	Green Path, Organic Planet

Source: Technopak Research

17.1.5 E-commerce growing as a complementary channel to Offline Retail in Food and Grocery and fueling the growth of organic food market

E-commerce in food and grocery segment is projected to grow at a CAGR of over 50% between Fiscal 2020 and Fiscal 2025 on the back of convenience and time saving that it offers resulting in the wider adoption of e-commerce, not only in metros but also in Tier I cities and beyond. The pandemic has accelerated the shift of brand sales towards e-commerce. Food and Grocery segment including packaged food have shown high growth, while offering products via platforms such as Blinkit, BigBasket, Flipkart and Amazon. GMV of food and grocery sold online was estimated at USD 7 billion in Fiscal 2021.

Growth in share of E-Commerce to F&G retail in India (in USD Bn)

Year	F&G Retail Market Size (in USD Bn)	Value of E-commerce led Sales (in USD Bn)	Share of E-commerce (%)
2020	526	2.75	0.5%
2021	548	7	1.3%
2025E	681	28	4.1%

Source: Technopak Analysis

Organic food has a relatively higher penetration in the e-commerce channel (12% penetration) vs. the overall food & grocery segment (0.5% penetration). Due to COVID-19 induced disruption and increasing last mile delivery in cities beyond the metros and mini metros through the online channel, few organic packaged food brands managed to leverage online e-commerce channel to capture new markets without the need to open an exclusive store or set up a distribution network to cater to the traditional retail market. Players that had a significant presence through online channel pre- COVID had advantage over brands with limited online presence during the pandemic.

Share of Organic Food & Grocery Sales via Digital Channels Fiscal 2020

	Value (and % Share)
Total Food and Grocery (F&G) Sales	INR 39,60,000 Cr
F&G Sales via Digital/E-commerce channel	INR 19,800 Cr
Share of F&G Sales via Digital/E-commerce channel	0.5%
Total Organic Food Sales	INR 1,900 Cr
Organic Food Sales via Digital/E-commerce channel	~INR 250-280 Cr
Share of Organic Food Sales via Digital/E-commerce channel	~12%

Source: Secondary Research, Technopak Analysis and estimates

17.1.6 Digital footprint of Food and Grocery companies in India

GMV Estimates for key E-com marketplaces offering Food and Grocery

Brand	Gross Merchandise Value for 2020 (in USD billion)	Share of Food and Grocery	Share of Serviceable pin codes
Big Basket	1.1	95-96%	30%-40%
Blinkit	1.4	95-96%	30%-40%
Flipkart	13	<5%	100%
Swiggy	1.5	<5%	30%-40%

Brand	Gross Merchandise Value for 2020 (in USD billion)	Share of Food and Grocery	Share of Serviceable pin codes
Amazon	10	<5%	100%
Jio-Mart	NA	NA	Not available

Source: Secondary Research, Technopak Analysis and estimates

While the share of sales of food and grocery through online channels is estimated at only 0.5%, the share of organic food through online channels (marketplaces, specialists and own website) is approximately 12%. Players like 24 Mantra are front runners in enabling this significantly higher penetration. 24 Mantra has generated approximately 32% of revenue in Fiscal 2021 from online channels.

In case of organic food brands, apart from online food and grocery specialist platforms, health and wellness platforms have also enabled customer development and sales.

17.1.7 Marketing spend shifting towards targeted advertising through digital medium

Marketing spends traditionally represented the amount of money a company spends on activities such as print media and TV commercials. With the advent of digital centric consumer base, brands started to focus on activities such as content marketing, paid advertising, SEO, social media, trade shows, etc. This allowed the brand to connect with their consumers on a real-time basis and allows them to target new customers. D2C brands tend to spend a higher share of their revenue to increase their visibility and establish themselves amongst their competitors in the digital space. Brands are increasingly pursuing focused marketing through print media, digital marketing and BTL activities.

Typical marketing spend as a share of revenue

	Growth state	Stable state
- FMCG Large companies (Food and Non-Food)	5%-7%	4%-5%
- Mid-Sized companies	10%-15%	8%-12%
- Startup/D2C Brands/ New Age Brands	~20%	NA

Source: Secondary Research, Technopak Analysis and estimates
Note: Large companies represented by HUL, Nestle, Dabur, ITC and similar
Mid-Sized companies represented by Cremica, Veeba, Capital foods, Ferrero Rochers and similar
Startups/D2C Brands represented by Epigamia, Mamaearth, Wingreens and similar

Marketing Spend by Key Organic Brands

Organic Food Brands	24 Mantra		Pro Nature		Organic Tattva	
	Fiscal 19	Fiscal 20	Fiscal 19	Fiscal 20	Fiscal 19	Fiscal 20
Revenue from operation (INR Cr)	221.9	273.6	40.8	53.7	70.6	NA
Advertisement Spend (INR Cr)	8.9	7.3	1.5	5.9	0.03	NA

Source: MCA Reports

Advertising spend as a percentage of revenue, or advertising to sales ratio indicates the efficacy of advertising strategies of the company. Players like 24 Mantra have been able to maintain a 3-4% advertising spend.

17.1.8 Support from Government

With the introduction of various Governmental schemes such as Paramparagat Krishi Vikas Yojna and National Food Security Mission, the Indian Government aims to promote organic farming in India with a vision to make India the largest exporter of organic products in Asia. The government also aims to decrease the red taping and promote organic farming to increase the organic land under cultivation.

Quality certifications for Indian Organic food Producers

Government Scheme	Year of establishment
Paramparagat Krishi Vikas Yojna	2015
Mission Organic Value Chain Development for Northeastern Region	2015
Capital Investment Subsidy Scheme	2005
National Food Security Vision	2007
National Mission on Oilseeds and Oil Palms	2015

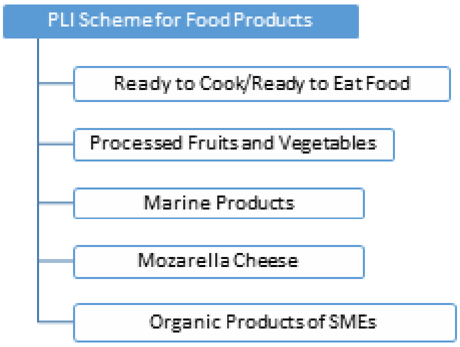
Source: Technopak Analysis

17.1.9 Food and Grocery manufacturing to get a significant boost from Govt of India's PLI Scheme

Starting Fiscal 2021-22, the government has allocated INR 1.97 lakh crore to the Production Linked Incentive (PLI) Scheme over 5 years. The scheme aims to ensure that manufacturers in India become part of global supply chains, use cutting-edge technology, and possess core competencies. Focussed on 13 key sectors, the PLI scheme aims to generate employment, bring size and scale to the manufacturing sector and attract investments. The scheme also provides support for branding and marketing abroad to incentivise emergence of strong Indian brands.

The government has earmarked INR 10,900 crore for the PLI Scheme for food products. The scheme will also provide support for branding and marketing of Indian food products abroad. It is expected to create approximately 2.5 lakh jobs by Fiscal 27 and increase processed food output by INR 33,494 crore. It will also benefit other segments such as organic food and beverages. PLI Scheme will also empower Indian SMEs to expand their business internationally. The scheme is favourable for all organic food companies such as 24 Mantra, Organic India, etc. If the industry achieves a minimum amount of sales and minimum investment in each sub-segment, then for incremental sales, a portion of that amount will be given as subsidy. A robust mechanism will be followed, which will consist of annual action plans, mid-term reviews, and third-party evaluations.

Sub-Sectors of Food Industry considered under the PLI Scheme



Source: Union Budget Fiscal 2021-22, Secondary Research and Analysis.
Note: Innovative/Organic Products also include free range eggs, poultry meat, and egg products.

17.1.10 Key Trends

Preference for Health Foods

One of the main driving forces of the demand for organic products is the perception that they are healthier. Post the 2020 pandemic, there has been a paradigm shift as consumers began to buy more organic foods as a preventive health measure. This change in perception is likely to drive the growth of the organic food market in future as well.

Influence of Millennials

Lately Millennials are moving towards healthier lifestyle, improved eating habits and cleaner living. The increasing media coverage on food trends and healthy eating, especially from social media influencers, has also significantly contributed to millennial's newfound interest in organic food.

Consumer preference for sustainable/ organic products has the potential to further UN SDG Principles

Since organic farming is free of harmful agro-chemicals and work in harmony with nature, they have the potential to further UN SDG (sustainable development goals) principles. The UN SDGs that are impacted are as follows:

UN SDG Principles impacted by Organic Farming

Name	Goal	Description
SDG-15	**Life on Land**	One of the main reasons why natural habitats are under pressure is intensive farming practices, and therefore, United Nations Food and Agricultural Organization encourages organic farming as one of the five forms of sustainable agricultural farming practices.

Name	Goal	Description
SDG-13	**Climate Action**	Many organizations like The Intergovernmental Panel for Climate Change (IPCC) recognizes the important link between agriculture, soil, and climate change. Organic farming and other sustainable forms of agriculture allows Carbon Sequestration. Therefore, since organic farmers build healthy soils that take up CO2 and do not use agrochemicals that produce CO2, organic agriculture further the SDG of Climate Action.
SDG-14	**Life below Water**	One of the major issues that our oceans and seas faces is eutrophication. Since organic agriculture involves crop rotation and a better recycling of biomass and nutrients, organic agriculture has the potential to combat Eutrophication.
SDG-6	**Clean Water and Sanitation**	Chemical pesticides and artificial fertilizers used in conventional farming not only stay on the plants but also reach the water systems through the soil and groundwater. According to WWF, the use of pesticides and fertilizers on farms has increased by 26-fold over the past 50 years and this has had serious environmental consequences. As Organic Farming refrains from the use of chemical pesticides and fertilizers, and improves soil quality, it can be seen as solution to SDG-6.
SDG-2	**Zero hunger**	According to the FAO, with sustainable soil management practices, that are adopted as a part of Organic Farming, we could produce up to 58% more food.

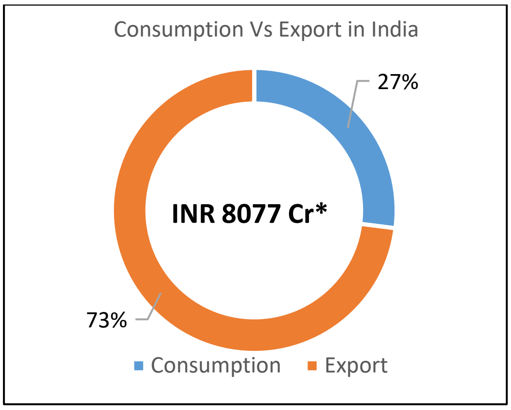
Source: Technopak Analysis

18.1 SHARE OF DOMESTIC CONSUMPTION AND EXPORT OF ORGANIC FOOD FROM INDIA

18.1.1 India has the highest number of organic producers and the fifth highest land under cultivation for organic products

As of CY 2020, India is leading in terms of organic producers in the world with over 1.3 million certified organic producers which is approximately 30% of the total organic producers in the world. India also has the fifth highest organic land under cultivation following Australia, Argentina, Spain, and USA. As of 2020, India exports over 77% of the organic produce, mainly organic processed food (products such as staples, spices, condiments, and other packaged food), cotton, oil seeds (and edible oils), cereals and millets.

Consumption v/s Export Share in Indian Organic Food Production (CY 2020)



Source: Secondary Research, Technopak Analysis.
**Note: Includes packaged food and grocery products*

18.1.2 Organic products exports out of India stood at INR 7,080

The export of Indian organic produce has been consistently rising over the last decade. The total organic exports out of India (including food and non-food) were INR 4,686 crore in calendar year 2015 and the same grew to reach INR 7,080 crore in calendar year 2020. The total export value of organic exports out of India is expected to reach INR 26,567 crore by the year 2025.

Organic Products Exports from India (in INR Cr)

	2015	2020	2025	CAGR (2015- 2020)	CAGR (2020-25)
Total Organic Export	4,686	7,080	26,567	8.6%	30.3%

Source: Secondary Research, Technopak Analysis, with inputs from APEDA

18.1.3 Processed food (including soymeal) has the highest share in the export of organic products

India's export of organic food products rose by 51% in terms of value (compared to Fiscal 2020) to INR 7,078 crore during Fiscal 2021. In terms of export value realization, processed foods including soy meal (57%) is a leading category among the products followed by oilseeds (9%), cereals and millets (7%), plantation crop products such as tea and coffee (6%), spices and condiments (5%), medicinal plants (5%), dry fruits (3%), sugar (3%), and others. While a large share of processed food is soymeal, it also includes processed fruits and vegetables, pulp, processed cereals, beverages, etc.

Indian Organic Food Exports (segmentation by category) CY2021

Categories	Export Value (in INR Cr)	Share of Packaged/ Branded Food
Processed Food (including soy meal)	4,002	Low
Oil Seeds	640	Low
Cereals and Millets	517	Low
Spices and Condiments	381	Low to Mid
Tea	345	Low to Mid
Medicinal Plant Products	319	Low to Mid
Dry Fruits	238	Low
Sugar	190	Low
Pulses	130	Low
Coffee	111	Low
Essential Oils	71	Low to Mid
Fodder	42	Low
Fresh Fruits and Vegetables	26	Low
Flowers	16	Low
Tuber Products	15	Low
Oils	1	Low
Miscellaneous	1	Low
Other	33	Low

Source: NPOP - APEDA

18.1.4 USA is the largest importer of organic products from India

India exported organic products to 58 countries in CY 2020 and CY2021. USA, being the largest market for organic food and having the highest presence of Indian diasporic population is the largest importer of Indian organic food products. USA contributes 54% to the exports of organic food products from India.

India also exports its organic products to other regions including Europe, Great Britain, Canada, Korea Republic, GCC, etc.

Country wise Export of Indian Organic Products (CY 2020)

Categories	*Export Value (in INR Cr)*
USA	3,793
Europe	2,418
Canada	387
Great Britain	133
Korea Republic	29
Others	320
Total	7,080

Source: APEDA, Secondary Research and Analysis

19.1 BACKGROUND AND MODALITIES ON ORGANIC FARMING IN INDIA

The organic farming system is a method of farming which uses organic fertilizers and farming methods to grow healthy crops, as it results in the sustainable production of crops without affecting the quality of the production.

19.1.1 Time required to convert land to organic

To establish an efficient organic management system and to achieve full organic status (symbol status), with efficient soil fertility, the land must go through an interim period, known as the conversion period. While the conversion period may not always be sufficient to improve soil fertility and for re-establishing the balance of the ecosystem, it is the period in which all the actions required towards creating an organic land are started. Annual and biennial crops can be certified organic after going through a conversion period of at least two years before sowing (for Indian and European standards; 4 years for US standards). Perennial plants other than grassland (excluding pastures and meadows), the first harvest may be certified as organic after at least 36 months of organic management.

19.1.2 Certifications required for domestic selling and exports

Crops that are sown or transplanted into fully organic land may be sold as organic, if they acquire certification under National Program for Organic Production (NPOP) or Participatory Guarantee System for India ("**PGS-India**"), which is a pre-requisite for handling organic food and is a requirement for taking registration or license under FSSR. To export organic fruits and vegetables, one needs to obtain an organic certification, a procedure for verifying that the production process conforms to certain standards, under NPOP (for exports) or PGS (for sale in-Indian markets). Once certified, organic products are marketed, usually carrying a certification label, indicating that the products are certified as organic. The cost of certification can be relatively high in some cases, as it depends on farm size, volume of production and the choice of certification body.

19.1.3 Benefits to farmers and their average realizations compared to non-organic farming

Organic farming offers many benefits to farmers, like low energy consumption, reduced soil erosion, better water management and familiarity with the techniques. Manufacturing synthetic fertilizers consumes a significant amount of energy, therefore, the energy usage is lower by at least 30-50% in the organic farming systems. Organic crops and organic dairying use 35% and 74% less energy respectively than their conventionally grown counterparts, thereby saving costs that farmers need to bear. Both soil improvement and the concept of keeping the ground covered as much as possible, either by mulches or cover crops, reduces soil erosion. Soils with improved structure and higher content of organic matter and the more compact growth of an organic crop also reduces the water consumption in agriculture, thereby benefiting the farmer. Farmers can also easily understand and adapt to the techniques of organic farming that deploy traditional knowledge. The farming techniques are based on how well a farmer can make the best use of his immediate natural resources.

19.1.4 Quality Certifications

The National Program for Organic Production (NPOP) under the Ministry of Commerce and Industry, governs the organic farming certification in India. Its standards and procedures are in accordance with other International standards regulating import and export of organic products. Anyone who wishes to obtain organic farming certification for agricultural produce must apply in the requisite format along with the fee and complete field verification. The farmer should also ensure that his/her farm conforms to the standard laid out by the National Program for Organic Production (NPOP) for organic crop production, beforehand.

Quality certifications for Indian Organic food Producers

Certifications	Year of establishment
National Program for Organic Production (NPOP)	2001
Participatory Guarantee Scheme for India	2011

Source: Technopak Analysis

Quality certifications required for export to other countries

Country	Certifications	Year of establishment
USA	USDA-NOP	1990
Europe	EU Organic Certification	2007

Source: Technopak Analysis

Jaivik Bharat

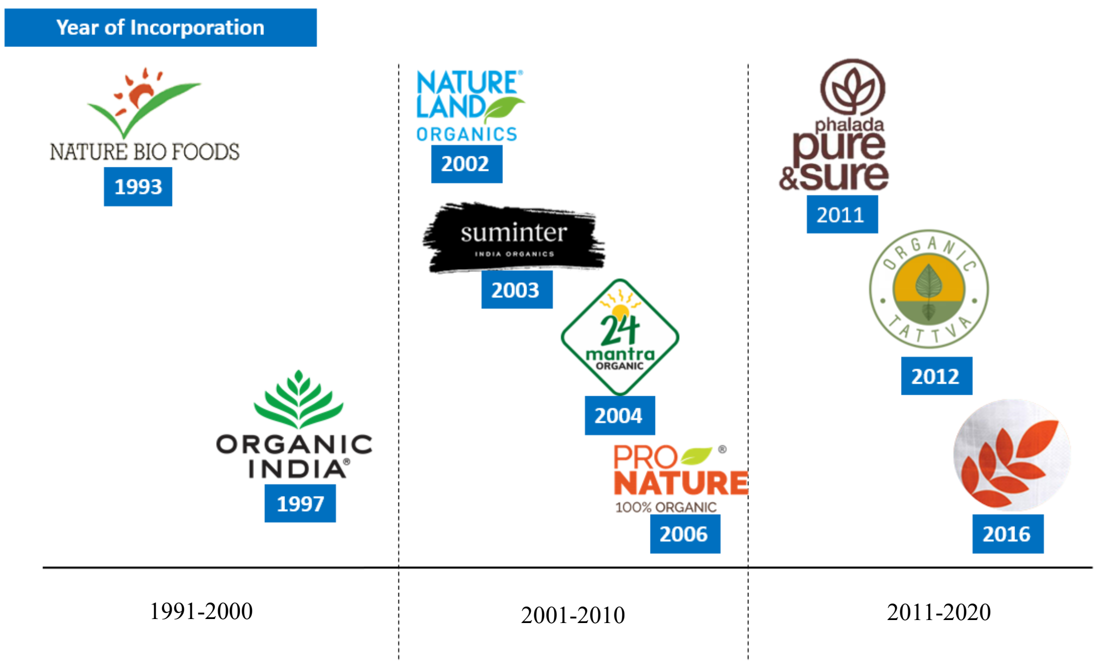
Formed by a collaboration between Agricultural and Processed Food Products Export Development Authority ("**APEDA**") and PGS-India of the Ministry of Agriculture and Farmers, Jaivik Bharat is an identity mark to distinguish organic food products from non-organic products that communicates adherence to the National Organic Standards.

20.1 COMPETITIVE LANDSCAPE

20.1.1 Domestic market for packaged organic food and beverages in India

The domestic market is largely branded and marked by large players like 24 Mantra and Organic India and a long tail of mid/small sized players. 24 Mantra led by parent company Sresta Natural Bioproducts Pvt. Ltd. is one of the pioneers for organic food in India. Over the course of 16 years since its incorporation, they have ventured into various organic food categories such as staples, packaged food, spices and condiments, edible oils, RTE/RTC (Ready-To-Eat/Ready-To-Cook), dry fruits and organic beverages such as tea. 24 Mantra was also one of the first organic consumer brands which had its products exported out of India in countries such as USA, UK, and many other European countries.

Other key brands launched in the last two decades in the organic food segment are Pronature, NatureLand, Organic Tattva, etc. The category also has a long tail of brands sold largely through modern brick chains, specialty stores, online channel, etc.



21.1 KEY PLAYERS IN INDIAN PACKAGED ORGANIC FOOD AND BEVERAGES MARKET

21.1.1 24 Mantra is amongst the top 5 players in the Organic food and beverages products in India

24 Mantra and Organic India are some of the large organic food companies in India. While 24 Mantra is present across packaged food segment including staples, processed food etc., Organic India is largely present in packaged tea and coffee and supplements with limited presence in packaged food segment.

Key Players in Indian Organic Food and Beverages Market

Key players with B2C presence*	Year of incorporation	Revenue in INR Cr (Fiscal 2020)	Primary Nature of Business
Organic India#	1997	342.6	B2C (Branded)
Sresta Natural Bio Products (24 Mantra)#	2004	273.6	B2C (Branded)
Conscious Food Pvt Ltd	2001	8.3	B2C (Branded)

Key players with B2C presence*	Year of incorporation	Revenue in INR Cr (Fiscal 2020)	Primary Nature of Business
Nourish Organic Food Pvt Ltd	2002	6.8	B2C (Branded)
Mangal Organics (Corelife Wholefoods Pvt Ltd)	2017	6.1	B2C (Branded)
Induz Organics (Aryavarta Organics Pvt Ltd)	2019	4.3	B2C (Branded)
Organic Nations (Earthyfoods Pvt Ltd)	2013	3.1	B2C (Branded)

Key players with B2B and B2C presence*	Year of incorporation	Revenue in INR Cr (Fiscal 2020)	Primary Nature of Business
Nature Land Organic	2002	108.2	B2B and B2C (Branded)
Phalada Agro	1999	20	B2B and B2C (Branded)
Organic Tattva	2012	~85	B2B and B2C (Branded)
ProNature Organic Foods	2006	53.73	B2B and B2C (Branded)

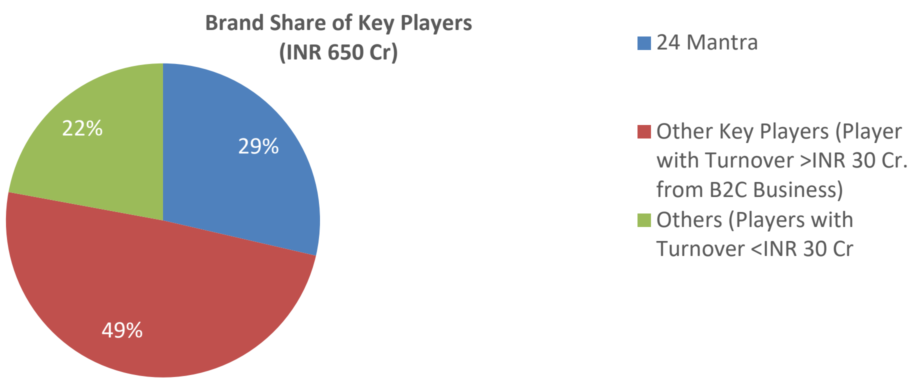
Source: Technopak Analysis, MCA Reports
Note: #Considered consolidated MCA Reports for Sresta (24 Mantra), Organic India
**Players like Suminter and Nature Bio Foods have been excluded as they are not present in the domestic retail market in India*
B2B includes exports and institutional sales (bulk pack/ loose form)
B2C includes branded sales in consumer packs in domestic market and export market
Big Basket Private Label Organic brand revenue not mentioned as it is a part of Big Basket and no separate MCA available for the same.

22.1 MARKET SHARE OF LEADING PLAYERS IN INDIAN ORGANIC PACKAGED FOOD MARKET*

22.1.1 24 Mantra is the largest brand in Indian organic packaged food segment

The organic packaged food market (excluding organic packaged beverage and packaged tea and coffee) is expected to be INR 650 crore in Fiscal 2020. 24 Mantra was the largest brand in the packaged organic food segment (excluding organic packaged beverage & packaged tea and coffee) with the market share of 29%.

Brand Share of Key Players in Indian Organic Packaged Food Industry*



Source: Technopak Analysis
Other Key Players includes Big Basket Private Label, Pro Nature, Natureland, Organic Tattva, etc.
**Only Packaged Food considered. Packaged beverages excluded.*

23.1 MAJOR PRODUCT CATEGORIES IN THE INDIAN ORGANIC FOOD INDUSTRY

Product Categories of Key Companies in Indian Organic Food Market

	24 Mantra	Organic India	Pro Nature Organic Foods	Nature Land Organics	Phalada Agro	Organic Tattva	BB Royal Organic
Staples							
- Pulses	✓	✓	×	✓	✓	✓	✓

	24 Mantra	Organic India	Pro Nature Organic Foods	Nature Land Organics	Phalada Agro	Organic Tattva	BB Royal Organic
- Flour	✓	✓	✓	✓	✓	✓	✓
- Rice	✓	✓	✓	✓	✓	✓	✓
- Salt and Sugar	✓	✓	✓	✓	✓	✓	✓
- Noodles, Pasta, etc.	✓	×	×	✓	✓	×	×
Spices and Condiments	✓	✓	✓	✓	✓	✓	✓
Oils and Fats							
- Edible Oil	✓	✓	✓	✓	✓	✓	✓
- Ghee	×	✓	✓	✓	✓	×	✓
Other Packaged Food							
- Snacks	✓	×	×	×	✓	×	×
- Breakfast Cereals	×	✓	✓	✓	✓	✓	✓
- Spreads, sauces, and ketchup	✓	×	×	✓	✓	✓	×
- RTE and RTC	✓	×	✓	×	✓	×	×
- Pickles	×	✓	×	×	×	×	×
Beverages							
- Tea	✓	✓	×	✓	✓	✓	×
- Coffee	×	×	×	×	✓	✓	×
- Juices	×	×	×	✓	×	×	×
- Other Beverages	-	Apple Cider Vinegar	Apple Cider Vinegar	Apple Cider Vinegar, Sugarcane Vinegar	Coconut Water	-	-
Other Categories	Papadam, dry fruits	Herbal Formulations, Body care	Dry fruit,	Dry Fruit, Sweets	Herbs, Essential oils, Chutney powder	Dry fruits	Honey

Source: Secondary Research, Technopak Analysis

Among the key players in the organic products market with presence in the packaged food segment, 24 Mantra is present across most of the segments. 24 Mantra offers all types of grocery staples, spices and condiments, edible oils, packaged food, beverages, meal accompaniments, etc. Players such as 24 Mantra and others which have wider coverage in the food and grocery vertical help the overall organic food industry to complete the consumption basket for the customers.

24.1 RETAIL PENETRATION OF KEY PLAYERS IN INDIAN ORGANIC FOOD INDUSTRY

At a national level, there is a potential market for organic food and grocery in 300 cities. 24 Mantra is the only national player having wide presence in across 550+ cities and towns.

City Wise presence of Key Players in Indian Organic Food Industry

	Number of Cities Present	City Wise presence				
		Metro	Mini Metro	Tier 1	Tier 2	Tier 3
24 Mantra	237	✓	✓	✓	✓	✓
Organic India	100	✓	✓	✓	✓	×
ProNature Organic Foods	<50	✓	✓	✓	×	×
Nature Land Organic	<50	✓	✓	✓	×	×
Phalada Agro	22	✓	✓	×	×	×
Organic Tattva	<50	✓	✓	✓	×	×

Source: Secondary Research, Technopak Analysis
Metro cities consist of Delhi NCR and Mumbai Metropolitan Region. Mini Metro consist of the next 6 key cities such as Ahmedabad, Bangalore, Chennai, Hyderabad, Kolkata, and Pune.
Cities having population higher than 1 Million (as of Census 2011) are categorized under Tier 1 category. Cities having population from 0.3

million to 1 million are categorized under Tier 2 cities. Cities having population less than 0.3 million are categorized under Tier 3 cities.

Amongst the various organic food and grocery brands, 24 Mantra is one of the most widely distributed brands. The company's wide and deep product offerings and pan-India approach enabled it to be present in 7,500+ outlets in India.

Channel presence of Key Players in the Organic Food Industry

	Modern Retail			Traditional Retail	Online			
	Hypermarkets/ Supermarkets	Speciality Stores	EBOs	General Trade	Amazon	Flipkart	Big Basket	Own Website
24 Mantra	✓*	✓	✓	✓**	✓	✓	✓	✓
Organic India	✓	✓	✓	✓	✓	✓	✓	✓
ProNature Organic Foods	✓	✓	×	×	✓	×	✓	✓
Nature Land Organic	✓	✓	×	×	✓	✓	✓	✓
Phalada Agro	✓	✓	✓	✓	✓	✓	✓	✓
Organic Tattva	✓	✓	✓	✓	✓	✓	✓	✓

Source: Secondary Research, Technopak Analysis
Note: Others include Speciality Marketplaces such as MilkBasket
**: 24 Mantra is present in approximately 1,600 Supermarkets and Hypermarkets*
***: 24 Mantra is present in approximately 6,200 General Trade Stores*
Note: As of 10th August 2021

25.1 REVENUE CONTRIBUTION OF KEY PLAYERS IN INDIAN ORGANIC FOOD INDUSTRY

25.1.1 Region wise Revenue Contribution - Global

USA is the most important destination for organic exports from India followed by the European Union. Majority of the organic players are exporting to high consumption markets including USA, European Union, GCC countries, United Kingdom, Japan, etc.

International Presence of Key Players in the Organic Industry

Organic Player	International Footprint
24 Mantra	USA, Canada, Gulf Cooperation Council countries, Australia, Singapore, Europe
Organic India	USA, Australia, Israel, UK, Germany, many other European nations
Suminter India Organics	Europe, United States
Nature Bio-Foods	USA, Netherlands
Pro Nature Organic Foods	NA
NatureLand Organics	USA, Canada, Australia, South Africa, Singapore, UAE
Phalada Agro	USA, Germany, Switzerland, Italy, France

24 Mantra has carved for itself a unique position in the international markets for organic food and grocery including organic packaged food. The company has deep presence in the USA, which also happens to the largest market of organic food in the world and hosts the largest Indian diasporic population.

Region-wise Revenue Contribution for Global Market (% Share)

	North America	Europe	Asia-Pacific	South America	UAE	Africa	Others
24 Mantra	70%-75%	<5%	<5%	-	10%-15%	-	-
Organic India	80%-85%	5%-10%	<5%	-	<5%	-	-
Suminter India Organics	60%-65%	10%-15%	-	-	-	-	15%-20%
Nature Bio Foods	65%-70%	15%-20%	-	-	-	-	5%-10%
Pro Nature Organic Foods	NA	NA	NA	NA	NA	NA	NA
NatureLand Organics	60%-65%	20-25%	<5%	-	<5%	<5%	-
Phalada Agro	65%-70%	15%-20%	-	-	-	-	5%-10%
Organic Tattva	50%-60%	10%-15%	<5%	-	5%-10%	-	-

Source: Secondary Research, Technopak Analysis; Estimations based on Primary and secondary research

25.1.2 Region wise Revenue Contribution – India

<u>South India is the largest market for Organic Food</u>

South India has the highest share in the organic food and grocery market in India. Southern Indian states contribute to as much as approximately 50% of the total market for organic food in India. Among the key players in the Indian organic food market, 24 Mantra is the only brand having a well-distributed nationwide presence. The company's revenue contribution from Northern and Western India combined contributes to approximately 40% of its overall revenue and sales from Southern India constitute approximately 50% of its revenue, signifying well distributed presence across consumption regions.

Region-wise Revenue Contribution for Domestic Market (% Share)

	North	South	East	West
24 Mantra	20%	50%	10%	20%
Organic India	15%-18%	50%-60%	7%	18%-20%
Pro Nature Organic Foods	15%-20%	40%-45%	10%-15%	15%-20%
NatureLand Organics	20%	50%	10%	20%
Phalada Agro	10%-15%	55%-60%	<5%	15%-20%
Organic Tattva	10%-15%	40%-45%	5%	20%-25%
Indian Organic Food Market	20%	50%	10%	20%

Source: Secondary Research, Technopak Analysis, Estimations based on primary and secondary research
Note: Suminter India is a B2B brand and is not present in any of the above channels*

26.1 CHANNEL WISE REVENUE CONTRIBUTION – INDIA

26.1.1 Organic food and grocery is widely available in both modern and traditional retail channel

Supermarkets and hypermarkets have been the major channel for sales of organic products by contributing about 35% to the total domestic sales of key companies in Indian organic food industry.

26.1.2 During COVID-19, online channels boosted sale of organic food and grocery, this trend could be here to stay

Online channels have contributed to the growth of sales of organic food and grocery in a significant way. Customers at large were already struggling to include healthier options in their day-to-day diet and were concerned over immunity and nutritional benefits of food that they were consuming. As a result, there was high demand for organic food and grocery which was primarily met by online channels, till offline retail markets opened gradually. The conversion from non-organic buyers of food and grocery to organic has been the fastest since the onset of COVID-19.

However, the share of online channels which went disproportionately high, especially for the organic food and grocery segment, might stabilize as other modern and traditional channels would open fully and draw footfalls equivalent to pre COVID-19 levels.

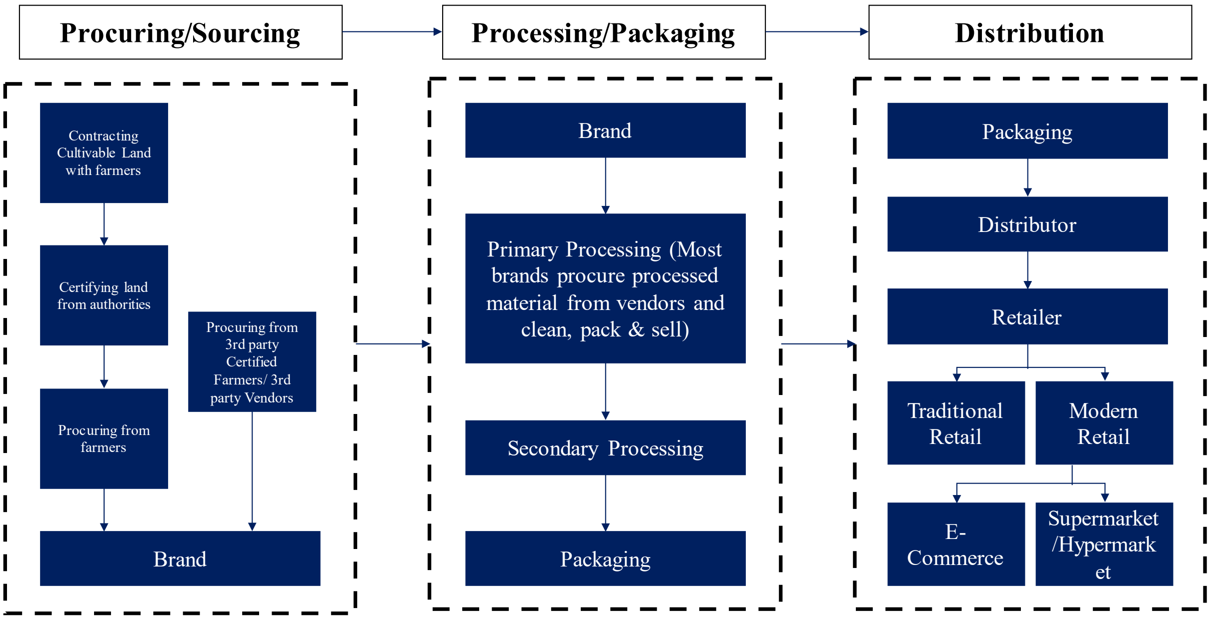
In Fiscal 2021, online sales contributed approximately 32% of sales of organic food and beverages for 24 Mantra which is considerably higher than the average of approximately 12% (which is average share of sales *via* digital mediums for other food and grocery brands in general). 24 Mantra is one of the key organic food brands having high digital presence with an active social media presence on Instagram and Facebook and providing constant blogs and recipes on their website making D2C as a major channel for revenue. The upwardly mobile users of social media, who are seeking premium, organic, naturally healthy food and grocery brands coincide with 24 Mantra's target customer segment. These individuals often tend to adopt a healthy lifestyle and have significantly higher spends on health and wellness product categories, making them a key segment for brands like 24 Mantra.

27.1 ORGANIC LAND AVAILABLE FOR KEY PLAYERS IN INDIAN ORGANIC FOOD INDUSTRY

27.1.1 Value chain of organic farming in India

Organic brands usually have two major methods of sourcing organic products. Raw materials can either be sourced from organically certified farms or organic certified vendors. Brands can also adopt a farm to fork model, where brands self-produce the organic products. The Raw materials are then sent for primary processing. This is the most crucial step where raw materials are converted into processed finish products. In case of fresh products, quality checks are done to ensure no usage of chemical products. They are then sent for secondary processing where processes such as secondary quality checks, final cleaning and packaging are done. Thereafter, they are sent for distribution to various retail outlets where they are sold through traditional retail, modern retail and E-commerce platforms.

Value Chain of Organic farming in India



Source: Secondary Research, Technopak Analysis

27.1.2 24 Mantra and Nature Bio-Foods have the largest organic land available for farming

Among B2C players offering organic food, 24 Mantra has the highest acreage under organic cultivation of 77,258 hectares for organic farming. Nature Bio Foods, primarily a B2B player in the organic food segment has land availability of 94,403 hectares for organic farming.

Organic Land available for Key Players

	24 Mantra	Organic India	Suminter India Organics	Nature Bio-Foods Ltd.	Phalada Agro	Organic Tattva	Pro Nature Organic Foods	Nature Land Organics	BB Royal Organic
Organic land Available (in Hectare)	77,258	20,235	44,515	94,403	4,045	NA	NA	NA	NA

Source: Secondary Research, Technopak Analysis

27.1.3 Organic industry is witnessing a movement towards 'farm to fork' model

Few players in the organic food industry have adopted a 'farm-to-fork' model which refers to a model wherein various processes are integrated and self-owned beginning from sowing (and harvesting) to consumption by end-user. As part of 'farm-to-fork' model, the organic players invest in organically cultivable land, instead of procuring from contracted farmers. This enables the companies to build a vertically integrated value chain giving them complete control over quality, pricing, margins, discounts, and promotions, etc. The benefits of 'farm-to-fork' model are consistent quality, better margins, low operating costs and understanding and relationship building with the end-users.

'Farm-to-fork' players maintain high customer engagement through social media and commerce and have deployed technology driven solutions to build their business. Few companies like Sresta, have a complete farm to fork supply chain. Such players register the farmers directly and procure from the farmers. Most other companies procure from vendors and do not directly with farmers. Directly working and procuring from farmers helps in establishing traceability and ensuring organic integrity. This also ensures availability of organic raw materials.

Farm-to-fork players characteristics for key players in India

Target	Farming and Sourcing	Quality Control and Processing	Packaging	Consumer Brand	Retail Presence (EBO)
	Farm to Fork Model				
24 Mantra	✓	✓	✓	✓	✓
Nature Bio-Foods Limited*	✓	✓	✓	✓*	×
Suminter India Organics*	✓	✓	✓	×	×
Organic India**	×	✓	✓	✓	✓
Nature Land Organic	✓	✓	✓	×	×
Phalada Agro	×	✓	✓	✓	✓
Organic Tattva	×	✓	✓	✓	✓
ProNature Organic Foods	×	✓	✓	✓	×
True Elements	×	✓	✓	✓	×
Conscious Food Pvt Ltd	×	✓	✓	✓	×
Nourish Organic Food Pvt Ltd	×	✓	✓	✓	×
Mangal Organics	×	✓	✓	✓	×
Induz Organics	×	✓	✓	✓	×
Organic Nations	×	✓	✓	✓	×

Source: Secondary Research and Analysis
**Primarily B2B through exports/ institutional sales*
*** Focus on Tea and Supplements*

28.1 FINANCIAL METRIC COMPARISON FOR KEY PLAYERS IN INDIAN ORGANIC FOOD INDUSTRY

	24 Mantra		Organic India		Organic Tattva		Conscious Foods		Nourish Organics		Pro Nature	
	Fiscal 19	Fiscal 20	Fiscal 19	Fiscal 20	Fiscal 19	Fiscal 20	Fiscal 19	Fiscal 20	Fiscal 19	Fiscal 20	Fiscal 19	Fiscal 20
Revenue (INR Cr)	221.9	273.6	336.1	344.8	69.4	NA	8.4	8.3	5.8	6.8	40.0	53.7
Revenue y-o-y Growth Fiscal 20 vs Fiscal 19	-	23%	-	2.60%	-	NA	-	-1%	-	19.3%	-	34.0%
COGS	108.5	138.7	84.2	95.5	44.7	NA	3.4	3.5	2.6	2.7	27.5	36.7
GP	113.4	134.9	251.9	249.4	24.7	NA	5.0	4.8	3.2	4.1	12.5	17.0
GP Margins	51.1%	49.3%	74.9%	72.3%	35.6%	NA	59.6%	58.0%	55.3%	60.3%	31.3%	31.7%
EBITDA	15.4	23.9	44.2	28.4	6.2	NA	0.3	0.7	-1.1	-3.5	-0.3	-1.8
EBITDA Margins	6.9%	8.8%	13.2%	8.2%	8.9%	NA	3.2%	8.1%	-19%	-50.74%	-0.8%	-3.4%
Gross Block	184.3	193.8	442.4	506.6	56.9	NA	2.9	3.7	10.1	10.9	9.6	9.2ss

Source: MCA reports, Technopak Analysis

OUR BUSINESS

Some of the information in this section, 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" beginning on page 20 for a discussion of the risks and uncertainties related to those statements and "Risk Factors" beginning on page 22 for a discussion on 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 are to the twelve 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 Consolidated Financial Information for the six month period ended September 30, 2021 and Fiscal 2021, 2020 and 2019 included in this Draft Red Herring Prospectus. For further information, see "Financial Statements" beginning on page 185.

*Unless otherwise indicated, industry and market data used in this section has been derived from the report "Organic Food Market in India" dated January 3, 2022 (the "**Company Commissioned Industry Report**") prepared and released by Technopak. We have commissioned the report for the purposes of confirming our understanding of the industry in connection with the Offer and the Company Commissioned Industry Report has been paid for by our Company for an agreed amount. Unless otherwise indicated, all financial, operational, industry and other related information derived from the Company Commissioned Industry Report and included herein with respect to any particular year refers to such information for the relevant calendar year.*

OVERVIEW

Our brand, '24 Mantra', is the largest brand in the packaged organic food segment (excluding organic packaged food market beverage and packaged tea and coffee) by market share with approximately 29% market share in Fiscal 2020 (*Source: Company Commissioned Industry Report*). We were incorporated in 2004 by one of our Promoters, Rajashekar Reddy Seelam. We are engaged in the business of procuring, processing, manufacturing, marketing and research and development of organic food products. We are also one of the leading Indian organic food brands in the USA with presence in 39 states across Indian Ethnic Stores and Mainstream Stores (*Source: Company Commissioned Industry Report*) and have a presence in a total of 34 countries as of September 30, 2021.

As one of the pioneers in the organic food industry in India (*Source: Company Commissioned Industry Report*), our mission is to promote sustainable livelihood for the farmers along with a healthy lifestyle for the consumers and contribute to a better ecology as a whole. We believe that we also play a key role in establishing a healthy ecosystem for organic farming and trade by working in collaboration with the Government of India and certain state governments and other institutions.

We have the highest acreage under organic cultivation among the B2C organic food companies in India (*Source: Company Commissioned Industry Report*) and have an extensive sourcing relationship with farmers across 12 states in India. As of September 30, 2021, our procurement network included 34,516 farmers, 190,610 acres (includes land under organic conversion) of certified organic land across 12 states in India, 65 vendors/ companies (including certain organic certified vendors/ companies) and various aggregators.

Among the key players in the organic products market with presence in the packaged food segment, we are present across most of the segments (*Source: Company Commissioned Industry Report*). We offer all types of grocery staples, spices and condiments, edible oils, packaged food, beverages, meal accompaniments, etc. Some of our key 'centre-of-plate' products (*i.e.* products having usage spread across different occasions in a day) all of which are sold under our '24 Mantra' brand include the following:

Sr. No.	Product Segment	Product
1.	Basic staples	Rice, atta (flour), dals and pulses
2.	Speciality staples	Expeller-pressed oils, sweeteners, speciality flours, cereals and millets
3.	Spices and condiments	Masalas (blended spices), whole and powdered spices like chilli, turmeric, coriander, mustard and black pepper powder
4.	Processed food, beverages and value added products	Ready to cook products (quick meals), culinary pastes, honey, malted drinks, vermicelli, pasta, teas and other beverages, snacks, confectionary and breakfast spreads

Through our diversified portfolio, we endeavour to be able to provide consumers with an organic alternative to cater to their food product requirements.

'24 Mantra' has a strong domestic as well as international presence with an omni-channel distribution network. As of Fiscal 2021, our domestic sales accounted for 52.13% (*i.e.* ₹1,626.67 million) of our revenue from operations whereas export sales accounted for 47.87% (*i.e.* ₹ 1,494.01 million) of our revenue from operations. Our products were available across 1,791 Modern Trade Stores and 5,764 General Trade Stores and leading e-commerce channels like Bigbasket in India as of September 30, 2021 and also present overseas in a total of 958 Mainstream Stores and 964 Indian Ethnic Stores in the USA and we were also present in 33 other countries. We have also leveraged the growth and ease of operations of e-commerce platforms and currently sell our products on leading e-commerce platforms in India including Bigbasket. Our presence across varied channels and geographies helps us cater to the organic food products needs of a host of customers.

We function under an 'asset light' model under which we own three secondary processing units in India of which two are in Telangana and one in Karnataka and undertake our primary processing at third party facilities located across the country under the supervision and monitoring of our employees which provides us the flexibility to focus on marketing, distribution and sourcing quality produce.

Organic food is expected to grow at a CAGR of approximately 24% between Fiscal 2020 and Fiscal 2025 and is expected to further increase its share to 4% of the overall health and wellness market in India. The global organic food market is expected to grow at 9.4% between CY 2020 and CY 2025 reaching a value of USD 210 billion and contributing a 2.6% share to the total food market (*Source: Company Commissioned Industry Report).*

Our Promoter and Managing Director, Rajashekar Reddy Seelam, is one of the forerunners in the organic food industry in India and has been felicitated in recognition of his contribution in the category of Best Millet Entrepreneur (organic foods) from the Telangana state for the year 2016-2017 by the Society for Millets Research and ICAR-Indian Institute of Millet Research. Additionally, our Promoter and Whole-time Director and Chief Executive Officer, Balasubramanian Narayanan, has experience with F&B companies such as Godrej Agrovet Limited, Tropicana Beverages Company and Effem India Private Limited. Both these personnel have been involved with our Company since several years and have comprehensive experience in this business.

Our total income aggregated to ₹2,082.08 million, ₹2,664.24 million and ₹3,143.70 million and our profit/(loss) after tax aggregated to ₹(34.69) million, ₹94.60 million and ₹103.93 million for the Fiscals 2019, 2020 and 2021, respectively

a) Our total income increased at a CAGR of 22.88% from ₹2,082.08 million in Fiscal 2019 to ₹3,143.70 million in Fiscal 2021.

b) Our gross margin increased at a CAGR of 25.70% from ₹774.31 million in Fiscal 2019 to ₹1,223.38 million in Fiscal 2021.

c) Our EBITDA margin increased at a CAGR of 100.42% from ₹62.01 million in Fiscal 2019 to ₹249.08 million in Fiscal 2021.

OUR COMPETITIVE STRENGTHS

Market leader and one of the pioneers in the rapidly growing organic foods industry in India with a diversified and innovation driven product portfolio through our research and development efforts

The organic food industry in India has grown at a CAGR of over 21% between Fiscal 2015 and Fiscal 2020 (*Source: Company Commissioned Industry Report*). We believe that we have been able to capitalise this opportunity which has led to our brand '24 Mantra' being India's largest brand in the packaged organic food segment (excluding organic packaged food market beverage and packaged tea and coffee) by market share with approximately 29% market share in Fiscal 2020. The other key players together contribute to 49% and other small players and private labels together contribute to 22% of the packaged organic food segment in India (*Source: Company Commissioned Industry Report*). The domestic market is largely branded and marked by large players including us and a long tail of mid/small sized players (*Source: Company Commissioned Industry Report*).

Among the key players in the organic products market with a presence in the packaged food segment, we are present across most of the segments (*Source: Company Commissioned Industry Report*) and offer all types of grocery staples, spices and condiments, edible oils, packaged food, beverages, meal accompaniments, etc. with over 137 organic food products under our brand '24 Mantra' as of September 30, 2021. Our diversified product portfolio, comprising ‘centre-of-plate’ products (*i.e.* products having usage spread across different occasions in a day), include:

a) Breakfast items including teas, and processed products like jam, marmalades and peanut butter;

b) Lunch and dinner items including dals, pulses, rice, flour, whole spices, blended spices, millets and edible oils and processed products like culinary pastes, fruit purees, ready-to-cook quick meals; and

c) Refreshments including cookies, healthy snacks, salty snacks and nuts and seeds.

We have in the past introduced a process for non-chemical fumigation of raw materials, developed protocols to extend the shelf life of various products without using any synthetic preservatives, granulating ingredients of Ayurvedam teas to foster ease of grinding and packing through high speed tea bag packing machines. By introduction of easy drying and vacuum packaging, our R&D team has also helped in controlling crystallization in the jaggery blocks and thereby increasing the shelf life of the completed product.

Our industry position and the growing demand for our ‘24 Mantra’ brand has further substantiated our position and lead to the overall financial growth of the Company as well. While our net sales have shown a CAGR of 23.64% from Fiscal 2019 to Fiscal 2021, our gross margin and EBITDA have grown at a CAGR of 25.70% and 100.42% during the same period. Our return on equity for the years ended Fiscal 2019, 2020 and 2021 was (6.11)%, 14.22% and 13.61%, respectively.

Pan-India presence and market leadership fostered by an omni-channel distribution network

Amongst the various organic food and grocery brands, we are one of the most widely distributed brands *(Source: Company Commissioned Industry Report)*. Our Company’s wide and deep product offerings and pan-India approach enabled us to be present in 7,555 outlets in India as of September 30, 2021. Our extensive omni-channel distribution network enables us to reach a wide range of consumers and ensure effective market penetration.

While the share of sales of food and groceries through online channels is estimated at only 0.5%, the share of organic food through online channels (marketplaces, specialists and own website) is approximately 12% with us being one of the front runners in enabling this significantly higher penetration (*Source: Company Commissioned Industry Report*). In Fiscal 2021, 28.74% of our revenue from operations in India arose from online channels. The advent and increasing popularity and growth of e-commerce channels in India has further widened our reach and facilitated better product availability across the country. Currently we have tie-ups with retailers for sale of our products on several leading e-commerce platforms in India such as Bigbasket.

Among the key players in the Indian organic food market, we are the only brand having a well-distributed nationwide presence. South India has the highest contribution to the sales of packaged organic food in India market, with a share of 50% (*Source: Company Commissioned Industry Report*) and our revenue contribution from Southern India in Fiscal 2021 was 53.63% (*i.e.* ₹872.39 million). Further, in Fiscal 2021, Northern India, Western India and Eastern India contributed to 22.14% (*i.e.* ₹360.10 million), 16.66% (*i.e.* ₹271.06 million) and 7.57% (*i.e.* ₹123.13 million), respectively, to our revenue from operations signifying a well distributed presence across consumption regions.

As of September 30, 2021, our products were present in a total of 7,555 stores in India, *i.e.* 1,791 Modern Trade Stores such as Metro, More Retail and other leading mainstream supermarket chains in India and 5,764 General Trade Stores across 556 cities and towns in 26 States and three union territories of India with a strong presence in metro and tier I cities. The channel wise contribution of our domestic distribution network to the growth of our Company is as follows:

(*in ₹ million, except %*)

Channel of sale	Particulars	Fiscal 2019	Fiscal 2020	Fiscal 2021
Modern Trade Stores	Total revenue from operations	391.59	440.70	441.07
	Gross margin (%)	*27.40%*	*35.74%*	*28.70%*
General Trade Stores	Total revenue from operations	479.45	529.59	668.87
	Gross margin (%)	*29.30*	*21.40%*	*28.28%*
E-commerce platforms	Total revenue from operations	122.59	209.94	465.59
	Gross margin (%)	*22.55%*	*36.03%*	*30.68%*

As of Fiscal 2021, 52.13% (*i.e.* ₹1,626.67 million) of our total revenue from operations was from domestic markets of which 73% was from the tier I cities in India and 27% was from tier II and tier III cities in India.

One of the leading Indian organic food brands in the USA with exports to a total of 34 countries

We are one of the leading Indian organic food brands in the USA with presence in 39 states across Indian Ethnic Stores and Mainstream Stores (*Source: Company Commissioned Industry Report*). United States has the largest share in North American packaged organic food sales, contributing to approximately USD 56 billion in organic food and beverages and has presence of over 500 brands in the organic food space (*Source: Company Commissioned Industry Report*). In Fiscal 2012 we set up our subsidiary, Fyve, in the USA (along with two other subsidiaries which were subsequently merged into Fyve) through which we expanded our operations to over 39 states in the USA. As of September 30, 2021, our products were present in 958 Mainstream Stores and 964 Indian Ethnic Stores.

The global organic food market is expected to grow at 9.4% between CY 2020 and CY 2025 and reach a value of USD 210 billion by 2025 and contributing 2.6% share to the total food market (*Source: Company Commissioned Industry Report*). Our exports provide us with the flexibility to operate across business cycles, mitigate seasonality risk in the domestic market, and help us in expanding our geographical footprint to global emerging markets. We have carved a unique position for ourselves in the international markets for organic food and grocery including organic packaged food. We were one of the first organic consumer brands to export our products out of India to countries such as USA, UK and many other European countries (*Source: Company Commissioned Industry Report*). As of September 30, 2021, our products were present in 34 countries globally (through our direct exports and/ or our distributor network) including USA, Canada, GCC Region, certain European countries, certain South East Asian countries, Australia and Singapore.

We have achieved steady growth in export sales at a CAGR of 21.50% from Fiscal 2019 to Fiscal 2021. We believe that our focus on quality, our product range and effective pricing have enabled us to develop strong brand recognition and consumer loyalty in our export markets. Our secondary processing units in Hyderabad have been issued the Food Safety Systems Certifications 22000 ("**FSSC 22000**") by Intertek India Private Limited on behalf of the United Kingdom Accreditation Services and are registered with the United States Food and Drug Administration ("**USFDA**"). Further, our Hyderabad and Bidar secondary processing units are in compliance with the India Organic - NPOP Standards and with FSSAI along with the third party processing units also being compliant with the FSSAI. Further, our products are certified as 'organic' under the India Organic - NPOP Standards (equivalent to the European Union council registration (EC) No. 834/2007 (category A & F) & Regulation (EC) No. 889/2008 and Swiss Organic Farming Ordinance for unprocessed plant products originating in India) and under the national organic program ("**NOP**") standards set by the U.S. Department of Agriculture ("**USDA**"). These help in the acceptability of our products in developed and quality conscious export markets.

As of CY 2020, India exported over 77% of the organic produce, mainly organic processed food (products such as staples, spices, condiments, and other packaged food), cotton, oil seeds (and edible oils) and cereals and millets. In terms of export value realization, processed foods including soy meal (57%) is a leading category among the products followed by oilseeds (9%), cereals and millets (7%), plantation crop products such as tea and coffee (6%), spices and condiments (5%), medicinal plants (5%), dry fruits (3%), sugar (3%), and others. The total export value of organic exports out of India is expected to reach INR 265.67 billion by the year 2025. (*Source: Company Commissioned Industry Report*).

The contribution of our exports to our business is as follows:

(*in ₹ million*)

Country of export	Particulars	Fiscal 2019	As a %	Fiscal 2020	As a %	Fiscal 2021	As a %
USA	Total revenue from operations	863.10	42.28	1,092.97	41.89	1,265.82	40.56
Others*	Total revenue from operations	148.91	7.29	188.55	7.23	228.19	7.31

**Includes countries such as Canada, GCC Region, certain European countries, certain South East Asian countries, Australia and Singapore*

Our exports provide us with the flexibility to operate across business cycles, mitigate seasonality risk in the domestic market, and help us in expanding our geographical footprint to global emerging markets.

Large scale and efficient sourcing and procurement network, which is an entry barrier, further strengthened through exclusive procurement access to farmers within our network

We have the highest acreage under organic cultivation among the B2C organic food companies in India (*Source: Company Commissioned Industry Report*). As of September 30, 2021, our procurement network comprised 34,516 farmers, 190,610 acres (includes land under organic conversion) of certified organic land across 12 states in India, 65 vendors/ companies (including certain organic certified vendors/ companies) and various aggregators which ensures uninterrupted supply of quality produce, traceability and organic integrity. Our dispersed procurement network across multiple states reduces dependency on any single state for a particular product and thereby diversifies our risk. As of September 30, 2021, procurement of 80% (*i.e.* 14,566,037 kgs) of the agricultural produce was sourced from farmers within our network either directly or through aggregators and 20% (*i.e.* 3,638,706 kgs) was from vendors/ companies. Further, the production from our current procurement network last year was three times the amount consumed by us for our business last year.

In India, the conversion and certification of farmland as 'organic' takes an average of three years and we have over the years, notwithstanding this entry barrier, managed to build an extensive sourcing relationship with farmers across 12 states in India. The organic farmland certifications procured for the farmland within our procurement network are held solely in the Company's name due to which we have exclusive procurement access from farmers in our network. Our products are certified as 'organic' by the Control Union Inspections India Private Limited and OneCert International Private Limited (equivalent to the European Union council registration (EC) No. 834/2007 (category A & F) & Regulation (EC) No. 889/2008 and Swiss Organic Farming Ordinance for unprocessed plant products originating in India) under the India Organic - NPOP standards as well as under the NOP standards set by the USDA.

We have a well-established framework which assesses, among other things, the soil type based on soil maps, agro-climate, produce quality, farming practices, farmer's attitudes, farm level contamination risks, current usage of chemical fertilizers and pesticides in order to optimally select the land to be cultivated with the respective crops in a particular season. Over the course of our operations, we have developed knowhow in selecting the ideal regions, seasons and varieties for various crops for ensuring right quality and consistency of produce. As of September 30, 2021, we have a team of 151 employees comprising agronomists, procurement managers, Farm Cluster managers and employees having expertise in farm production who make up our organic agri business division, which handles the identification and training of farmers undertaking organic farming, organic certification process, farmer relations and procurement. Our crop selection is driven by sales projections for the year with the aim to augment and stabilize our procurement network. On account of us forecasting the demand and our wide-spread procurement network for sourcing multiple crops, we are able to optimise utilisation of produce, logistics costs and minimise wastage and thereby reduce our cost of production. Owing to our wide range of raw materials, our business and results of operations are less susceptible to price fluctuation or disruptions in availability of major raw materials.

To ensure continuity of raw material supplies, as of September 30, 2021, we had 84 Farm Clusters (*i.e.* the total 190,610 acres of organic land (including land under organic conversion) organised into clusters across India) spread across 12 states in India with each Farm Cluster being located in a compact area of approximately 20 to 30 kms radius on an average covering a few hundred to a few thousand acres and we have multiple Farm Clusters across different agro climatic zones for major crops. For instance, for wheat we have two Farm Clusters each in Sikar and Pali in Rajasthan and Mandsaur and Sehore in Madhya Pradesh and two Farm Clusters for pulses in Udgir and Akola in Maharashtra. Further, we typically procure about 70% of our annual produce within three to five months of the harvest to ensure traceability and integrity of produce. As of September 30, 2021, we procured 80% (*i.e.*14,566,037 kgs) of the organic agricultural produce, in terms of volume, from our own Farm Clusters and our processing units were capable of handling large-scale procurement volumes and have sourced over 37,611 MT of agricultural produce.

Our sustainable form of organic farming also leads to a positive impact on the environment as it, among other things, reduces nitrogen run-off induced pollution, reduces water pollution both over and underground, combats soil erosion, reduces our carbon footprint, facilitates healthy soil formation and helps combat the effects of global warming on account of reduction in carbon dioxide emissions owing to soil carbon sequestration which in turn also benefits our network of farmers including their health. Further, our deep relationships with the farmers developed over the years by conducting transparent dealings with them and offering superior returns has further strengthened sourcing network. We also closely work with local farming communities to build and maintain the quality of the produce by providing them with continuous training, guidance and support. As of September 30, 2021, we had a long standing relationship with many of our farmers within our Farm Clusters.

Asset-light model with strategically located processing facilities and end-to end control over the integrated supply chain with a focus on quality

Our growth is also attributable to our asset-light business model of conducting our processing operations. Our facilities are strategically located in proximity of our farming network in India. As on date, we own three secondary processing units located in the states of Telangana and Karnataka and have co-processing arrangements to use 18 third party facilities. We have been associated with several of the third party facilities on a continuous basis. Since we have outsourced our primary processing, it provides us the flexibility to remain asset light and focus on marketing, distribution and sourcing quality produce.

Since our primary processing units are also located close to the production centres, this helps to reduce the supply chain costs and results in us having procurement and warehousing facilities in major procurement centres.

We exercise supervision and monitor our operations including those conducted at third party facilities by placement of our employees at such facilities. The third party facilities used by us are in compliance with the FSSAI and additionally two of the processing facilities owned by us in Hyderabad have been issued the FSSC 22000 certification and are registered with the USFDA and in compliance with the standards set by the USDA and our Hyderabad and Bidar processing units are in compliance with the FSSAI. Further, we also conduct regular quality checks as per FSSAI, USFDA and other importing country requirements. Further, the third-party facilities also follow good manufacturing practices (GMP) and good hygiene practices (GHP). We undertake continuous upgradation of our production facilities to increase the throughput and reduce costs in an energy efficient manner and possess the ability to add additional capacity as may be required by us.

We undertake extensive checks and audits at the farms to ensure organic integrity of the products. The farmlands in our network are audited every season internally and by certification bodies such as Control Union Inspection India Private Limited and OneCert International Private Limited. In our endeavours, we are supported by a team of 114 agri-field associates, 31 procurement executives and six procurement managers as of September 30, 2021, who regularly interact with the farmers and monitor them to ensure adherence to organic standards. We control the quality of our products from start to finish through measures such as a) regular field visits by our field associates, generally twice a month; b) regular physical, chemical, microbial and sensory analysis of samples prior to procurement to ensure they are pesticide free; and c) processing of products at certified processing units under the supervision and monitoring of our employees. Our quality checks are strengthened by the expertise of our employees involved in such processes including on account of the certifications obtained by them such as the certification on COVID-19 Strategies in Managing Food Supply Chain Risk, internal audit training, FSSC 22000 certification on food safety and manufacturing from third party food safety consulting companies and Food Safety Supervisor Certificate of Competence issued by the FSSAI.

Additionally, we have developed a proprietary process which involves the treatment of raw materials in closed chambers wherein the availability of oxygen is reduced significantly by extracting the oxygen and replacing it with carbon dioxide. This in turn safeguards our products from infestation and helps preserve the shelf life of our products.

Experienced Promoters and professional management team

We have benefitted from the experience of our Promoter and Managing Director, Rajashekar Reddy Seelam, who has comprehensive experience in the food and agribusiness space. Rajashekar Reddy Seelam is an advisor for the Bioagri Input Producers Association. He was also felicitated in recognition of his contribution in the category of Best Millet Entrepreneur (organic foods) from the Telangana state for the year 2016-2017 by the Society for Millets Research and ICAR-Indian Institute of Millet Research. He was awarded the outstanding performer award for his significant contribution to the knowledge and development of the organic sector by the Farm and Rural Science Foundation, Professor Jayashankar Telangana State Agricultural University on the occasion of Shri. J. Raghotham Reddy Memorial lecture. Our Promoter, Whole-time Director and Chief Executive Officer, Balasubramanian Narayanan, has experience in the F&B space and has previously been associated with companies such as Tropicana Beverages Company, Godrej Agrovet Limited and Effem India Private Limited. He has also worked as a marketing executive on the fruit and vegetable project which was a pilot project of the National Dairy Development Board.

Their knowledge of the organic foods industry supplemented by our professional management team's understanding of target markets and consumer demand and preferences have enabled us to grow our business and expand our operations. We believe that the experience of our Promoter and management team has significantly contributed to our success and growth.

OUR STRATEGIES

Expanding our presence in the Indian market by capitalising on industry growth opportunities

We aim to enhance our leadership position in the organic food products industry in India while at the same time pursue growth opportunities in both the domestic and international markets. In Fiscal 2025, the Indian health and wellness industry is expected to reach approximately INR 1,280.70 billion, growing at CAGR of 16% between Fiscal 2020 and Fiscal 2025. Organic food is expected to grow at a CAGR of approximately 24% between Fiscal 2020 and Fiscal 2025 and is expected to further increase its share to 4% of the overall health and wellness market (*Source: Company Commissioned Industry Report*).

Comparing India to another developing economy like China, India's organic food market is at its inflexion point with similar GDP per capita of China as in 2007. China followed a high growth path a per capita income surpassed USD 2,000. It is expected that a similar trend will be followed in India as GDP per capita crosses the USD 2,000 level between CY 2019 and CY 2024 (*Source: Company Commissioned Industry Report*).

Consumers in India opt for food grown from known sources and prefer fresh food over packaged food. However, over the last few years, increased awareness about hygiene and trust in packaged food has increased the acceptance of packaged/ branded food. The current Covid-19 situation has further accelerated the packaged/branded food consumption. We are in a position to leverage our market presence through our 24 Mantra brand which offers organic food products that meet the quality and taste expectations of the consumers while competing with other non-organic and organic food brands in India. Rising awareness about use of chemical fertilizers and pesticides in food cultivation and synthetic additives in food processing and overall concern for the environment are expected to further strengthen the position of 24 Mantra as the brand of choice for consumers in India.

Currently, the domestic organic food market in India is estimated at INR 1,900 crores and is expected to reach INR 5,600 crores by 2025, growing at a CAGR of 24% accelerated by COVID-19 induced demand for the segment (*Source: Company Commissioned Industry Report*). We have and continue to work towards creating awareness about organic food in India and are today accepted by a large number of households and we aim to increase our reach manifold over the next five years. Our revenue from our 24 Mantra brand in India as a percentage of our total sales has increased from 50.43% (*i.e.* ₹1,029.44 million) in Fiscal 2019 to 51.92% (*i.e.* ₹1,620.27 million) in Fiscal 2021.

As of September 30, 2021, our products were present in 145 tier I, II and III cities in India and we aim to further expand our presence in tier I, II and III cities in India by targeting the General Trade Stores and investing in marketing and strengthening our sales force. As of September 30, 2021, we had a presence in 7,555 stores in 556 cities and towns in 26 States and three union territories of India and aim to significantly expand our reach across the country. We seek to leverage our widespread presence to strengthen our industry position including by developing new products to capitalise on emerging trends and diverse consumer needs.

Focus on 'farm to fork' traceability model to strengthen our brand and enhance our market share

Consumers increasingly prefer brands that are transparent about the origin and processing of the food product. We intend to introduce the 'farm to fork' traceability model in India in Fiscal 2022 for a wide range of our products fostered by our two-fold vision of making farming more sustainable in India and bringing pure and uncontaminated food to the consumers. Under this model, through a distinct concept called 'traceability' our consumers can track the organic origination, manufacturing, processing and packaging of the product simply by scanning the QR code on the product packaging. Since we procured 80% (14,566,037 kgs) of the organic agricultural produce, in terms of volume, from our own Farm Clusters (as of September 30, 2021), we can trace the organic nature of our produce from farm to fork and also launch this as a feature on our packaging in order to enable customers to track the origin of the product thereby enhancing our credibility and trust among customers. Subsequently, we aim to introduce this model in the overseas markets as well.

We have a complete farm to fork supply chain. We register the farmers directly and procure from the farmers. Directly working and procuring from farmers helps in establishing traceability and ensuring organic integrity and also ensures availability of organic raw materials (*Source: Company Commissioned Industry Report*). This in turn will enable us to enhance customer trust and gain credibility and enhance our market share.

Expansion of distribution with a focus on online/ omni-channel presence

In the recent years, there has been a gradual shift of our customers, across cities in India and across income groups, to usage of e-commerce platforms for purchase of our products. Food and grocery segment including packaged food have shown high growth, while offering products *via* e-commerce platforms. Gross merchandise value of food and grocery sold online was estimated at USD 7 billion in Fiscal 2021 (*Source: Company Commissioned Industry Report*).

As on date, we have tie-ups with retailers for sale of our products on several leading e-commerce platforms in India such as Bigbasket and intend to build on our relationship with these major platforms to reach millions of potential consumers through marketing campaigns on these platforms and alternative consumer promotions. The contribution of e-commerce platforms to our revenue from operations increased from 11.91% in Fiscal 2019 (*i.e.* ₹122.59 million) to 28.62% in Fiscal 2021 (*i.e.* ₹465.59 million). The increase in revenue share of e-commerce platforms in our business will help us in increasing manpower efficiency as well as our distribution reach. While the share of sales of food and groceries through online channels is estimated at only 0.5%, the share of organic food through online channels (marketplaces, specialists and own website) is approximately 12% with us being one of the front runners in enabling this significantly higher penetration (*Source: Company Commissioned Industry Report*). In Fiscal 2021, 28.74% of our revenue from operations in India arose from online channels.

The emergence of e-commerce platform also enables us to offer our complete range of products to consumers, further enhancing our opportunity to increase our market penetration and basket size. Given our market share and convergence of consumer segments, we believe that our brand is crucial for the e-commerce platforms. Therefore, the rapid growth of e-commerce as a platform will augment the growth of 24 Mantra in India. We plan to further strengthen our own omni-channel reach by developing our own D2C platform with the aim to increase our online and D2C sales revenue contribution to our total revenue from operations and in this regard have made an application with the Department for Promotion of Industry and Internal Trade for setting up our own e-commerce platform. For details on the application, see "*Government and Other Approvals*" beginning on page 275. With our increased online presence, we will be able to cater to the needs of a wider customer pool, receive instant customer reviews and feedback, further build our brand and provide improved customer service and accessibility. We believe that our online sales channel is a strategic avenue to increase the scale of our business and at the same time optimize our profit margins.

Fostered by features such as convenience and time saving, e-commerce in food and grocery segment is projected to grow at a CAGR of over 50% between Fiscal 2020 and Fiscal 2025 not only in metros but also in Tier I cities and beyond. (*Source: Company Commissioned Industry Report*) This will give our brand a big opportunity to expand our footprint in the smaller towns and geographies with limited additional cost.

We have built a strong brand across India and several countries of the world with robust consumer trust for every day usage of our products across occasions and it is our advertising program as well as distribution across India and overseas and across platforms that places us in a unique position to grow the brand and business at the projected rate.

Deepen our reach in the existing export markets by leveraging our brand name and branching out into newer geographies

USA is the largest market for organic foods in the world. USA contributes 54% to the exports of organic food products from India (*Source: Company Commissioned Industry Report*). During Fiscal 2021, 40.56% (*i.e.* ₹1,265.82 million) of our total revenue was from our operations in the USA. The opportunity offered by the Mainstream Stores is extremely large and our presence in some of the leading Mainstream Store chains helps us understand the trends, develop the right products and tap into this potential. As part of our growth plan, we intend to grow with existing retailers and enter into other relevant chains/ stores through optimal marketing spends and strengthening the mainstream sales team.

Our products were present in a total of 1,922 stores in the USA, *i.e.* 958 Mainstream Stores and 964 Indian Ethnic Stores as of September 30, 2021 and we aim to grow our presence in the Indian Ethnic Stores as we expand. We will aim to increase our per store revenue in Mainstream Stores and Indian Ethnic Stores by enhancing our product offerings, reaching out to more consumers and expanding the consumer basket size of 24 Mantra products. Further, we intend to continue to leverage our brand by strengthening our presence on the e-commerce platforms in the USA.

The global organic food market was worth USD 89 billion in CY 2015 and subsequently grew to USD 135 billion in CY 2020 and is expected to grow at 9.4% between CY 2020 and CY 2025 reaching a value of USD 210 billion and contributing 2.6% share to the total food market. (*Source: Company Commissioned Industry Report*) Other markets we serve include Canada, GCC Region, certain European countries, certain South East Asian countries, Australia and Singapore. We aim to deepen our presence in these markets by increasing the distribution reach, activating alternate channels like e-commerce, expanding the consumer base to include local native population, active marketing communication and expanding our offerings and by establishing on ground teams in select geographies like the Middle East and South-East Asia. We aim to leverage our current presence in the international markets and expand our brand in other international markets with large, underserved Indian diaspora and growing market for organic foods such as South East Asia, North Africa, New Zealand, etc.

Our revenue from our 24 Mantra brand as a percentage of total sales, by region of operations, has grown from 32.33% in USA (*i.e.* ₹660.04 million) and 5.36% in other countries (*i.e.* ₹109.45 million) in Fiscal 2019 to 34.85% in USA (*i.e.* ₹1,087.42 million) and 6.53% in other countries (*i.e.* ₹203.76 million) in Fiscal 2021, respectively. We aim to foster our presence by leveraging our brand strength to target Indian diaspora and focussing on ethnic channels and venturing into the mainstream channel and entering into arrangements with e-commerce platforms.

USA is the most important destination for organic exports from India followed by European Union. Majority of the organic players are exporting to high consumption markets including USA, European Union, GCC countries, United Kingdom, Japan, etc. (*Source: Company Commissioned Industry Report*). We aim to expand our reach in the South-East Asian markets by leveraging our presence in the mainstream channel and entering into arrangements with e-commerce platforms.

Diversify our product portfolio including by focusing on select categories of value added products and staples with the aim to increase consumer base, basket size and our market share

We aim to provide consumers with an organic option for their everyday consumption occasions. As disposable income and aspirations continue to rise, the consumers' affordability and acceptability of higher priced food products is also witnessing a proportionate increase. Additionally, urbanisation has also been a key factor in the growth and consumption of organic food products. (*Source: Company Commissioned Industry Report*) We intend to harness these opportunities by continuing to strengthen and diversify our product portfolio.

Lately millennials are moving towards a healthier lifestyle, improved eating habits and cleaner living. The increasing media coverage on food trends and healthy eating, especially from social media influencers, has also significantly contributed to millennial's newfound interest in organic food. (*Source: Company Commissioned Industry Report*) The growing shift towards local, sustainable products and brands adopting right practices offers a myriad of opportunities for our growth. We intend to capitalize on this significant shift in consumer preferences and market trend by continuing to offer a wide variety of organic food products in order to increase revenue growth and to aid transformation into a scalable, higher margin business.

We monitor shift in consumer preferences through our in-house research and inputs from industry experts to help in portfolio diversification. As on date, we have a strong pipeline of new products under development. We plan to in-house develop and commercialize 18 new products comprising organic spice blend masalas such as fish masala, chickpea masala and meat masala and speciality nutrition foods such as millets and herbs to meet the dietary preferences of different age groups that help improve immunity, provide wholesome nutrition and increase gut microbiota under our to be launched sub-brand '24 Mantra Living Food'.

Our revenue share from such speciality organic food products increased from 20.72% in Fiscal 2019 to 26.14% in Fiscal 2021, *i.e.* from ₹423.08 million to ₹815.60 million and is expected to further increase in the upcoming fiscals on account of increased focus of customers on such speciality organic food products especially on account of the COVID-19 pandemic. This will ultimately help us increase our gross margins. Our net sales increased by 52.87% from Fiscal 2019 to Fiscal 2021 *i.e.* from ₹2,041.45 million to ₹3,120.68 million.

We aim to achieve our objective of increasing the basket size and penetration of households which are consuming more health and wellness products through our core range of basic staples which are for every day and every occasion use in the kitchen as well as through speciality products which will meet the needs of the younger, upwardly mobile and more aware population. We are therefore in a beneficial position to be the brand of choice for the generation of consumers who will be the key to India's consumption and economic story over the next 5-10 years.

Increase advertising and marketing activities with a focus on increasing awareness for organic food and our 24 Mantra brand

Exponential growth of social media and digital media options in the last few years has given consumers access to information especially including in the area of health and wellness. 24 Mantra is one of the key organic food brands having a high digital presence with an active social media presence and providing constant blogs and recipes on their website making D2C as a major channel for revenue. The upwardly mobile users of social media, who are seeking premium, organic, naturally healthy food and grocery brands coincide with 24 Mantra's target customer segment. These individuals often tend to adopt a healthy lifestyle and have significantly higher spends on health and wellness product categories making them a key segment for brands like ours. (*Source: Company Commissioned Industry Report*)

Recognising this trend early, we have optimised our website for key words related to health and wellness. As on September 30, 2021, our website carries 1,302 blogs which attracts more than 250,000 visitors every month. The younger profile of consumers who are exploring health and wellness options are continuously looking for curated solutions to meet their expectations. We have availed the assistance of social media influencers in the food industry to reach out to millions of consumers. This has helped us to build awareness and credibility for the brand amongst the youth. We have also extensively used digital media including social media platforms, e-commerce platforms, OTT channels, etc. for advertising our 24 Mantra brand.

Food being an intrinsic part of the Indian society, requires more than mere advertising claims from a brand in order to guide consumers to consider new brands. Therefore, from the very beginning we focused on connecting and educating consumers through various platforms. We have engaged in-store promoters to communicate directly with the consumers about organic foods and our 24 Mantra brand. We have also successfully carried out numerous on-ground activations to promote consumption of our 24 Mantra products. One of the earliest on ground awareness activities undertaken by us was the "*Freedom from Pesticides*" campaign which drove home the message of 24 Mantra being a brand free of pesticides and chemicals.

We have used technology and data analytics extensively for better targeted marketing. We have leveraged the relevant digital media platforms and have undertaken targeted digital advertising to reach our target consumers. To make our communication more effective, we have collaborated with various food and wellness influencers to educate consumers about the benefits of organic food and our 24 Mantra products. We plan to further strengthen the digital marketing initiatives such as social media integration, influencer marketing and content marketing. We have, over the years, also used print medium like newspapers and magazines to advertise our brand to ensure that we reach both the traditional and the modern consumer effectively. We are one of the front runners in enabling significantly higher penetration in online sales (*Source: Company Commissioned Industry Report*) which has helped us in fostering better consumer relations, loyalty and consequently, revenue.

Advertising spend as a percentage of revenue, or advertising to sales ratio indicates the efficacy of advertising strategies of a company (*Source: Company Commissioned Industry Report*). We aim to target the growing number of health conscious individuals and households with high affordability and this acquisition of new customers by us, on an ongoing basis, is vital in increasing our basket size. We have spent 2.54%, 2.60% and 2.99% of our revenue from operations (*i.e.* ₹79.42 million, ₹67.79 million and ₹60.96 million) in Fiscal 2021, 2020 and 2019, respectively, towards marketing and advertisements. We believe that, the scale of our business provides us the ability to increasingly focus on branding and promotion to enhance our visibility, market share and growing needs and preferences of our customers across various channels. This is complemented by our on-ground promoters who meet several consumers every month to encourage them to use the 24 Mantra brand.

Further, we, through our trained staff, also work towards increasing awareness in the farming community about the benefits of organic farming in order to help them reap the benefits of increased soil fertility, better yields, lower costs and lower financial risk. These include, among others, providing continuous training to farmers on organic farming methods, providing access to quality seeds, imparting knowledge about the harmful effects of chemical fertilizers and pesticides, training on post-harvest practices for better quality produce and training on farm input management for reduction in the cost of cultivation.

DESCRIPTION OF OUR BUSINESS

We undertake our business and operations in India through our Company and in the USA through our subsidiary, Fyve, which was incorporated in Fiscal 2012. Fyve is currently engaged in import, distribution and marketing, warehousing and business development activities in the USA. For further details, see "*History and Certain Corporate Matters - Our Subsidiaries, associates and joint ventures*" beginning on page 163.

OUR PRODUCTS

Our brand, '24 Mantra', is the largest brand in the packaged organic food segment (excluding organic packaged food market beverage and packaged tea and coffee) by market share with approximately 29% market share in

Fiscal 2020 (*Source: Company Commissioned Industry Report*) with a diversified product portfolio that can be classified under four key categories comprising products as follows:

Basic staples

Speciality staples

Spices and condiments

Processed food, beverages and value added products

The following table sets forth the performance of our product segments in the last three Fiscals, *i.e.,* Fiscal 2019, 2020 and 2021:

(*in ₹ million, except %*)

Sr. No.	Product Segment	Particulars	Fiscal 2019	Fiscal 2020	Fiscal 2021
1.	Basic staples	Total revenue from operations	1,085.78	1,379.53	1,668.42
		Gross margin (%)	*33.84%*	*37.63%*	*37.50%*

Sr. No.	Product Segment	Particulars	Fiscal 2019	Fiscal 2020	Fiscal 2021
		Revenue from the 24 Mantra brand and market revenue share (domestic)	590.51	672.14	865.67
		Revenue from the 24 Mantra brand and market revenue share (overseas)	495.27	707.39	802.75
2.	Speciality staples	Total revenue from operations	423.08	576.45	815.60
		Gross margin (%)	*43.16%*	*40.93%*	*40.45%*
		Revenue from the 24 Mantra brand and market revenue share (domestic)	298.34	383.02	571.22
		Revenue from the 24 Mantra brand and market revenue share (overseas)	124.74	193.44	244.39
3.	Spices and condiments	Total revenue from operations	162.55	198.80	255.35
		Gross margin (%)	*53.49%*	*56.68%*	*56.78%*
		Revenue from the 24 Mantra brand and market revenue share (domestic)	86.39	104.87	132.43
		Revenue from the 24 Mantra brand and market revenue share (overseas)	76.15	93.93	122.92
4.	Processed food, beverages and value added products	Total revenue from operations	126.20	160.69	172.07
		Gross margin (%)	*52.71%*	*52.06%*	*53.39%*
		Revenue from the 24 Mantra brand and market revenue share (domestic)	54.19	56.02	50.95
		Revenue from the 24 Mantra brand and market revenue share (overseas)	72.01	104.67	121.12

Our revenue from sale of basic staples, speciality staples, spices and condiments and processed food, beverages and value added products grew at a CAGR of 23.96%, 38.84%, 25.34%, and 16.77%, respectively, from Fiscal 2019 to Fiscal 2021.

Basic staples

We offer variants of rice, flours, cereals and pulses under this category. Some of the products under this category are whole wheat atta, sona masuri white rice, tur dal, green moong whole and peanuts. These products are available in sizes ranging from 500 gm to 1 kg to 5 kgs.

Basic staples have grown at a CAGR of 23.96% from Fiscal 2019 to Fiscal 2021.

Speciality staples

We offer oils, salts, sweeteners, grains, speciality flours, dry fruits, millets, etc. under this category. Some of the products under this category are jaggery powder, ragi flour, coldpressed sunflower oil, cold pressed groundnut oil, poha, honey, organic sugar and Himalayan salt powder. These products are available in various sizes ranging from 100 gm to 25 kgs and 500 ml to 2 ltrs.

Speciality staples have grown at a CAGR of 38.84% from Fiscal 2019 to Fiscal 2021.

Spices and condiments

We offer processed spices such as coriander powder, turmeric powder, chilli powder, cassia powder, dry ginger powder, etc., raw spices such as ajwain, black pepper, red chilli, turmeric powder, mustard, cloves, cumin, fennel, fenugreek, etc. and condiments such as chilli flakes, chat masala, tandoori spice blend, biryani spice blend and chicken curry spice blend. These products are available in sizes ranging from 50 gm to 25 kgs.

Spices and condiments have grown at a CAGR of 25.34% from Fiscal 2019 to Fiscal 2021.

Processed food, beverages and value added products

We offer a wide variety of processed food, beverages and value added products including teas, quick meals, sweet spreads, sweet snacks, salty snacks, cooking pastes, vermicelli, nuts and seeds and dry fruits. Several of these processed foods, beverages and value added products target health, convenience and indulgence trends of the customers and contribute significantly to our growth opportunities. Some of the products under this segment are sambar powder, green tea, Assam tea, peanut, jaggery, chikki, flax seeds, etc.

Processed foods, beverages and value added products have grown at a CAGR of 16.77% from Fiscal 2019 to Fiscal 2021.

OUR PRODUCTION PROCESS

Sourcing and Procurement

Sourcing

We have the highest acreage under organic cultivation among the B2C organic food companies in India (*Source: Company Commissioned Industry Report*). As of September 30, 2021, our procurement network included 34,516 farmers and 190,610 acres (including land under organic conversion) of certified organic land across 12 states in India under our network. Our sourcing process starts with conversion and certification of the farmlands as organic. This organic certification process under the National Programme for Organic Production Standards in India can take an average of three years. Further, based on the in-depth knowledge of the agrarian landscape, we begin with identification of the regions suitable for sourcing our organic products through a stringent process which involves multiple steps that allow us to make a detailed evaluation of the various factors such as assessment of the agro-climate, chemical input usage, farming practices, soil fertility, soil and water contamination, area assessment, farmer attitude and willingness, produce quality, etc. Thereafter, we have developed a system to diversify the sourcing risk due to climate and other natural events for assuring continuity of organic raw material supplies by having Farm Clusters for critical raw materials in multiple agro-climatic zones across different states. We ensure that we have at least two procurement centers in different agro-climatic geographies for our major crops and have a well-established framework to match the area and season to the crops.

Post identification of regions, we approach the farmers to convert the non-organic farmland to organic farmland. We enrol farmers in our organic farming programme and submit the details to the certification agencies for inspection and certification. Each Farm Cluster is typically spread out in an approximately 20 to 30 kms radius. Our field associates are based at the Farm Cluster site and train the farmers, assist in the documentation process and provide technical support to the farmers and procure the material after certification. We work extensively with the farmers and educate the farmers on the benefits of organic farming. Our Farm Cluster based approach ensures optimal expenditure on certification and supervision, with each Farm Cluster having a group of up to 500 farmers.

IC1, IC2, IC3 certifications are issued by Control Union Inspection India Private Limited and OneCert International Private Limited during the first, second, third year of the conversion process, respectively, and an organic certification is issued post that. The organic farmland certifications are held in the Company's name due to which we have exclusive procurement access from farmers in our network. As on September 30, 2021, we also have a team of 114 agri-field associates who conduct regular field visits and interactions with each farmer and conduct internal cross inspection of the farms every season. This is done to ensure adherence to organic standards. We also offer continuous training, guidance and support to farmers and have multiple levels of internal and external checks at the farms to ensure organic integrity of the products. For further details on quality control, see " – *Quality Control*" beginning on page 151 below.

We maintain a deep relationship with the farmers and provide them training and support. The training provided to the farmers ensures that they save on purchasing chemical fertilizers and pesticides as farmers use natural farm-made inputs. We also provide farmers with access to better quality seeds and technical support through our training to increase yields, improve quality and reduce crop losses. Further, we provide a premium price over non-organic produce which incentivises the farmers to shift to organic farming and exclusively deal with us. We also ensure that we pay them regularly and directly, thereby reducing farmer's financial risks. Through spreading this awareness about the benefits of organic farming in the farming community, we also aim to increase the income of the farmers in our network which in turn we believe will lead to a better supply chain network for us and upswing of the loyalty of our farmers towards us.

As of September 30, 2021, we had a total of 190,610 acres of land out of which 8.09% is IC1 (land in conversion year one), 13.61% is IC2 (land in conversion year two), 5.10% is IC3 (land in conversion year three) and 73.94% was certified organic land. The number of farmers in our network has increased from 33,550 to 34,516 from Fiscal 2019 to September 30, 2021.

Procurement

We have the highest acreage under organic cultivation among the B2C organic food companies in India (*Source: Company Commissioned Industry Report*). As of September 30, 2021, our procurement network comprised 34,516 farmers, 65 vendors/ companies (including certain organic certified vendors/ companies) and various aggregators. Our procurement network for certain of our products is as follows:

Sr. No.	Product	State
1.	Basmati rice	Jammu and Kashmir
2.	Cereals and sweeteners	Uttarakhand
3.	Cereals, millets, spices and oil seeds	Rajasthan
4.	Cereals, pulses, spices and oil seeds	Madhya Pradesh
5.	Tea	West Bengal
6.	Cereals, pulses, oil seeds, mango and sweeteners	Maharashtra
7.	Pulses, cashews and pineapple	Odisha
8.	Paddy, millets, spices, mango and oil seeds	Andhra Pradesh
9.	Paddy, millets, spices, oil seeds, mango and sweeteners	Karnataka
10.	Pineapple and spices	Kerala
11.	Cereals, pulses, millets, oil seeds, mango and guava	Tamil Nadu
12.	Ginger, buck wheat and cardamom	Sikkim

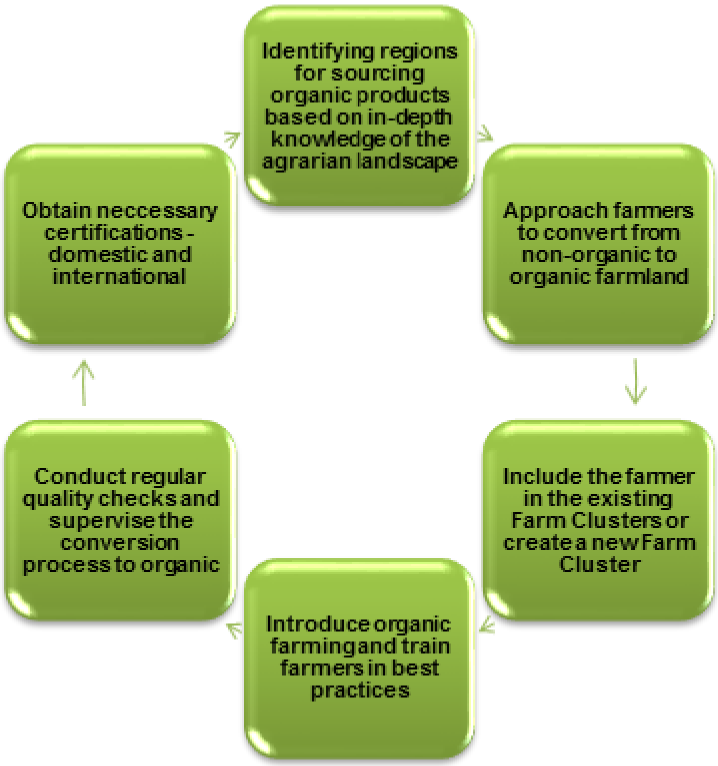
The following map depicts our sourcing and procurement network across the country:

Our robust procurement process ensures uninterrupted supply of raw materials across the year. We conduct procurement in four stages: sampling, purchasing, primary cleaning and packaging and transportation.

Sampling involves physical, chemical, microbial and sensory analysis of samples at the field level. We conduct the pesticide residue analysis of samples from group of farmers and in the event the crop does not pass the test, we do not go ahead with the procurement. In the purchasing stage, upon agreement of price with the farmer, the raw materials are tagged with individual lot numbers and transferred to the warehouse/ procurement centres which are located within proximity of the farmlands. We only purchase raw materials that pass our quality standards and 70% of our annual procurement is done within three to five months of harvest and our peak procurement period is from January to July. Post this, primary cleaning is performed at the procurement centre and goods are then transported to warehouse or processing facilities based on the requirements. Raw materials are then packed and labelled for traceability and this transportation from the warehouses to the primary processing facilities is managed by us directly.

We procure 80% (*i.e.* 14,566,037 kgs) of raw materials from our own Farm Clusters and the remaining 20% (*i.e.* 3,638,706 kgs) of the raw materials are procured from vendors/ companies (including certain organic certified vendors/ companies). The raw materials that we procure are stored either in cold storage or ambient warehouses based on the infestation risk involved.

We have a complete farm to fork supply chain. We register the farmers directly and procure from the farmers. Directly working and procuring from farmers helps in establishing traceability and ensuring organic integrity and also ensures availability of organic raw materials (*Source: Company Commissioned Industry Report*).



Processing

Our processing operations are divided into two levels, primary processing and secondary processing.

1. Primary

We outsource our primary processing comprising conversion of raw materials into semi-finished / finished goods which allows us to focus on front-end (brand and distribution) and sourcing of best quality produce. We have a strategically located network of 18 third party facilities with one facility located in Rajasthan, one facility located in Gujarat, four in Maharashtra, one in West Bengal, seven in Telangana, two in Karnataka, one in Andhra Pradesh and one in Tamil Nadu for primary processing. We have entered into co-processing arrangements with the 18 third party facilities. We also have a team of 10 employees responsible for supervising and monitoring the third party facilities and all the primary processing is done under the supervision of our employees and no parallel processing is allowed in these units while our material is being processed. All our third party facilities follow organic processing protocols and are audited by organic and food certification bodies on an annual basis. The FSSAI licenses for such third party facilities are issued in the name of the respective third-party.

2. Secondary

Currently, we own three facilities for secondary processing with two of them being in Hyderabad, Telangana and one facility in Bidar, Karnataka for the purpose of secondary processing (*i.e.* the conversion of semi-finished/ finished goods to finished packed goods), final cleaning, packaging and additional quality checks. Additionally, we have dedicated one of these facilities (*i.e.* our unit at Shameerpet Mandal, Medchal, Telangana) to exclusively produce gluten-free and allergen-free products. Each of our facilities are equipped with quality check labs and are audited annually by certification bodies.

The evolution and current capacity of our units are as follows:

Sr. No.	Commenced operations in	Location	Current Capacity (metric tonnes per annum)
1.	June 2011	Unit 1 at Kandlakoya, Medchal in Hyderabad, Telangana	7,800
2.	November 2015	Unit 2 at Shameerpet Mandal, Medchal in Hyderabad, Telangana	18,000
3.	June 2014	Unit 3 at Bidar, Karnataka	3,000

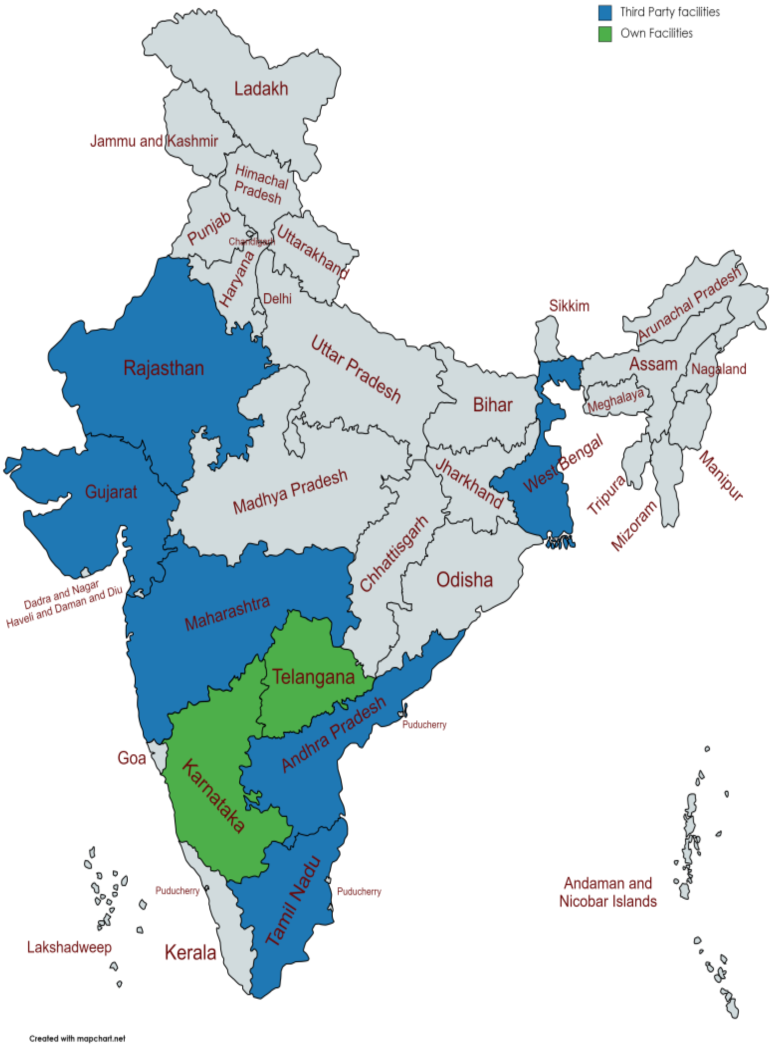
We currently have a total installed capacity of over 28,000 metric tons per annum. Some of our key machineries are hammer mills, buhler cleaner, sortex machines, roasters, blenders, vacuum packaging machine, FFS machine, grinding machine. We also have automated packaging lines which has the capacity to pack 100 gm to 10 kg packs. Additionally, the processing facilities owned by us are in compliance with the FSSAI, and our two main units in Hyderabad hold the FSSC 22000 certification.

Throughout our production process, our products go through multiple level of checks to ensure that best practices are followed in order to provide superior quality products. For more details, see "*Quality control*" beginning on page 151.

MANUFACTURING FACILITIES

As of the date of this Draft Red Herring Prospectus, we own a total of three secondary processing units of which two are in Telangana and one in Karnataka and have arrangements with 18 third party manufacturing facilities for processing of, among others, oils, pulses, peanuts, jaggery and paddy. These facilities are under the supervision of our employees. The third party facilities are located across the country in the states of Rajasthan, Telangana, Maharashtra, Tamil Nadu, Gujarat, West Bengal, Andhra Pradesh and Karnataka. These third party manufacturing facilities undertake production as per monthly targets agreed between the parties.

The following map depicts the States where the 18 third party manufacturing facilities and our three owned processing units across the country are located:



Our manufacturing facilities are strategically located, near our key markets and raw material sourcing areas, thereby ensuring cost-efficiencies in procurement of raw material as well as transportation of finished products through the distributors, and enabling us to leverage economies of scale. As on September 30, 2021, we had 15 clearing and forwarding agents across India that assisted us in undertaking our last mile distribution to retailers/ distributors.

Our manufacturing facilities are well-equipped with up to date technology. For manufacturing our products, we have automated machineries, which help in maintaining consistent quality, increasing productivity and improving cost efficiency.

The following table sets forth the annual installed capacity of our three secondary processing units for each product segment respective period mentioned below:

Manufacturing facility	Installed Capacity (MTPA) as of September 30, 2021	Capacity Utilisation (MTPA) as of September 30, 2021	Capacity Utilisation (%) as of September 30, 2021#	Installed Capacity (MTPA) in Fiscal 2021	Capacity Utilisation (MTPA) in Fiscal 2021	Capacity Utilisation (%) in Fiscal 2021	Installed Capacity (MTPA) in Fiscal 2020	Capacity Utilisation (MTPA) in Fiscal 2020	Capacity Utilisation (%) in Fiscal 2020	Installed Capacity (MTPA) in Fiscal 2019	Capacity Utilisation (MTPA) in Fiscal 2019	Capacity Utilisation (%) in Fiscal 2019
Unit 1 at Kandlakoya, Medchal in Hyderabad, Telangana*												
a) Basic staples b) Speciality staples c) Spices and condiments	7,800	2,693.07	69.05	7,800	6,269.73	80.38	7,800	4,872.01	62.46	7,800	4,600.58	58.98

Manufacturing facility	Installed Capacity (MTPA) as of September 30, 2021	Capacity Utilisation (MTPA) as of September 30, 2021	Capacity Utilisation (%) as of September 30, 2021#	Installed Capacity (MTPA) in Fiscal 2021	Capacity Utilisation (MTPA) in Fiscal 2021	Capacity Utilisation (%) in Fiscal 2021	Installed Capacity (MTPA) in Fiscal 2020	Capacity Utilisation (MTPA) in Fiscal 2020	Capacity Utilisation (%) in Fiscal 2020	Installed Capacity (MTPA) in Fiscal 2019	Capacity Utilisation (MTPA) in Fiscal 2019	Capacity Utilisation (%) in Fiscal 2019
d) Processed food, beverages and value added products												
Unit 2 at Shameerpet Mandal, Medchal in Hyderabad, Telangana*												
a) Basic staples b) Speciality staples c) Spices and condiments d) Processed food, beverages and value added products	18,000	5,481.98	60.91	14,400	12,030.24	83.54	14,400	8,911.27	61.88	14,400	7,247.73	50.33
Unit 3 at Bidar, Karnataka												
Basic staples	3,000	1,159.64	77.31	3,000	2,595.09	86.50	3,000	2,209.19	73.64	3,000	2,192.42	73.08

**The capacity mentioned for this unit is applicable for all the product categories*
#The capacity utilisation % for September 30, 2021 has been calculated by reducing the annual installed capacity for September 30, 2021 proportionately for six months

STORAGE

Raw materials including semi-finished goods are stored by us in our own processing units and warehouses leased by us from third parties in India for an average of 150 days. In India, the inventory of finished goods is typically stored by us at our own processing units or at warehouses of our C&F agents for an average of 25 days before the delivery is made to the purchaser of the final products.

With respect to the finished products exported by us into the USA, we typically store these finished goods for an average of 50 to 60 days in the warehouses leased by us in the USA.

TRANSPORTATION

We typically engage third party transportation service providers for the transportation of our raw materials and products domestically. We undertake majority of our export activities from ports situated in Chennai (Tamil Nadu) and Krishnapatnam (Andhra Pradesh) on the eastern coast and Navasheva (Maharashtra) and Kochi (Kerala) on the western coast.

DISTRIBUTION CHANNELS

India

We have a strong presence across the metro cities and tier I cities in India and a growing presence in tier II and III cities in India. As on date, we have a strong reach across India. As on September 30, 2021, we had a presence in 7,555 outlets in 556 cities and towns of India. Our distribution presence spans across 7,555 stores as of September 30, 2021. Further, the metros cities and tier-I cities represented 73% and tier II and tier III cities in India represented 27% of our revenue from our 24 Mantra brand.

We have a well-established channel in Modern Trade Stores and are rapidly growing in General Trade Stores and e-commerce as well. We have tie-ups with 1,791 Modern Trade Stores such as Metro, More Retail and other leading mainstream supermarket chains in India. The domestic revenue from Modern Trade Stores represented 27.12%, 33.19% and 38.04% (*i.e.*₹441.07 million, ₹440.70 million and ₹391.59 million) in Fiscal 2021, Fiscal 2020 and Fiscal 2019, respectively, of our total revenue from operations. As of September 30, 2021, our products were present in 5,764 General Trade Stores which contributed to 41.12%, 39.89% and 46.57% (*i.e.*₹668.87 million, ₹529.59 million and ₹479.45 million) in Fiscal 2021, Fiscal 2020 and Fiscal 2019, respectively, of our total revenue from operations in India. Our network of distributors has grown from 76 to 98 from Fiscal 2019 to Fiscal 2021.

The following map depicts our strong distribution channel across the country:

Further, we sell our products across leading e-commerce platforms in India such as Bigbasket. On a US-based e-commerce platform in India, several of our products have also been categorised as 'best sellers'. We are also in the process of launching our own e-commerce platform in order to promote the full range of our products to the consumers and provide them an opportunity to buy and consume the complete range of 24 Mantra products, subject to receipt of applicable regulatory approvals. For further details on the application, see "*Government and Other Approvals*" beginning on page 275. Revenue from e-commerce channels represented 28.62%, 15.81% and 11.91% (*i.e.* ₹465.59 million, ₹209.94 million and ₹122.59 million) in Fiscal 2021, Fiscal 2020 and Fiscal 2019, respectively, of our revenue from operations.

International

We have expanded our business into international markets like the USA, GCC Region, Canada, certain European countries, Australia and Singapore among others. During Fiscal 2021, our international operations contributed ₹1,494.01 million to our total income, an increase of 47.63% from Fiscal 2019 to Fiscal 2021.

<u>USA</u>

We have a fully staffed, on the ground operations in the USA that covers over 39 states. We established our operations in Fiscal 2012 and have leased a warehouse each in Maryland, Illinois and California. We have a dedicated team of 30 people at our warehouses. Our products are sold in 964 Indian Ethnic Stores and 958 Mainstream Stores located across the country.

In Fiscal 2021, Fiscal 2020 and Fiscal 2019, the sales from USA comprised ₹1,265.82 million, ₹1,092.97 million and ₹863.10 million, respectively, of our revenue from operations. Further, sales in USA have grown at a CAGR of 21.10% from Fiscal 2019 to Fiscal 2021.

Other countries

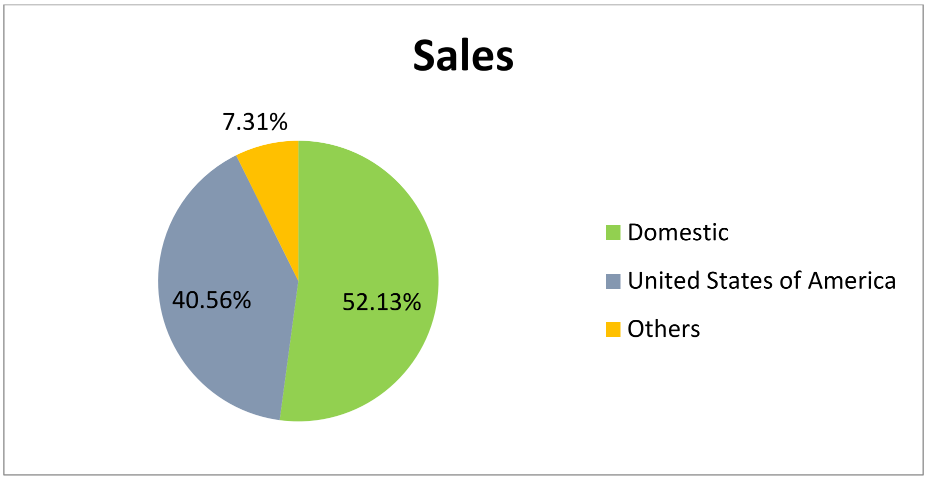
We currently have our operations in Canada, GCC Region, certain European countries, certain South East Asian countries, Australia and Singapore. We sell our products in such countries in stores and/ or through the online platforms. As of September 30, 2021, our products were present in 33 other countries.

In Fiscal 2021, Fiscal 2020 and Fiscal 2019, the sales from these countries comprised ₹228.19 million, ₹188.55 million and ₹148.91 million, respectively, of our revenue from operations. Further, sales in the aforesaid region has grown at a CAGR of 23.79% from Fiscal 2019 to Fiscal 2021.

EXPORTS

The USA represents our most significant market. As of September 30, 2021, our products were exported to 34 countries. In Fiscal 2021, 2020 and 2019 our revenue from export sales were ₹1,494.01 million, ₹1,281.52 million and ₹1,012.01 million, respectively, representing 47.87%, 49.12%, and 49.57% of the total revenue from sale of products in such periods respectively. Other than the USA, we export our products to the other 33 countries based on orders received from our distributors.

The following charts set forth the regions to which we exported our products in Fiscal 2021:



SALES, MARKETING AND BRAND BUILDING INITIATIVES

Our extensive sales and distribution network allows us to reach a wide range of consumers and ensures effective penetration of our products and marketing campaigns. Our sales and marketing strategy focuses on increasing sales, gaining market share and brand-building. We believe that developing and maintaining our brand plays an important role in our success. The importance of brand recognition may become greater as competitors offer several products similar to ours. The ability to differentiate our brand and our products from our competitors through our branding, marketing and advertising programs is an important factor in attracting consumers. Creating and maintaining public awareness of our brand is crucial to our business and accordingly we invest in various marketing and advertising campaigns.

In the Fiscal 2021, Fiscal 2020, Fiscal 2019, we spent ₹77.95 million, ₹56.98 million and ₹53.52 million, respectively, towards brand building and increasing awareness of our products in India and ₹1.47 million, ₹10.81 million and ₹7.44 million, respectively, overseas.

We also undertake marketing and sale of our products through Hita Life Ventures Private Limited ("**Hita OPC**"), a one-person company owned by our Promoter, which operates 30 organic stores, as of September 30, 2021, across Hyderabad, Bengaluru and Chennai under the brand name, 'Organic Farm Shop'. We have entered into an arrangement with Hita OPC for such marketing and sale and the primary objective of Hita OPC is the sale of our '24 Mantra' products.

Digital marketing

In the Fiscal 2021, Fiscal 2020 and Fiscal 2019, out of our gross marketing spend, we spent 26.22%, 16.91% and 22.23% (*i.e.* ₹20.83 million, ₹11.46 million and ₹13.55 million), respectively, in digital marketing.

We use e-commerce and social media platforms to drive brand awareness and deepen connect with our customers in India and USA and are listed with leading e-commerce platforms in India such as Bigbasket. We have thousands of followers on social media platforms who follow our profile which helps us in increasing our brand awareness. Some of our social media campaigns that we conducted in the past include Road Trippin with RnM and 24 Mantra Cook-off challenge with Sameera Reddy. Recently, we have launched advertisements on a leading online streaming application targeting customers who search for spices and ready to eat food. Our website, www.sresta.com has 15,000+ unique visitors in a month and we have an active blog on our website to spread awareness about the benefits of organic products. With 1,302 blogs on health and wellness, we aim to reach multi-fold consumers as we grow. Additionally, we have collaborated with various food and wellness influencers and nutritionists to educate customers about the benefits of consuming organic foods. Further, we reach the consumers in the international markets, including in the USA, through social and digital media.

In-store and out-store marketing

In the Fiscal 2021, Fiscal 2020 and Fiscal 2019, out of our gross marketing spend, we spent 19%, 21.86% and 10.13% (*i.e.* ₹15.09 million, ₹14.82 million and ₹6.17 million), respectively, in in-store and out-store marketing.

We also enter into arrangements for in-store marketing through points-of-sale and employ in-store promoters, who help us by encouraging consumers to switch from non-organic to organic products which in turn helps us in enhancing our brand visibility. Through point-of-sale, we put up shelf displays across several stores to ensure high product visibility due to strategic placement of standees, danglers and posters. We have employed personnel who act as in-store promoters who play an important role in educating shoppers about the benefits of organic food and uniqueness of our 24 Mantra brand and also educate customers on the benefits of switching from inorganic to organic food products. Further, we use several other mediums such as out-store hoardings, billboards, print media including advertisements in national and regional newspapers to increase our brand visibility.

Promotions

In the Fiscal 2021, Fiscal 2020 and Fiscal 2019, out of our gross marketing spend, we spent 54.78%, 61.23% and 67.64% (*i.e.* ₹43.51 million, ₹41.51 million and ₹41.23 million), respectively, in promotions.

We conduct various events, activation campaigns and promotions that are targeted at wining new customers. We do this through consumer promotions that spread awareness regarding pesticides used in non-organic products and campaigns such as *'#BeLikeRadha'* which is targeted at attracting new consumers by offering select food products as part of a 'starter kit' at an attractive price. We leverage traditional and digital platforms to spread awareness about the promotional offers.

ENVIRONMENT, HEALTH AND SAFETY

We are also subject to laws and government regulations, including in relation to safety, health and environmental protection. These laws and regulations include the Environmental Protection Act 1986, the Air (Prevention and Control of Pollution) Act 1981, the Water (Prevention and Control of Pollution) Act, 1974 and other regulations promulgated by the Ministry of Environment and the pollution control boards of the relevant states. These environmental protection laws and regulations impose controls on air and water discharge, noise levels, storage handling, employee exposure to hazardous substances and other such aspects of our manufacturing.

We aim to comply with applicable health and safety regulations and other requirements in our operations and have adopted an environmental, 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. Periodic assessment of working conditions of our employees is carried out to ensure a safe working environment at our manufacturing facilities.

Additionally, on account of our exports to various overseas markets including the GCC Region, certain European countries, certain South East Asian countries, Australia, Singapore and North America we are required to maintain certain standards and ensure compliance, as customarily expected, with food safety laws of relevant jurisdictions as well.

For further information, see "*Government and Other Approvals*" and "*Risk Factors – Non-compliance with and changes in, safety, health and environmental laws and other applicable regulations pertaining to quality of food products, may adversely affect our business, financial condition, results of operations and prospects*" beginning on pages 275 and 28, respectively.

RESEARCH AND DEVELOPMENT

As one of the largest organic packaged food brands in India (in terms of revenue for Fiscal 2020) in the packaged organic food segment (excluding organic packaged beverage and packaged tea and coffee) with a market share of 29% and also one of the leading Indian organic food brands in the USA with presence in 39 states across Indian Ethnic Stores and Mainstream Stores (*Source: Company Commissioned Industry Report*), we believe that we have established a reputation as a manufacturer of quality products. In order to cater to the changing needs of our customers, we have set up an in-house research and development facility in India to develop products at competitive prices for the domestic and international markets.

We believe that with our strong research and development and technical capabilities, we will be able to further expand our product offerings and improve our product quality and sales. At our in-house R&D department, we aim to constantly develop new products, processes and methods. Our main focus is on developing processed products in categories such as ready to cook, ready to eat, spices and condiments, snacks and confectionary. In the last 15 months, our R&D department has developed products like roasted snacks, sprouted flours, whole wheat flour pastas, whole wheat flour vermicelli, etc. We plan to commercialise a range of speciality nutrition products comprising millets and herbs for different age groups that help to improve immunity, provide wholesome nutrition and increases gut microbiota, developed by the R&D team, under our to be launched sub-brand called '24 Mantra Living Food' to target several age groups.

Our R&D team has, in the past, implemented processes for a) improvement in jaggery powder production by implementing a three stage filtration system and moisture control to remove impurities and improved overall product quality; b) modification of the packaging process of jaggery blocks which resulted in controlling crystallization and thereby increasing the shelf life of the completed product. We are currently in the process of developing procedures for a) air lifting of flour to facilitate its transfer from one section to the other in an efficient manner to reduce consumption of bags and change over times; and b) packaging of 20gm of jaggery blocks in PET bottles with oxygen and hydrogen peroxide adsorbents. Further, we also implemented the BOPP (biaxial oriented polypropylene) tape applicator to ensure effective packing of the cartons to mitigate damage to the finished products during the multiple stages of handling and storage and introduced the master QR (quick response)/ bar coding system for tracking and implementing enterprise resource planning at our finished goods section and warehouses.

QUALITY CONTROL

We place great emphasis on stringent quality control across our value chain at each stage of the manufacturing and packing process, right from the stage of procurement of raw materials, processing of products until the final product is packaged and ready for distribution, thereby ensuring the highest quality of our end products.

On-site inspections and routine audits are conducted to ensure constant supply of quality products and authenticity of organic raw materials. We ensure that regular field visits are done by our field associates and internal cross inspections every year based on the cultivation pattern in an area and external inspection of farms by certification bodies at least once a year, to ensure that adequate quality is maintained at the farms for procuring raw materials. A distinct five level check process and approximately 70,000 internal cross inspections every year ensure that the end consumer receives unadulterated and pure organic food products.

Our secondary processing units in Hyderabad have been issued the FSSC 22000 by Intertek India Private Limited on behalf of the United Kingdom Accreditation Services and are registered with the USFDA. Further, our Hyderabad and Bidar secondary processing units are in compliance with the India Organic - NPOP Standards and along with the third party processing units are also compliant with the FSSAI. Additionally, our products are certified as 'organic' by the Control Union Inspections India Private Limited and OneCert International Private Limited under the India Organic - NPOP Standards (equivalent to the European Union council registration (EC) No. 834/2007 (category A & F) & Regulation (EC) No. 889/2008 and Swiss Organic Farming Ordinance for unprocessed plant products originating in India) and under the NOP standards set by the USDA. These organic certifications require constant monitoring and documentation by our field staff, cross internal inspections of all the farmers every season by our teams. Additionally, the organic certification agencies inspect the farms as per the audit plan every season and all the processing units and warehouses annually. Post the harvest, our field staff draw samples from groups of farmers and test for pesticide residues, heavy metals, etc. and only lots which pass the tests are procured. At the time of procurement from each farmer, the lot is analysed for physical parameters and is accepted if the parameters are within acceptable limits. At the primary processing plants, additional tests are done either in in-house laboratories or outside laboratories based on the requirements of FSSAI and importing countries and subsequently only products which confirm to the legal requirements and our internal sensory criteria are cleared for dispatch to customers. We also monitor cleanliness and hygiene by doing swab tests of workers hands and surfaces and also conduct internal audits periodically for good hygiene practices (GHP) and good manufacturing practices (GMP).

Further, we store our procured goods in warehouses with cold rooms or in modified atmosphere cocoon bags or in ambient warehouses based on risk assessment of the raw materials to preserve the quality of raw materials. We have also implemented stringent quality control standards for raw materials including cleaning, hygienic storage and modified atmosphere treatment to control insect infestation and prevent spoilage due to microbial activity, if any. This is done to ensure that the standards and specifications in terms of colour, odour, taste, appearance and nutrients of the raw materials comply with our requirements.

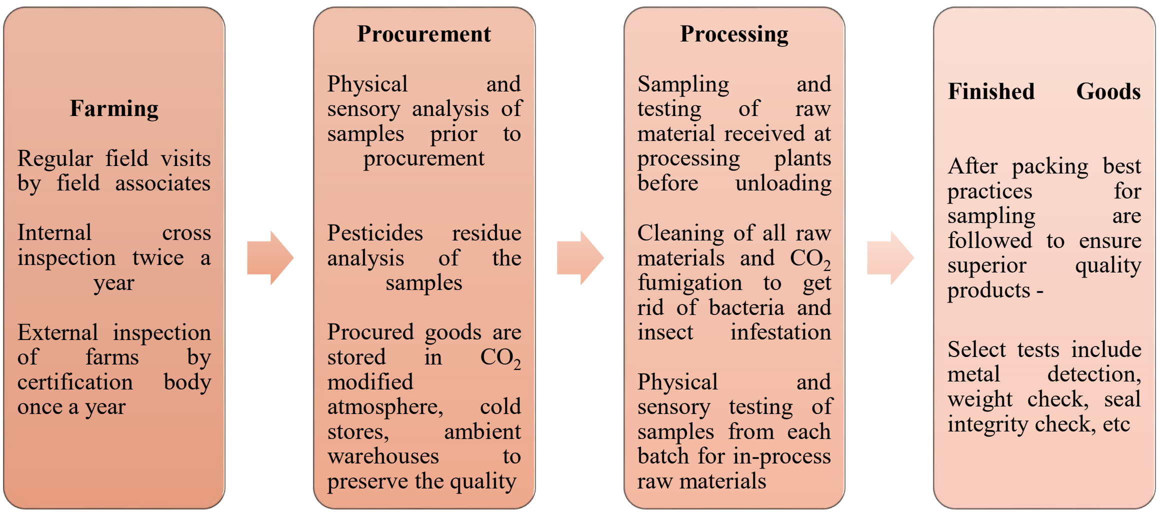
We have a dedicated quality assurance team comprising 27 personnel, who ensure that adequate training is imparted to employees working in the supply chain and operations departments from procurement to sales and marketing on quality assurance aspects. Further, our quality checks are strengthened by the expertise of our employees involved in such processes including on account of the certifications obtained by them such as the certification on COVID-19 Strategies in Managing Food Supply Chain Risk from Intertek India Private Limited, FSSC 22000 certification on food safety and manufacturing by Paradigm Services Private Limited and Food Safety Supervisor Certificate of Competence issued by the FSSAI.

Further, we maintain our own processing units and conduct our manufacturing operations at our own units and at third party facilities in compliance with applicable food safety standards, laws and regulations and our own internal policies.

While packaging, best practices are followed to ensure superior quality products. We have quality checks at different stages of processing to ensure that there no foreign objects, metal contamination and that the sensory quality is maintained. Additionally, we also undertake checks such as weight checks, seal integrity checks, tests for microbial contamination, etc. This accounts for quality inspections of our products to ensure compliance with applicable food safety standards and laws.

All of our manufacturing facilities (including the third party manufacturers we engage) use standardized production and management systems on functions such as product formulation, processing, and quality control. At each of our owned secondary processing units as well as the third party contract manufacturing facilities, we have stationed quality managers to ensure quality control for our products who supervise and monitor the operations at such facilities and oversee the processing recovery, processing schedules and conduct quality checks and controls at such facilities. These personnel also prepare quality reports for each unit which is subsequently verified by the quality controller. This enables us to offer products with consistent taste and quality across our manufacturing facilities.

To ensure wholesome services to our customers, we also operate an in-house call centre to address consumer grievances.



HUMAN RESOURCES

As of September 30, 2021, we have 545 employees. In addition, we also contract with third party manpower firms for the supply of contract labour at our owned processing facilities and third party facilities used by us. The following table sets forth information on the number of employees in various departments of our business as of September 30, 2021.

Department	Number of Employees
Sales and Marketing	279
Research and development and quality assurance	27
Human resources	6
Exports	3
Supply and operations	30
Finance	19
Procurement	151
Others	30
Total	**545**

We place significant emphasis on training our personnel and increasing their skills. We organize in-house training for our employees through skill building programs and professional development programs at all levels and across all functions. We have also implemented several human resources policies including code of conduct policy and anti-sexual harassment policy.

INFORMATION TECHNOLOGY

We believe that successful use of technology will help us gain consumer insights and deepen our brand's connect with the customers. Through our 'farm to fork' traceability model, we have a complete farm to fork supply chain. We register the farmers directly and procure from the farmers. Directly working and procuring from farmers helps in establishing traceability and ensuring organic integrity and also ensures availability of organic raw materials (*Source: Company Commissioned Industry Report*). We consider that traceability has become a key feature due to the risks of food safety and food fraud and through the usage of this feature, our customers can address concerns regarding authenticity of organic food products, which will eventually deepen our brand's credibility. We also have an enterprise resource planning system for improved efficiency and better management of our operations, finance and supply chain.

Our dedicated customer service team handles the grievances of our customers and the same is usually addressed within 24 hours. On an average, in a month, over 1,000 consumers interact with the customer service and we cater to 0.5 million online customers across e-commerce platforms in India.

COMPETITION

We are the largest brand in the packaged organic food segment (excluding organic packaged food market beverage and packaged tea and coffee) by market share with approximately 29% market share in Fiscal 2020 and also one of the leading Indian organic food brands in the USA with presence in 39 states across Indian Ethnic Stores and Mainstream Stores (*Source: Company Commissioned Industry Report*) with access to a rapidly growing and under-penetrated organic food market in India and overseas. We have a complete farm to fork supply chain. We register the farmers directly and procure from the farmers. We have the highest acreage under organic cultivation among the B2C organic food companies in India (*Source: Company Commissioned Industry Report*). Directly working and procuring from farmers helps in establishing traceability and ensuring organic integrity and also ensures availability of organic raw materials. Among the key players in the organic products market with presence in the packaged food segment, we are present across most of the segments (*Source: Company Commissioned Industry Report*). Our products are highly competitive and are available in various markets across North America, Asia, Europe, Australia and the GCC Region.

We face competition from domestic and multinational companies operating in the organic food products industry. Domestically, our competitors include national players such as Organic India, Nature Land Organics, Pro Nature Organic Foods and Organic Tattva (*Source: Company Commissioned Industry Report*). Internationally, in the segments where we are currently present, we mainly face competition from local distributors who pack and sell their products under their respective brand name. As we increase our presence in the mainstream products overseas, we will also face competition from the local companies present in such geographies. We also face competition from certain regional players offering complete portfolio of packaged grocery including staples, pantry essentials, spices, etc. and having built a strong regional presence across various traditional and modern retail formats

We continue to invest in advertising our products and adding new products to our portfolio which will help us cater to consumer preferences in the future and help differentiate us from the competing brands.

CORPORATE SOCIAL RESPONSIBILITY

We believe that corporate social responsibility is an integral part of our operations and we are committed to make a difference to society. We have adopted and implemented a CSR policy pursuant to which we will carry out our CSR activities. The main objective of the policy is to lay down guidelines for our CSR, and make it a key business process for sustainable development, to make a positive impact on society and enhance our image as a credible and reliable business partner. These CSR activities may include, amongst others, efforts to improve rural development, preserve the environment, promote public health and education.

INTELLECTUAL PROPERTY

Our business and operations are significantly dependent on our intellectual property rights. As at the date of this Draft Red Herring Prospectus, our Company has 28 registered trademarks in India and two registered trademarks in the USA. Further, our Company has also registered our logos '24 Mantra Organic', 'Sresta' and 'Fyve Elements' in India. For further details, see "*Government and Other Approvals*" beginning on page 275. In addition, we are also aware that the use of our brands or similar trade names by third parties may result in confusion among consumers and loss of business. For further information, see "*Risk Factors - Certain of our intellectual property rights may not be adequately protected against third party infringement*" beginning on page 39.

PROPERTIES

Our Registered Office premises is leased by us from Renuka Seelam, our Promoter, pursuant to a lease agreement dated April 1, 2018, for a term of five years. Further, our Corporate Office premises is leased to us by a third party pursuant to a lease agreement dated April 3, 2021, for a term of three years which can be extended twice for further terms of three years each.

As of the date of this Draft Red Herring Prospectus, we own and operate two secondary processing units in Hyderabad, Telangana and one unit in Bidar, Karnataka on property held on leasehold basis for periods ranging from three to 11 years. Further, we have leased three warehouses in the USA in Maryland, Illinois and California and several warehouses across India from third parties for storage of our raw materials under lease arrangements valid for a period ranging from five months to 10 years.

INSURANCE

We seek to obtain insurance commensurate to the nature and scale of our operations from reputed insurers. We maintain insurance policies that we believe are customary for companies operating in our industry being fire insurance policy for our three processing units and burglary insurance policies for the three processing units owned by us and other offices. Additionally, we maintain money insurance policy, stock insurance policy, vehicle insurance, general insurance and marine cargo insurance policy for our business as well. We also maintain a fidelity insurance policy, group medical insurance policy and insurance policy in relation to COVID-19 for our employees. We have also obtained directors' and officers' liability insurance. Our insurance policies may not be sufficient to cover our economic loss. Also see, "*Risk Factors – Our insurance coverage may not be adequate to protect us against all material risks*" beginning on page 40.

CERTIFICATIONS AND AWARDS

For details of our awards, see "*History and Certain Corporate Matters – Key awards, accreditations, certifications and recognitions*" beginning on page 161.

KEY REGULATIONS AND POLICIES

Given below is an indicative summary of certain relevant laws, policies and regulations applicable to us. The information in this section has been obtained from publications available in the public domain. The description of the applicable regulations as given below has been provided in a manner to provide general information to the investors and may not be exhaustive and is neither designed nor intended to be a substitute for professional legal advice. The indicative summary is based on the current provisions of applicable law, which are subject to change or modification or amended by subsequent legislative, regulatory, administrative or judicial decisions.

Food Safety and Standards Act, 2006 ("FSSA") and the Food Safety and Standards (Amendment) Bill, 2020

The FSSA was enacted with a view to consolidate the laws relating to food and to establish the Food Safety and Standards Authority of India (the "**FSSAI**") for laying down scientific standards for articles of food to regulate their manufacture, storage, distribution, sale and import to ensure availability of safe and wholesome food for human consumption. The FSSAI is required to provide scientific advice and technical support to the GoI and the state governments in framing the policy and rules relating to food safety and nutrition. The FSSA, in conjunction with the Food Safety and Standards (Food Products Standards and Food Additives) Regulations, 2011 and the FSS Packaging Regulations among others, also sets out requirements for licensing and registering food businesses, general principles for food safety, and responsibilities of the food business operator ("**FBO**") and liability of manufacturers and sellers, and adjudication by the Adjudicating Officer (Joint Commissioner or Additional Collector) or the Food Safety Appellate Tribunal, as the case may be. The FSSA also lays down penalties and/or imprisonment for various offences (including recall procedures). In exercise of the powers under the FSSA, FSSAI has framed, inter alia, the Food Safety and Standard Rules, 2011 ("**FSSR**"). The FSSR sets out the enforcement structure of 'commissioner of food safety', 'food safety officer' and 'food analyst' and procedures of taking extracts of books of accounts and other relevant documents, seizure of food articles, sampling of food articles and analysis. The Food Safety and Standards (Licensing and Registration of Food Businesses) Regulations, 2011 provide for the conditions and procedures for registration and licensing process for food business and lays down general requirements to be fulfilled by various FBOs, including petty food business operators as well as specific requirements to be fulfilled by businesses dealing with certain food products.

An e-commerce FBO (which includes sellers and brand owner who display or offer their food products, through e-commerce, and providers of transportation services for the food products and/or providing last mile delivery transportation to the end consumers), is required to obtain central license from the concerned central licensing authority. Further, FSSAI has issued guidance note on 'Food Hygiene and Safety Guidelines for Food Businesses during Coronavirus Disease (COVID-19) Pandemic' ("**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/food packages. It also provides guidance in relation to operative mechanism such as mandating that employers should have a COVID-19 screening protocol in place to screen all personnel entering the premise and establishment of an in-house emergency response team in large food businesses to deal with suspected infections effectively. The Guidance Note prescribes guidelines for the management of the food establishment to handle a Covid-19 suspect/positive case in accordance with the guidelines issued by Ministry of Health and Family Welfare and clean and disinfect the premises accessed by the suspected Covid-19 case. 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. Further, the Ministry of Health & Family Welfare framed the Food Safety and Standards (Amendment) Bill 2020, introducing 70 new amendments in the FSSA to alter huge parts of FSSAI functioning and its jurisdiction.

Food Safety and Standards (Organic Foods) Regulations, 2017 ("Organic Food Regulations")

These Organic Food Regulations recognize two systems of certification i.e. Participatory Guarantee System (PGS) implemented by Ministry of Agriculture and Farmers Welfare and National Programme for Organic Production (NPOP) implemented by Ministry of Commerce and Industry. The Organic Food Regulations ensure integrity of the organic food products, and help in controlling unscrupulous practices in the market. Any food offered for sale as 'organic food' should comply with the provisions laid down under either the National Programme for Organic Production (NPOP) administered by the Government of India or the Participatory Guarantee System for India (PGS-India) operated by the ministry of Agriculture and Farmers' Welfare or any other system or standards that may be notified by the Food Authority from time to time. Further, goods undergoing conversion into organic goods are required to be labelled as "PSG-Green" or "In-conversion to Organic" under the respective certifications in addition to the year of conversion. The regulation also mandates that organic foods not only convey full and accurate information on the organic status of the product, but also be labelled with the FSSAI organic logo.

Agricultural and Processed Food Products Export Development Authority Act, 1985 ("APEDA Act")

The APEDA Act established the Agricultural and Processed Food Products Export Development Authority for the development and promotion of export of agricultural or processed food products as specified in the first schedule of the APEDA Act. Persons exporting such products are required to be registered under the APEDA Act and also required to adhere the specified standards and specifications and to improve their packaging. The APEDA Act provides for imprisonment and monetary penalties for breach of its provisions. Further, the Agricultural and Processed Food Products Export Development Authority Rules, 1986 have been framed for effective implementation of the APEDA Act and provides for the application, grant and cancellation of registration to be obtained by persons exporting products as specified in the schedule.

Agricultural Produce Marketing Regulation Acts (the "APMR Act")

The APMR Act has been adopted by various states, including the states of Telangana and Karnataka, to facilitate the establishment, administration and development of designated market areas within their respective states. Under the APMR Act, the state government notifies certain market areas where notified agricultural produce is to be sold through the Agricultural Produce Market Committees (APMCs). As per the Act, any person who intends to operate as a trader, broker or otherwise act as a market functionary of the notified agricultural produce in the designated area, is required to obtain a license issued by the APMC of that area. The Act also imposes penalties and imprisonment for contravention of its provisions by any license holder.

The Factories Act, 1948 ("Factories Act")

The Factories Act, a central legislation, extends to the whole of India. It is the principal legislation that governs the health, safety and welfare of factory workers. Under the Factories Act each state is empowered to issue its own rules for licensing and administrating factories situated in such states ("Factories Rules"). Under the Factories Rules, prior to commencing any manufacturing process, a person needs to obtain a license to register such factory. Separate licence needs to be obtained in respect of each premise where a factory is set up or proposed to be set up. The Factories Act defines a factory to cover any premises which employs 10 (ten) or more workers and in which manufacturing process is carried on with the aid of power and any premises where there are at least 20 (twenty) workers without the aid of power. The Factories Act provides that the person who has ultimate control over the affairs of the factory and in case of a company, any one of the directors, must ensure the health, safety and welfare of all workers.

Essential Commodities Act, 1955 ("Essential Commodities Act")

The Essential Commodities Act gives powers to control production, supply, and distribution etc. of essential commodities for maintaining or increasing supplies and for securing their equitable distribution and availability of commodities which have been declared as essential. The Essential Commodities Act is implemented by the State Government by availing delegated powers under the Essential Commodities Act. The state governments have issued various control orders to regulate various aspects of trading in Essential Commodities such as food grains, edible oils, pulses, sugar etc. The Central Government regularly monitors the action taken by the State Government to implement the provisions under the Act.

Legal Metrology Act, 2009 (the "Legal Metrology Act") and Legal Metrology (Packaged Commodities) Rules, 2011

The Legal Metrology Act seeks to establish and enforce standard weights and measures to regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and for matters connected therewith or incidental thereto. The Legal Metrology Act and rules framed thereunder regulate inter alia, the labelling and packaging of commodities, verification of weights and measures used, and lists penalties for offences and compounding of offences under it. The Controller of Legal Metrology Department is the competent authority to grant the licence under the Legal Metrology Act. Any manufacturer dealing instruments for weights and measuring of goods must procure a license from the state department under the Legal Metrology Act. Any non-compliance or violation under the Legal Metrology Act may result in inter alia a monetary penalty on the manufacturer or seizure of goods or imprisonment in certain cases.

The Legal Metrology (Packaged Commodities) Rules, 2011 framed under the Legal Metrology Act lay down specific provisions applicable to packages intended for retail sale, wholesale packages and for export and import of packaged commodities and also provide for registration of manufacturers and packers. Further, the Legal Metrology (Packaged Commodities) Amendment Rules, 2017 lay down specific provisions for e-commerce transactions and online sale of packaged commodities.

Legal Metrology (Packaged Commodities) Rules, 2011 ("Packaged Commodities Rules")

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, whole sale and for export and import and also regulate pre-packaged commodities in India, inter alia by mandating certain labelling requirements prior to sale of such commodities. Legal Metrology (Packaged Commodities) (Amendment) Rules ("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 regarding the size of declarations on the label, declaration on e-commerce platforms, declaration of name and address of the manufacturer and fine for contravention.

Shops and Establishments Legislations ("S&E Acts")

Under the provisions of local shops and establishments legislations applicable in the states in which establishments are set up, establishments are required to be registered. 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, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees. All industries have to be registered under the shops and establishments legislations of the state where they are located, in accordance with the number of employees employed by the establishment, as prescribed by the respective legislation. There are penalties prescribed in the form of monetary fine or imprisonment for violation of the legislations.

Spices Board Act, 1986 and Spices Board Rules, 1987

The Spices Board of India is a flagship regulatory body set up by the Government of India to monitor, develop and promote Indian spices. The Spices Board works under the Ministry of Commerce and Industry, Government of India. The board acts as a link between the Indian exporter and the importers abroad. The functions of the Spice Board of India include developing, promoting and regulating the export of spices, granting certificate for export of spices and register brokers, undertaking programs and projects for the promotion of export of spices, assisting and encouraging studies and research for the improvement of process, quality, the technique of packing of spices, striving towards stabilizing of prices of spices for export, controlling quality of spices for export, providing licenses, subject to the prescribed terms and conditions to the manufacturers of spices for export, marketing of spices, providing warehousing facilities abroad for spice etc.

Foreign Trade (Development and Regulation) Act, 1992

The Development and Regulation of foreign trade by facilitating imports and exports from and to India. The Import-Export Code number and licence to import or export includes a customs clearance permit and any other permission issued or granted under this act. The Export and Import policy, provision for development and regulation of foreign trade shall be made by the Central Government by publishing an order. The Central Government has appointed the Directorate General of Foreign Trade (DGFT) for the purpose of Export-Import Policy formulation.

EXIM Policy

India's foreign trade policy is implemented by the Directorate General of Foreign Trade (DGFT) every five years under the Foreign Trade Development and Regulation Act, 1992 ("**EXIM Policy**"). The EXIM Policy is a set of guidelines and instructions provided to regulate, facilitate and develop the import and export of goods in India. Under the EXIM Policy, the DGFT is authorised to notify goods which are restricted, prohibited or free to be exported/imported and the time period of such embargoes. The DGFT may restrict or prohibit trading with notified foreign jurisdictions and/or issue additional guidelines for the same. The EXIM Policy mandates every importer/exporter in India to obtain a Registration-cum-Membership Certificate (RCMC) bearing an Importer-Exporter Code (IEC) required for GST filings and availing exemptions and benefits under the EXIM Policy. Additionally, the EXIM Policy in conjunction with the Customs Tariff Act, 1975 and the Central Excise Act, 1944 through relevant notifications, lays down the tariffs and charges levied on such import/export transactions.

Foreign Exchange Management Act, 1999 and FEMA Regulations

Foreign investment in India is primarily governed by the provisions of the Foreign Exchange Management Act, 1999 ("**FEMA**") and the rules and regulations promulgated there under. The act aims at amending the law relating to foreign exchange with facilitation of external trade and payments for promoting orderly developments and maintenance of foreign exchange market in India. It applies to all branches, offices and agencies outside India owned or controlled by a person resident in India and also to any contravention there under committed outside India by any person to whom this Act applies.

Every exporter of goods is required to a) furnish to the Reserve Bank or to such other authority a declaration in such form and in such manner as may be specified, containing true and correct material particulars, including the amount representing the full export value or, if the full export value of the goods is not ascertainable at the time of export, the value which the exporter, having regard to the prevailing market conditions, expects to receive on the sale of the goods in a market outside India; b) furnish to the Reserve Bank such other information as may be required by the Reserve Bank for the purpose of ensuring the realization of the export proceeds by such exporter. The Reserve Bank may, for the purpose of ensuring that the full export value of the goods or such reduced value of the goods as the Reserve Bank determines, having regard to the prevailing market conditions, is received without any delay, direct any exporter to comply with such requirements as it deems fit.

Water (Prevention and Control of Pollution) Act, 1974 ("Water Act")

The Water Act was enacted to control and prevent pollution and for maintaining or restoring of wholesomeness of water in the country. This is the first law passed in India whose objective was to ensure that the domestic and industrial pollutants are not discharged into rivers, and lakes without adequate treatment. The reason is that such a discharge renders the water unsuitable as a source of drinking water as well as for the purposes of irrigation and support marine life. In order to achieve its objectives, the Pollution Control Boards (PCBs) at Central and State levels were created to establish and enforce standards for factories discharging pollutants into water bodies. The Water Act aims to prevent and control water pollution and to maintain or restore water purity and any person intending to establish any industry, operation or process or any treatment and disposal system which is likely to discharge sewage or other pollution into a water body is required to obtain prior consent of the relevant state pollution control board.

Air (Prevention and Control of Pollution) Act, 1981("Air Act")

The Air Act was enacted to provide for the prevention, control and abatement of air pollution in India. It is a specialised piece of legislation which was enacted to take appropriate steps for the preservation of natural resources of the earth, which among other things include the preservation of the quality of air and control of air pollution. The Air Act stipulates that no person shall, without prior written consent of the relevant state pollution control board, establish or operate any industrial plant which emits air pollutants in an air pollution control area, as notified by the state pollution control board.

Consumer Protection Act, 2019 and Consumer Protection (E-Commerce) Rules, 2020 ("COPRA")

The COPRA will repeal the existing Consumer Protection Act, 1986, and shall come into force on such date as the Central Government may, by notification, appoint. The Consumer Protection Act, 1986 provides a mechanism for the consumer to file a complaint against a service provider in cases of unfair trade practices, restrictive trade practices, deficiency in services, price charged being unlawful and food served being hazardous to life. It also places product liability on a manufacturer or product service provider or product seller, to compensate for injury or damage caused by defective product or deficiency in services. It provides for a three tier consumer grievance redressal mechanism at the national, state and district levels. Non-compliance of the orders of the redressal commissions attracts criminal penalties. The COPRA will, inter alia, introduce a Central Consumer Protection Council to promote, protect and enforce the rights of consumers executive agency to provide relief to a class of consumers. The COPRA has brought e-commerce entities and their customers under its purview including providers of technologies or processes for advertising or selling, online market place or online auction sites. The COPRA also provides for referring the disputes to mediation for early settlement of the disputes between the parties and also prescribes the offences and the penalties for such offences.

Laws relating to taxation

The tax related laws that are pertinent, include the Income Tax Act 1961, Income Tax Rules, 1962, Customs Tariff Act, 1975 and GST which includes the Central Goods and Services Tax Act, 2017, various State Goods and

Services Tax legislations, the Integrated Goods and Services Tax Act, 2017, and Union Territory Goods and Services Act, 2017, and various rules made thereunder.

Laws relating to Employment

Certain labour regulations that may be applicable to our Company in India including Employees' Provident Funds and Miscellaneous Provisions Act, 1952; Employees' State Insurance Act, 1948; Employee's Compensation Act, 1923; Equal Remuneration Act, 1976; The Maternity Benefit Act, 1961; Labour Contract Labour (Regulation and Abolition) Act, 1970; Industrial Employment (Standing Orders) Act, 1946; Minimum Wages Act, 1948; Payment of Bonus Act, 1965; Payment of Gratuity Act, 1972; and Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 among others. The Occupational Safety, Health and Working Conditions Code, 2020, the Code on Social Security, 2020, the Industrial Relations Code, 2020, and the Code on Wages, 2019 have received the President's assent, and will come into force at a date notified by the Central Government. With respect to Code on Wages, 2019, certain provisions of this code pertaining to central advisory board, have been brought into force by the Ministry of Labour and Employment through a notification dated December 18, 2020 and other provisions of this code will be brought into force on a date to be notified by the Central Government.

Other applicable laws

In addition to the above, our Company is required to comply with the provisions of the Indian Contract Act, 1872, Companies Act, 2013, Transfer of Property Act, 1882, the Indian Easement Act, 1882, the Indian Stamp Act, 1899, the Registration Act, 1908 to the extent applicable, SEBI Listing Regulations, and other applicable laws and regulations imposed by the central and state governments and other authorities for the day-to-day operations, business, and administration of our Company.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was incorporated on March 9, 2004 as 'Sresta Natural Bioproducts Private Limited', a private limited company under the Companies Act, 1956, with a certificate of incorporation issued 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 December 8, 2021, and consequently, the name of our Company was changed to 'Sresta Natural Bioproducts Limited' and a fresh certificate of incorporation dated December 13, 2021 was issued by the RoC.

Business and management

For a description of our activities, capacity and facility creation, location of our plants, the growth of our Company, geographical markets we operate in or exit from existing markets, key products or services launched by our Company see "*Our Business*", "*Industry Overview*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 129, 98 and 238, respectively. For details of the managerial competence of our Company, see "*Our Management*" beginning on page 165.

Changes in the Registered Office

The registered office of our Company is currently situated at 203, Pavani Annexe, Road No. 2, Banjara Hills, Hyderabad 500 034, Telangana, India. There has been no change in the registered office of our Company since the date of incorporation.

Main objects of our Company

The main objects contained in our Memorandum of Association are as follows:

1. *"To carry on in India or elsewhere, the business to produce, process, develop, manufacture, treat, extract. Grow, cultivate, farm, raise, mix, manipulate, prepare, pack, repack, protect, and to act as an agent, broker, buyer, seller, reseller, exporter, importer, distributor, stockist, jobworker, consultant, marketmen, or otherwise to deal in all types, varieties, of Natural Bio products derived from plants and other Bio Organism and to deal in all types and varieties of seeds, planting material, fresh or processed fruits & vegetables, agricultural crops, medicinal plant, herbs, aromatic plants, bio organisms, agro products, natural products and the like.*

2. *To undertake, provide in India consultancy, services, facilities, business auxiliary services, in all kinds of Genomics, Genetic manipulation, Bio informatics, Medicinal chemistry, Computational chemistry, Disease Research, clinical trials and synthesis of Drug molecules, biotechnology, farming sectors, including agricultural farms, farming of seeds, fruits, vegetables, green houses, nurseries, other farms, processing centers, distribution centers, storage facilities of all kinds of seeds, planning materials, fruits, vegetables, agro products natural products, bio organic, other products of the like and Business Process Outsourcing, consultancy services relating to, Health, Wellness, Nutrition, Foods, Agriculture, natural products, Organic and related farming and other products of the like.*

3. *To promote, establish, organize, maintain, own, operate, undertake, manage and carry on in India or else where the business of develop, deal, repair, lease, hire, operate, fabricate, construct, assemble, maintain, install, modify and otherwise to deal in all kinds of farms, including agricultural farming, farming of seeds, fruits, vegetables, green houses, nurseries, other farms, processing centers, distribution centers, research centers, testing labs, storage facilities of all kinds of seeds, planting materials, fruits, vegetables, agro products, natural products, bio organic products and other products of the like."*

The main objects clause as contained in the Memorandum of Association enable our Company to undertake its existing activities.

Amendments to the Memorandum of Association

Set out below are the amendments to our Memorandum of Association in the last 10 years immediately preceding the date of this Draft Red Herring Prospectus:

Date of Shareholder's resolution	Particulars
June 29, 2013	Clause V of the Memorandum of Association was amended to reflect reclassification of the authorised share capital of our Company from ₹182,000,000 divided into (i) ₹130,000,000 comprising 13,000,000 equity shares of ₹10 each; and (ii) ₹20,000,000 comprising 2,000,000 redeemable optionally convertible cumulative preference shares of ₹10 each; and ₹32,000,000 comprising 3,200,000 compulsorily convertible cumulative preference shares of ₹10 each to ₹182,000,000 divided into (i) ₹150,000,000 comprising 15,000,000 equity shares of ₹10 each; and (ii)₹32,000,000 comprising 3,200,000 compulsorily convertible cumulative preference shares of ₹10 each.
September 29, 2014	Clause V of the Memorandum of Association was amended to reflect an increase in the authorized share capital of our Company from ₹182,000,000 divided into ₹150,000,000 comprising of 15,000,000 equity shares of ₹10 each and ₹32,000,000 comprising of 3,200,000 compulsorily convertible cumulative preference shares of ₹10 each to ₹232,000,000 divided into (i) ₹180,000,000 comprising 18,000,000 equity shares of ₹10 each; and (ii) ₹52,000,000 comprising 5,200,000 compulsorily convertible cumulative preference shares of ₹10 each.
September 29, 2015	Clause V of the Memorandum of Association was amended to reflect an increase in the authorized share capital of our Company from ₹232,000,000 divided into (i)₹180,000,000 comprising 18,000,000 equity shares of ₹10 each; and (ii) ₹52,000,000 comprising 5,200,000 compulsorily convertible cumulative preference shares of ₹10 each to ₹262,000,000 divided into (i) ₹180,000,000 comprising 18,000,000 equity shares of ₹10 each; and (ii) ₹82,000,000 comprising 8,200,000 compulsorily convertible cumulative preference shares of ₹10 each.
September 25, 2017	Clause V of the Memorandum of Association was amended to reflect reclassification of the authorised share capital of our Company from ₹262,000,000 divided into (i)₹180,000,000 comprising 18,000,000 equity shares of ₹10 each; and (ii) ₹82,000,000 comprising 8,200,000 compulsorily convertible cumulative preference shares of ₹10 each to ₹262,000,000 divided into (i) ₹220,000,000 comprising 22,000,000 equity shares of ₹10 each; and (ii) ₹42,000,000 comprising 4,200,000 compulsorily convertible cumulative preference shares of ₹10 each.
December 8, 2021	Conversion to public limited company.

Major events and milestones of our Company

Calendar Year	Events
2006	Raised funding from VTCPL (acting on behalf of the Bio Fund) of ₹50 million
2011	Raised funding from VLF of ₹95 million
2011	Raised funding from PCF of ₹220 million
2012	Established overseas subsidiaries in the USA to focus on international markets
2014	Commenced production and packaging at unit in Bidar, Karnataka
2015	Set up integrated production and packing unit at Medchal, Telangana

Key awards, accreditations, certifications and recognitions

Calendar Year	Events
2010	Received the export excellence and contribution in organic sector award – APEDA 2009-10 from Ministry of Commerce & Agriculture
2016	Received the best domestic trader award (exporter/ trader) from the Farmer Welfare and Agriculture Development Department, Madhya Pradesh
2017	Received a certificate of participation for participating in the National Oilseed Kisan Mela organised by ICAR-Indian Institute of Oilseeds Research (IIOR)
2018	Received the 2nd Prize at the Jaivik India Awards - Best Company Retail Branding and Marketing
	Received the 2nd Prize at the Jaivik India Awards - Best Company Organic Exports

Other details regarding Company

Significant financial and strategic partnerships

As of the date of this Draft Red Herring Prospectus, our Company does not have any significant financial and strategic partnerships.

Defaults or rescheduling/ restructuring of borrowings with financial institutions/ banks

There have been no instances of rescheduling/ restructuring of borrowings with financial institutions/ banks in respect of our current borrowings from lenders.

Time/cost overrun

There have been no time and cost over-runs in respect of our business operations.

Our Holding Company

As of the date of this Draft Red Herring Prospectus, our Company does not have a holding company.

Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years

Our Company has not made any material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets, etc. in the last 10 years.

Guarantees given by our Promoters offering their Equity Shares in the Offer

None of our Promoters are offering their respective Equity Shares in the Offer.

Shareholders' agreements and other agreements

*Investment agreement dated August 1, 2011 entered among our Company, PCF, Rajashekar Reddy Seelam, Technology Venture Fund, VLF and Other Shareholders (as defined therein), as amended by the multiple amendment agreements dated (i) December 13, 2013; (ii) May 28, 2014; and (iii) November 7, 2016 read along with the letter dated June 30, 2018 (the "**Investment Agreement**") and amendment and termination agreement dated December 15, 2021 entered into between Company, PCF, Rajashekar Reddy Seelam, Renuka Seelam, Balasubramanian Narayanan, Technology Venture Fund, VLF and Other Shareholders (as defined therein) (the "**Amendment and Termination Agreement**").*

The Investment Agreement has been entered amongst our Company and PCF, Rajashekar Reddy Seelam, Technology Venture Fund, VLF and Other Shareholders (*as defined therein*) to set out the terms and conditions of their relationship as shareholders of our Company and certain matters connected therewith. In terms of the Investment Agreement, the Ventureast Entities and PCF have certain rights and obligations, amongst others, (i) subject to their shareholding in our Company being at least 10%, the right to nominate two directors each on our Board; (ii) right to appoint alternate directors in terms of the Investment Agreement; (iii) right to constitute a valid quorum and nomination of directors in various committees and sub-committees of our Company; (iv) certain information rights in relation to financial statements and Board, Shareholders' and committee minutes of the Company; (v) right to nominate an observer to the Board; (vi) right of first purchase, right of first refusal, drag along and tag-along rights in the event of any proposed transfer of Equity Shares by other party; and (vii) right to approve certain reserved matters identified in the Investment Agreement such as amendment to the memorandum and article of association of the Company, any increase, change or alteration of authorized or paid up share capital of our Company, or any direct or indirect issuance, grant or transfer of Equity Shares or other securities of our Company.

Pursuant to the Amendment and Termination Agreement, the Ventureast Entities, PCF and our Promoter (Rajashekar Reddy Seelam) have consented and provided waivers for such actions which have been taken or may be taken by our Company in relation to initiation or consummation of the Offer as required under the Investment Agreement. In terms of the Amendment and Termination Agreement, subject to compliance with applicable laws, each of the Ventureast Entities and PCF shall have the right to nominate (a) one Director on our Board so long as each of them (individually or along with their respective affiliates) hold at least 10% of the paid-up share capital of our Company, on a fully diluted basis; and (b) a total of two Directors each on our Board as long as they each (individually or along with their respective affiliates) hold more than 20% of the paid-up share capital of our Company, on a fully diluted basis. Further, Rajashekar Reddy Seelam shall have the right to nominate two Directors on our Board, subject to him along with Renuka Seelam continuing to hold not less than 10% of the paid-up share capital of our Company, on a fully diluted basis. Additionally, in accordance with the terms of the Amendment and Termination Agreement, the Investment Agreement, including the special rights of the parties thereunder, shall automatically stand terminated, except for the right of the Ventureast Entities, PCF and our Promoter (Rajashekar Reddy Seelam), to nominate Directors with effect from the date of listing and commencement of trading of our Equity Shares on the Stock Exchanges. This right shall be subject to receipt of approval by the Shareholders through a special resolution at the first general meeting of our Company held post listing of our Equity Shares on the Stock Exchanges.

In the event the listing and commencement of trading of the Equity Shares of our Company does not occur by June 30, 2022, or such other date mutually decided by parties, the Amendment and Termination Agreement shall stand terminated and the terms of the Investment Agreement shall be deemed to have been reinstated in its entirety as on the execution date of the Amendment and Termination Agreement.

Agreements with Key Managerial Personnel, Directors or any other employee

There are no agreements entered into by our Key Managerial Personnel or Directors 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.

Agreement between our Company and Hita OPC dated November 15, 2021 (“Hita Agreement”)

Our Company has entered into an agreement with Hita OPC dated November 15, 2021 for a term of five years from April 1, 2021 (which can be extended by mutual agreement between Hita OPC and our Company) to market and sell our organic food products such as spices, flours, processed foods, etc., being sold under our brand ‘24 Mantra’, through Hita OPC’s stores located in the states of Karnataka, Tamil Nadu and Telangana, on its website and mobile application. Our Company will supply the products to Hita OPC at pre-agreed margins on invoice as set forth under the Hita Agreement.

Additionally, Hita OPC owes the Company ₹20 million which in terms of the Hita Agreement are required to be repaid by it to our Company within two years from the date of listing of our Equity Shares (“**Repayment Period**”) which can be extended by mutual agreement between Hita OPC and our Company. However, in the event that Hita OPC is unable to make this repayment, our Promoter, Rajashekar Reddy Seelam, is required to invest ₹20 million into Hita OPC, within the Repayment Period, which will be used by Hita OPC to repay our Company. The Hita Agreement can be terminated by mutual consent between the parties subject to providing a 60 days’ notice.

Our Subsidiaries, associates and joint ventures

As of the day of this Draft Red Herring Prospectus, our Company has two subsidiaries, namely, (i) Fyve Elements LLC; and (ii) Sresta Global FZE and one associate company, namely, GS2 Retail Ventures Private Limited, details of which have been set out below.

Our Company does not have any joint ventures as on the date of this Draft Red Herring Prospectus.

a. Fyve Elements LLC (“Fyve”)

Corporate Information

Fyve was incorporated on November 30, 2012, as a LLC in accordance with the provisions of laws of the State of Maryland, USA as a limited liability company. Its registered office is situated at 8268 Preston Court, Suite A, Jessup, MD 20794.

Fyve is currently engaged in the business of acquiring, owning, operating, and managing a distribution business in accordance with the provisions of its memorandum of association.

Capital structure and shareholding pattern

Fyve is a wholly owned subsidiary of our Company as we own 100% membership interest.

Amount of accumulated profits or losses

As on the date of this Draft Red Herring Prospectus, there are no accumulated profits or losses of Fyve, not accounted for, by our Company in the Restated Consolidated Financial Information.

b. Sresta Global FZE (“**Sresta FZE**”)

Corporate Information

Sresta FZE was incorporated on October 3, 2012, as a FZE in accordance with the provisions of the Implementing Regulations of RAK Economic Zone Authority, pursuant to Emiri Decree dated May 1, 2000 of HH the Ruler of Ras Al Khaimah. It’s company registration number is RAKFTZA-FZE-4009175 and trade license number is 5008366. Its registered office is situated at FDBC0513, Compass Building, Al Shohada Road, Al Hamra Industrial Zone-FZ, Ras Al Khaimah, UAE.

Sresta FZE is authorized under its charter documents to trade in foodstuff and beverages outside the UAE. However, it is currently not engaged in any business activity.

Capital structure and shareholding pattern

The share capital of Sresta FZE is AED 100,000 divided into 10 shares, each share bearing a face value of AED 10,000. Sresta Global FZE is a wholly owned subsidiary of our Company.

Amount of accumulated profits or losses

As on the date of this Draft Red Herring Prospectus, there are no accumulated profits or losses of Sresta FZE, not accounted for, by our Company in the Restated Consolidated Financial Information.

c. GS2 Retail Ventures Private Limited (“GS2 Retail”)

Corporate Information

GS2 Retail was incorporated on March 22, 2005 under the provisions of the Companies Act, 1956. Its registered office is situated at 203, Pavani Annexe Road No. 2, Banjara Hills, Hyderabad 500 013, Telangana, India.

An application dated September 9, 2021 has been submitted with the RoC for striking off the name of GS2 Retail. The application is currently pending as on the date of this Draft Red Herring Prospectus.

Capital structure and shareholding pattern

The following table sets forth details of the shareholding pattern of GS2 Retail:

Sr. No.	Name of the shareholder	Number of shares of face value Rs. 10 each	Percentage of total equity holding (%)
1.	G. Balavardhan Reddy	195,000	46.76
2.	Vijay Bhasker Reddy Seelam	120,000	28.78
3.	Our Company*	102,000	24.46

**Our Company also holds 189,769 preference shares in GS2 Retail*

OUR MANAGEMENT

In terms of the Articles of Association, our Company is authorised to have not less than six Directors and not more than 15 Directors.

Our Board

The following table sets forth details regarding our Board as on the date of this Draft Red Herring Prospectus:

Name, designation, address, occupation, date of birth, nationality, term, period of directorship and DIN	Age (years)	Other directorships
Pradeep Narendra Poddar *Date of birth:* September 9, 1954 *Designation:* Chairman and Independent Director *Address:* 222, Mont Blanc, A.K. Marg, Shalimar Hotel, Kemps Corner, Mumbai, 400026, Maharashtra, India *Occupation*: Professional *Term:* Three years from December 15, 2021 *Period of directorship:* Since December 15, 2021 *DIN:* 00025199	67	a. Welspun India Limited b. Polycab India Limited c. Uflex Limited d. Welspun Flooring Limited
Rajashekar Reddy Seelam *Date of birth:* September 20, 1964 *Designation:* Managing Director *Address:* B-27, Rolling Hills, Gachibowli Road, Hyderabad 500 032, Telangana, India *Occupation*: Business *Term:* Three years from December 1, 2021 to November 30, 2024 *Period of directorship:* Since incorporation of our Company *DIN:* 00278954	57	a. Hita Life Ventures Private Limited b. GS2 Retail Ventures Private Limited* c. Association of Indian Organic Industry
Balasubramanian Narayanan *Date of birth:* August 20, 1965 *Designation:* Whole-time Director and Chief Executive Officer *Address:* G-3 Ashoka Silent Valley Road no. 10, Banjara Hills, Khairatabad, Hyderabad, 500 034, Telangana, India *Occupation*: Professional *Term:* Three years from December 1, 2021 to November 30, 2024 and liable to retire by rotation *Period of directorship:* Since August 5, 2010 *DIN:* 03070468	56	Nil

Name, designation, address, occupation, date of birth, nationality, term, period of directorship and DIN	Age (years)	Other directorships
Pranav Kumar Suresh *Date of birth:* September 8, 1984 *Designation:* Nominee Director(2) *Address:* TC 39/1484, Pura 26(A), Pranavam, Nethaji road, Near pump house, Poojappura P. O., Thiruvananthapuram 695 012, Kerala, India *Occupation*: Service *Term:* Liable to retire by rotation *Period of directorship:* Since December 15, 2021 *DIN:* 08380082	37	a. Founding Years Learning Solutions Private Limited b. Innovative Foods Limited
Ramesh Alur *Date of birth:* May 21, 1957 *Designation:* Nominee Director(1) *Address:* 7-1-77/C, Dharam Karan Road, Begum pet, Hyderabad 500 016, Andhra Pradesh, India *Occupation*: Professional *Term:* Liable to retire by rotation *Period of directorship:* Since September 7, 2021 *DIN:* 00026462	64	a. MVS Enterprises Private Limited b. Ventureast Drug Discovery Services Private Limited c. Total Prosthetics & Orthotics India Private Limited d. Mardil Medical Devices Private Limited e. A.P.I.D.C. Venture Capital Private Limited f. Ventureast Fund Advisors (India) Private Limited g. Eyegear Optics India Private Limited h. AIC-VCube Incubator Private Limited i. Dynam Venture East Private Limited
Padma Parthasarathy *Date of birth:* February 13, 1966 *Designation:* Independent Director *Address:* Villa 418, Phase 2, Adarsh Palm Meadows, Vartur Road, Bangalore, 560 066, Karnataka, India *Occupation*: Professional *Term:* Three years from December 15, 2021 *Period of directorship:*Since December 15, 2021 *DIN:* 00340850	55	Nil

**In the process of striking off*

(1) *Nominee of VTCPL (acting on behalf of VLF III and Bio Fund) and VLF*

(2) *Nominee of PCF*

Arrangement or Understanding with major shareholders, customers, suppliers or others

Except for (i) Ramesh Alur, Nominee Director of VTCPL (acting on behalf of VLF III and Bio Fund) and VLF on our Board; and (ii) Pranav Kumar Suresh, Nominee Director of PCF on our Board, each appointed pursuant to the Investment Agreement, none of our Directors have been appointed pursuant to any arrangement or understanding with our major Shareholders, customers, suppliers or others. For details of the Investment Agreement, see "*History and Certain Corporate Matters – Shareholders' agreements and other agreements*" beginning on page 162.

Brief profiles of our Directors

Pradeep Narendra Poddar is the Chairman and Independent Director of our Company. He holds a bachelor's degree in chemical engineering from the University Department of Chemical Technology, Mumbai and a master's degree in business administration from the Indian Institute of Management, Ahmedabad. Prior to joining our Company, he was associated with Heinz Company and GIIndia Limited.

Rajashekar Reddy Seelam is the Managing Director of our Company. He holds a bachelor's degree in science (agricultural) from the Andhra Pradesh Agricultural University, Rajendranagar, Hyderabad and a master's diploma in management from Indian Institute of Management, Ahmedabad. Prior to incorporating our Company, he was associated with E.I.D Parry (India) Limited. He is responsible for the overall operations of our Company. He has been felicitated in recognition of his contribution in the category of Best Millet Entrepreneur (organic foods) from the Telangana state for the year 2016-2017 by the Society for Millets Research and ICAR-Indian Institute of Millet Research. He was awarded the outstanding performer award for his significant contribution to the knowledge and development of the organic sector by the Farm and Rural Science Foundation, Professor Jayashankar Telangana State Agricultural University on the occasion of Shri. J. Raghotham Reddy Memorial lecture.

Balasubramanian Narayanan is the Whole-time Director and Chief Executive Officer of our Company. He holds a postgraduate diploma in management in rural management from Institute of Rural Management Anand, Gujarat. Prior to joining our Company, he was associated with Tropicana Beverages Company, Godrej Agrovet Limited and Effem India Private Limited. He has also worked as a marketing executive on the fruit and vegetable project which was a pilot project of the National Dairy Development Board. He has been associated with our Company since 2010 and is responsible for the human resources, sales and marketing departments, secondary processing and supply chain of our Company.

Pranav Kumar Suresh is a Nominee Director on the Board of our Company. He holds a bachelor's degree in technology (mechanical engineering) from the University of Kerala and a post-graduate diploma in management from the Indian Institute of Management, Calcutta. He is associated with the investment advisors of Peepul Capital Fund III LLC since January 2019. Prior to joining our Company, he was associated with Wandertrails Services Private Limited as its chief strategy officer.

Ramesh Alur is a Nominee Director on the Board of our Company. He holds a bachelor's degree in technology (chemical engineering) from the Regional Engineering College, Warangal (RECW), Kakatiya University, Telangana and a master's diploma in management from Indian Institute of Management, Bangalore. He has been associated with APIDC Venture Capital Private Limited since the last 30 years and is currently a director at the company**.**

Padma Parthasarathy is an Independent Director of our Company. She holds a bachelor's degree in science (major in physics and mathematics) from the University of Mumbai and a post-graduate diploma in management from the Indian Institute of Management, Ahmedabad. She is currently the global head – consulting at Tech Mahindra Limited. Prior to joining our Company, she was associated with several companies including Capco IT Services India Private Limited and Perot Systems TSI (India) Limited. In 2020, she featured in the 'Self Made Women 2020' article by the Forbes India Magazine. She is also on the strategic advisory board of MaDeIT Innovation Foundation and a part of the advisory board of the centre for digital enterprise at the Indian Institute of Management, Udaipur.

Relationship between Directors and Key Managerial Personnel

None of our Directors are related to each other or to the Key Managerial Personnel of our Company.

Terms of Appointment of our Executive Directors

Rajashekar Reddy Seelam

Pursuant to the resolutions dated September 7, 2021 and November 15, 2021 passed by our Board and resolution passed by our Shareholders on December 31, 2021, Rajashekar Reddy Seelam is entitled to the pay as set forth below:

Particulars	Description
Fixed remuneration (by way of allowances, perquisites, etc.)	₹15 million per annum

Particulars	Description
Variable pay	A maximum of ₹10 million per annum, as detailed below, subject to achievement of performance milestones by our Company: a) Revenue linked incentive: ₹4 million to ₹5 million per annum b) Profit before tax linked incentive: Upto ₹5 million per annum
Retirement benefits	a) Contribution to the provident fund and gratuity as per the rules of our Company in force from time to time. b) Encashment of leave as per rules of our Company in force from time to time.

He received a gross remuneration of ₹13.85 million in Fiscal 2021 from our Company.

Balasubramanian Narayanan

Pursuant to the resolution dated September 7, 2021 passed by our Board and resolution passed by our Shareholders on December 31, 2021, read along with the employment agreement dated April 5, 2010 for his appointment as Chief Executive Officer, Balasubramanian Narayanan is entitled to the pay as set forth below:

Particulars	Description
Fixed remuneration (by way of allowances, perquisites, etc.)	₹13 million per annum
Variable pay	A maximum of ₹6.50 million is payable as variable pay per annum subject to the achievement of certain performance milestones by our Company
Retirement benefits	a) Contribution to the provident fund and gratuity as per the rules of our Company in force from time to time. b) Encashment of leave as per rules of our Company in force from time to time

He received gross remuneration of ₹15.40 million in Fiscal 2021 from our Company.

Remuneration paid/ payable to Non-executive Directors

Pursuant to the resolution dated December 23, 2021 passed by our Board, the Independent Directors are entitled to receive a sitting fee of ₹75,000 per meeting for attending meetings of our Board and ₹50,000 per meeting for attending the meetings of our Audit Committee and ₹40,000 per meeting for attending the meetings of the other committees of our Board.

Further, pursuant to the resolutions dated December 23, 2021 and December 31, 2021 passed by our Board and our Shareholders, respectively, the Independent Directors are also entitled to receive an annual commission in Fiscal 2022 as set forth below:

Name of Director	Amount (in Rs.)
Pradeep Narendra Poddar	800,000
Padma Parthasarathy	400,000

Our Company has not paid any sitting fees and/ or remuneration to the Non-executive Directors in Fiscal 2021.

Bonus or profit sharing plan for the Directors

Our Company does not have any bonus or profit sharing plan for our Directors.

Shareholding of our Directors

Other than as disclosed under "*Capital Structure – Notes to Capital Structure – Shareholding of our Directors and Key Managerial Personnel in our Company*" beginning on page 78, none of our Directors hold any Equity Shares as on the date of this Draft Red Herring Prospectus. Our Directors are not required to hold any qualification shares in the Company.

Service contracts with Directors

Other than statutory benefits such as provident fund and gratuity and encashment of leave, each in accordance with the rules of our Company in force from time to time, payable upon termination of employment of our (a) Managing Director, Rajashekar Reddy Seelam; and (b) Whole-time Director and Chief Executive Officer, Balasubramanian Narayanan, there are no service contracts entered into by our Directors with our Company which provide for benefits upon termination of employment.

Contingent and deferred compensation payable to Directors

There is no contingent or deferred compensation payable to our Directors.

Remuneration paid or payable to our Directors from our Subsidiaries

None of our Directors have been paid any sitting fees and/ or remuneration from our Subsidiaries in Fiscal 2021.

Interest of Directors

(a) All our 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 Committees and other remuneration or commission, if any, payable or reimbursement of expenses to them, (ii) Equity Shares, if any, 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; and (iii) transactions entered into by our Company in the ordinary course of business with companies in which our Directors hold shareholding including our Group Company, as applicable. Further, our Managing Director and Whole-time Director and Chief Executive Officer may also be deemed to be interested to the extent of the remuneration payable to each of them by our Company. For further details, see "-*Terms of appointment of our Executive Directors*" beginning on page 167 above.

(b) Except for Rajashekar Reddy Seelam and Balasubramanian Narayanan, who are also our Promoters, none of our Directors have any interests in the promotion or formation of our Company.

(c) None of our Directors have any interest in any property acquired or proposed to be acquired by our Company.

(d) None of our Directors have any interest in any transaction by our Company for acquisition of land, construction of building or supply of machinery, etc.

(e) 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 any of our Directors are interested as a member, by any person, either to induce them to become, or to qualify them as a Director, or otherwise for services rendered by our Directors or by the firm or company in which they are interested, in connection with the promotion or formation of 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 stock exchange during their tenure.

Except for the following with respect to Ramesh Alur, 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.

Sr. No.	Particulars	Details
1.	Name of the company	Polygenta Technologies Limited
2.	Name of the stock exchange(s) on which the company was listed	BSE
3.	Date of delisting on the stock exchange(s)	April 30, 2020
4.	Whether the delisting was compulsory or voluntary	Voluntary
5.	Reasons for delisting	Minimum public shareholding decreasing below the threshold set under applicable law
6.	Whether the company has been relisted	No
7.	Date of relisting on the stock exchange(s)	N.A.
8.	Term of directorship (along with relevant dates) in the above company	March 25, 2014 to May 27, 2020

Further, none of our Directors have been identified as Wilful Defaulters.

Changes in our Board during the last three years

The changes in our Board during the three years immediately preceding the date of this Draft Red Herring Prospectus are set forth below:

Director	Date of change	Reasons
Pranav Kumar Suresh	December 15, 2021	Appointment as a Nominee Director
Sandeep Nadigadda Reddy	December 15, 2021	Resignation as a Nominee Director
Pradeep Narendra Poddar	December 15, 2021	Appointment as an Independent Director*
Padma Parthasarathy	December 15, 2021	Appointment as an Independent Director*
Sarath Naru	December 15, 2021	Resignation as a Nominee Director
Sreenivasulu Vudayagiri	December 15, 2021	Resignation as a Nominee Director
Ramesh Alur	September 7, 2021	Appointment as a Nominee Director
Mohan Krishna Reddy Arvabumi	June 25, 2021	Resignation as a Nominee Director
Ali Zainulabaideen Fidvi	April 1, 2020	Resignation as Alternate Director
Deepak Mittal	December 9, 2019	Resignation as Nominee Director
Sreenivasulu Vudayagiri	December 9, 2019	Appointment as Nominee Director
Ali Zainulabaideen Fidvi	December 9, 2019	Appointment as Alternate Director for Sandeep Nadigadda Reddy

**Regularised by way of Shareholder resolution dated December 17, 2021*

Borrowing powers

As per Section 180(1)(c) of the Companies Act, our Board is authorised to borrow money and create charge and/ or pledge, mortgage, hypothecate its properties, as permissible, within the overall limits prescribed under Section 180(1)(c) read with Section 180(1)(a) of the Companies Act.

Corporate governance

The provisions of the SEBI Listing Regulations with respect to corporate governance will be applicable to us immediately upon the listing of our Equity Shares with the Stock Exchanges. We are in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, the Companies Act and other applicable regulations of SEBI, in respect of corporate governance including in respect of the constitution of our Board and Committees thereof, and formulation and adoption of policies.

Our Board has been constituted in compliance with the Companies Act and the SEBI Listing Regulations. As on the date of this Draft Red Herring Prospectus, our Board comprises a total of six Directors, *i.e.* two Executive Directors, two Nominee Directors and two Independent Directors including one woman director(s). In compliance with Section 152 of the Companies Act, not less than two thirds of the Directors (excluding Independent Directors) are liable to retire by rotation.

Board committees

Our Company has constituted the following committees of the Board in terms of the SEBI Listing Regulations and the Companies Act, 2013:

(a) Audit Committee;

(b) Nomination and Remuneration Committee; and

(c) Stakeholders' Relationship Committee.

Audit Committee

The Audit Committee was constituted by our Board at its meeting held on December 15, 2021. The Audit Committee is in compliance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations.

The members of the Audit Committee are:

(a) Pradeep Narendra Poddar (*Chairperson*);

(b) Padma Parthasarathy; and

(c) Pranav Kumar Suresh

The Company Secretary shall act as the secretary to the Audit Committee.

Scope and terms of reference: The terms of reference of the Audit Committee shall include the following:

(a) Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible;

(b) Recommending to the Board the appointment, remuneration and terms of appointment of the statutory auditor of the Company;

(c) Reviewing and monitoring the statutory auditor's independence and performance, and effectiveness of audit process;

(d) Approving payments to statutory auditors for any other services rendered by the statutory auditors;

(e) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

- Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 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 opinion(s) in the draft audit report.

(f) Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;

(g) Reviewing, 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 utilised for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter. This also includes monitoring the use/application of the funds raised through the proposed initial public offer by the Company;

(h) Approval or any subsequent modifications of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;

(i) Scrutiny of inter-corporate loans and investments;

(j) Valuation of undertakings or assets of the Company, wherever it is necessary;

(k) Evaluation of internal financial controls and risk management systems;

(l) Evaluating undertakings or assets of our Company, whenever necessary;

(m) Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances

(n) Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;

(o) 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;

(p) Discussing with internal auditors on any significant findings and follow up thereon;

(q) 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;

(r) Discussing with 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;

(s) 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;

(t) Reviewing the functioning of the whistle blower mechanism;

(u) 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;

(v) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee and any other terms of reference as may be decided by the Board and/or specified/provided under the Companies Act, the SEBI Listing Regulations or by any other regulatory authority;

(w) Reviewing the utilization of loans and/ or advances from/investment by the holding company in any subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as per applicable law;

(x) Considering and commenting on the rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders;

(y) Recommending to the board of directors the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services; and

(z) Such roles as may be delegated by the Board and/or prescribed under the Companies Act and SEBI Listing Regulations.

Reviewing Powers

(a) To investigate any activity within its terms of reference;

(b) To seek information from any employee;

(c) To obtain outside legal or other professional advice; and

(d) To secure attendance of outsiders with relevant expertise, if it considers necessary as may be prescribed under the Companies Act, 2013 (together with the rules thereunder) and SEBI Listing Regulations.

(e) To have full access to information contained in records of Company.

Audit committee shall mandatorily review the following:

a) management’s discussion and analysis of financial condition and result of operations;

b) statement of significant related party transactions (as defined by the Audit Committee), submitted by management;

c) management letters/letters of internal control weaknesses issued by the statutory auditors;

d) internal audit reports relating to internal control weaknesses;

e) the appointment, removal and terms of remuneration of the chief internal auditor; and

f) statement of deviations, including:

    i. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations; and

    ii. annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee was constituted by our Board at its meeting held on December 15, 2021. The Nomination and Remuneration Committee is in compliance with Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations.

The Nomination and Remuneration Committee currently consists of:

(a) Padma Parthasarathy (*Chairperson*);

(b) Pradeep Narendra Poddar;

(c) Ramesh Alur; and

(d) Pranav Kumar Suresh.

Scope and terms of reference: The terms of reference of the Nomination and Remuneration Committee shall include the following:

(a) formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors of the Company ("**Board**") a policy relating to the remuneration of the directors, key managerial personnel and other employees;

(b) formulation of criteria for evaluation of the performance of independent directors and the Board;

(c) devising a policy on diversity of the Board;

(d) identifying persons, who are qualified to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal and carrying out evaluation of every director's performance;

(e) determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

(f) recommending remuneration of executive directors and any increase therein from time to time within the limit approved by the members of the Company;

(g) 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, commission on profits;

(h) recommending to the Board, all remuneration, in whatever form, payable to senior management;

(i) performing such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended;

(j) engaging the services of any consultant/professional or other agency for the purpose of recommending compensation structure/policy;

(k) analyzing, monitoring and reviewing various human resource and compensation matters;

(l) reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;

(m) framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:

(n) The SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended; or

(o) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, as amended; and

(p) performing such other functions as may be delegated by the Board and/or prescribed under the SEBI Listing Regulations, Companies Act, each as amended or other applicable law.

Stakeholders' Relationship Committee

The Stakeholders Relationship Committee was constituted by our Board at its meeting held on December 15, 2021. The Stakeholders Relationship Committee is in compliance with Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations. The Stakeholders Relationship Committee currently consists of:

(a) Ramesh Alur (*Chairperson*);

(b) Balasubramanian Narayanan; and

(c) Pradeep Narendra Poddar.

Scope and terms of reference: The terms of reference of the Stakeholders' Relationship Committee shall include the following:

(a) Consider and resolve grievances of 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.;

(b) Review of measures taken for effective exercise of voting rights by shareholders;

(c) Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agent;

(d) Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company;

(e) Formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;

(f) To approve, register, refuse to register transfer or transmission of shares and other securities;

(g) To sub-divide, consolidate and or replace any share or other securities certificate(s) of the Company;

(h) Allotment and listing of shares;

(i) To authorize affixation of common seal of the Company;

(j) To issue duplicate share or other security(ies) certificate(s) in lieu of the original share/security(ies) certificate(s) of the Company;

(k) To approve the transmission of shares or other securities arising as a result of death of the sole/any joint shareholder;

(l) To dematerialize or rematerialize the issued shares;

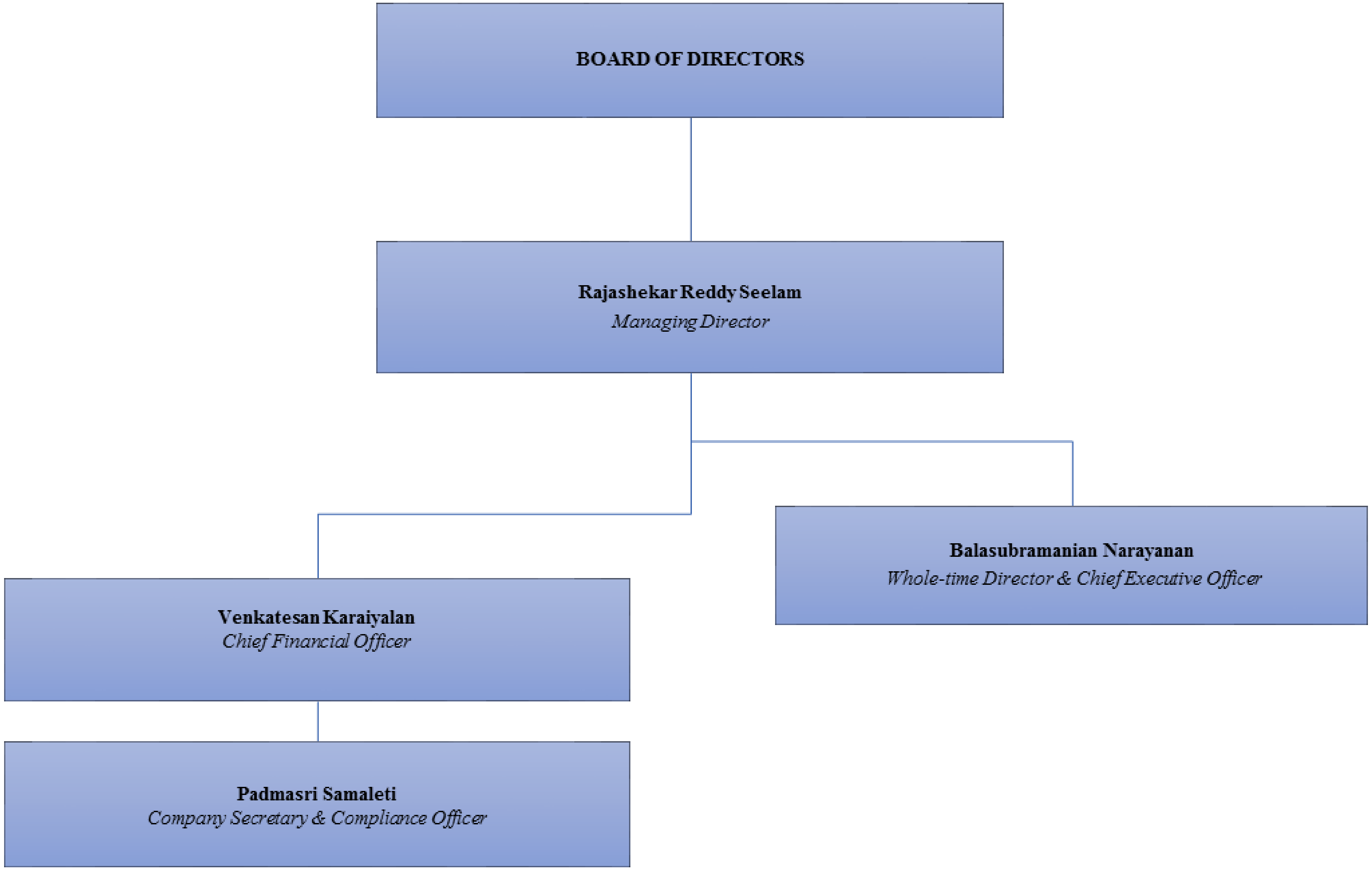
(m) Ensure proper and timely attendance and redressal of investor queries and grievances;

(n) Carrying out any other functions contained in the Companies Act, 2013 and/or equity listing agreements (if applicable), as and when amended from time to time; and

(o) To further delegate all or any of the power to any other employee(s), officer(s), representative(s), consultant(s), professional(s), or agent(s).

(p) Such terms of reference as may be prescribed under the Companies Act and SEBI Listing Regulations.

Management Organisation Chart



Key Managerial Personnel

In addition to Rajashekar Reddy Seelam, our Managing Director, and Balasubramanian Narayanan, our Whole-time Director and Chief Executive Officer, the details of the other Key Managerial Personnel as on the date of this Draft Red Herring Prospectus are set forth below. For details of Rajashekar Reddy Seelam and Balasubramanian Narayanan, see "- *Brief Profiles of our Directors*" beginning on page 167 above.

Venkatesan Karaiyalan is the Chief Financial Officer of our Company. He has been associated with our Company since October 3, 2017. He holds a bachelor's and master's degree in commerce from the Madurai Kamaraj University. He is a qualified chartered accountant. Prior to joining our Company, he worked in several capacities with Sterling Holiday Financial Services Limited, BPL Limited, Novartis India, Glenmark Generics Limited, Noble BioCare, Fluke Technologies and CMA CGM Shared Service Centre Private Limited. In his current role as Chief Financial Officer of our Company, he is responsible for the finance of our Company including accounting, indirect taxation, treasury, statutory audit, statutory compliances and internal control system and is also involved in the business strategies. During Fiscal 2021, he received a total compensation of ₹5.81 million.

Padmasri Samaleti is the Company Secretary and Compliance Officer of our Company. She has been associated with our Company since December 9, 2019. She holds a bachelor's degree in commerce from Osmania University and a degree in law from Osmania University. She is also a qualified company secretary from the Institute of Company Secretaries of India. Prior to joining our Company, she was associated with Nova Agritech Limited as Company Secretary, Quislex Legal Services Private Limited as a legal associate and Tata Projects Limited as a management trainee. In her current role in our Company, she is responsible for the secretarial work of our Company. During the Fiscal 2021, she received a total compensation of ₹0.64 million.

Status of the Key Managerial Personnel

All the Key Managerial Personnel are permanent employees of our Company.

Relationship among the Key Managerial Personnel

None of the Key Managerial Personnel are related to each other.

Bonus or profit sharing plan for the Key Managerial Personnel

Our Company does not have any bonus or profit sharing plan for the Key Managerial Personnel.

Shareholding of Key Managerial Personnel in our Company

Other than as disclosed under "*Capital Structure – Notes to Capital Structure – Shareholding of our Directors and Key Managerial Personnel in our Company*" beginning on page 78, none of our Key Managerial Personnel hold any Equity Shares as on the date of this Draft Red Herring Prospectus.

Service Contracts with the Key Managerial Personnel

Except as disclosed under *" - Service contracts with Directors"* beginning on page 168 above with respect to our Managing Director and our Whole-time Director and Chief Executive Officer, and statutory benefits payable upon termination of employment, none of our Key Managerial Personnel have entered into a service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment.

Interest of the Key Managerial Personnel

Our Key Managerial Personnel do not have any interests in our Company, other than to the extent of (i) the remuneration or benefits to which they are entitled in accordance with the terms of their appointment or reimbursement of expenses incurred by them during the ordinary course of business by our Company; and (ii) the Equity Shares held by them, if any, and any dividend payable to them and other benefits arising out of such shareholding.

The Key Managerial Personnel may be regarded as interested in the Equity Shares, if any, held by them, together with dividends and any other distributions in respect of such Equity Shares. For details, see "- *Shareholding of Key Managerial Personnel in our Company*" beginning on page 78.

There is no contingent or deferred compensation that accrued for Fiscal 2021 and payable to the Key Managerial Personnel.

Arrangements and understanding with major shareholders, customers, suppliers or others

None of the Key Managerial Personnel have been selected pursuant to any arrangement or understanding with the major Shareholders, customers, suppliers or any other person.

Changes in the Key Managerial Personnel during the last three years

The changes in the Key Managerial Personnel during the three years immediately preceding the date of this Draft Red Herring Prospectus:

Name	Date	Reason
Padmasri Samaleti	December 9, 2019	Appointed as Company Secretary
Gayathri Khatri	September 3, 2019	Resigned due to pre-occupation

Employee stock option and stock purchase schemes

As on the date of this Draft Red Herring Prospectus, our Company does not have any employee stock option plan.

Payment or Benefit to officers of our Company

No amount or benefit has been paid or given to any officer of our Company within the two years preceding the date of this Draft Red Herring Prospectus or is intended to be paid or given, other than in the ordinary course of their employment and any employee stock options, for services rendered as officers of our Company, dividend that may be payable in their capacity as Shareholders, and as disclosed in "*Financial Statements*" beginning on page 185.

OUR PROMOTERS AND PROMOTER GROUP

Rajashekar Reddy Seelam, Renuka Seelam and Balasubramanian Narayanan are the promoters of our Company. As on the date of this Draft Red Herring Prospectus, our Promoters hold an aggregate of 4,429,970 Equity Shares, comprising 23.63% of the pre-Offer issued, subscribed and paid-up Equity Share capital of our Company. For details, see "*Capital Structure – History of the Equity Share capital held by our Promoters - Equity shareholding of our Promoters and our Promoter Group*" beginning on page 74.

Details of the Promoters

1. **Rajashekar Reddy Seelam**

Rajashekar Reddy Seelam, born on September 20, 1964, aged 57 years, is a citizen of India. He is currently the Managing Director of our Company. For further details, see "*Our Management – Brief profiles of Directors*" beginning on page 167.

His PAN is AAHPS0795B and his driving license number is DLFAP011380572004.

His Aadhaar card number is 4264 8026 4535.

2. **Renuka Seelam**

Renuka Seelam, born on March 26, 1971, aged 50 years, is a citizen of India. She resides at B-27, Rolling Hills, Gachibowli Road, Hyderabad 500 032, Telangana, India. She holds a bachelor's degree in commerce and a master degree in commerce from RBVRR Women's College, Telangana. She has previously served on our Board as our Director from 2004 to 2011.

Her PAN is AJYPS6509D and she does not have a driving license.

Her Aadhaar card number is 9709 9990 6948.

3. **Balasubramaniam Narayanan**

Balasubramanian Narayanan, born on August 20, 1965, aged 56 years, is a citizen of India. He is currently the Whole-time Director and Chief Executive Officer of our Company. For further details, see "*Our Management – Brief profiles of Directors*" beginning on page 167.

His PAN is ADLPB3171F and his driving license number is 900722901993OS.

His Aadhaar card number is 9567 5022 1772.

Our Company confirms that the PAN, bank account numbers and passport numbers of the Promoters have been submitted to the Stock Exchanges at the time of filing of this Draft Red Herring Prospectus.

Our Promoters do not have any other ventures except for Hita OPC, Hita Farms LLP and to the extent disclosed in "*Our Management"* beginning on page 165.

Details regarding change in control of our Company

While there has not been any change in the control of our Company during the last five years preceding the date of this Draft Red Herring Prospectus, Balasubramanian Narayanan and Renuka Seelam have also been identified as promoters of our Company pursuant to a resolution passed by our Board on December 6, 2021.

Interests of the Promoters

i. The Promoters are interested in our Company to the extent they have promoted our Company and to the extent of their shareholding in our Company and dividend payable, if any, and other distributions in respect of the Equity Shares held by them. For further details of the interest of Rajashekar Reddy Seelam, Renuka Seelam and Balasubramanian Narayanan in our Company, see "*Capital Structure - – History of the Equity Share capital held by our Promoters - Equity shareholding of our Promoters and our Promoter Group*" beginning on page 74.

ii. Our Promoters, Rajashekar Reddy Seelam and Balasubramanian Narayanan, are also the Managing Director and Whole–time Director and Chief Executive Officer, respectively, of our Company and are interested to the extent of remuneration and reimbursement of expenses payable to him. For details of the terms of their appointment and remuneration, see "*Our Management – Terms of Appointment of our Executive Directors*" beginning on page 167.

iii. Our Promoter, Renuka Seelam is also interested in our Company to the extent of the rental income received by her from our Company pursuant to the lease agreement dated April 1, 2018 ("**Lease Agreement**") entered into by and between our Company and Renuka Seelam in respect of the premises being used as Registered Office, pursuant to which a monthly rent of ₹30,000 ("**Monthly Rent**") is payable to Renuka Seelam by our Company. The tenure of the Lease Agreement is five years and the Monthly Rent is subject to an annual increase by 5%. For further details, see *"Related Party Transactions*" beginning on page 237.

iv. The Promoters have no interest in any property acquired in the three years preceding the date of this Draft Red Herring Prospectus or is proposed to be acquired by our Company or in any transaction in acquisition of land, construction of building and supply of machinery, etc.

v. No sums have been paid or agreed to be paid to our Promoters or to the firms or companies in which our Promoters are interested as members in cash or shares or otherwise by any person, either to induce them to become or to qualify them, as directors or otherwise for services rendered by such Promoters or by such firms or companies in connection with the promotion or formation of our Company.

Payment or benefits to our Promoters or the members of our Promoter Group

Except as stated otherwise in *"Related Party Transactions"* beginning on page 237, no amount or benefits have been paid or given to our Promoters or the members of the Promoter Group during the two years preceding the date of this Draft Red Herring Prospectus nor is there any intention to pay or give any amount or benefit to our Promoters or the members of our Promoter Group.

Material guarantees given by the Promoters to third parties with respect to Equity Shares

As on the date of this Draft Red Herring Prospectus, the Promoters have not given any material guarantees to any third party with respect to the Equity Shares.

Companies or firms with which our Promoters have disassociated in the last three years

Our Promoters have not disassociated themselves from any company or firm in the three years immediately preceding the date of this Draft Red Herring Prospectus.

Promoter Group

The individuals forming a part of our Promoter Group are as follows:

Sr. No.	Name of Promoter	Names of individuals	Relationship
1.	Rajashekar Reddy Seelam	Suvarna Seelam	Mother
		Renuka Seelam	Spouse
		Vijaybhasker Reddy Seelam	Brother
		Madhavi Gillela	Sister
		Harsha Vardhan Reddy Seelam Vivek Vardhan Reddy Seelam	Sons
		Vijaya Rekulapally	Spouse's mother
		Ravinder Reddy Rekulaplly	Spouse's brother
2.	Renuka Seelam	Vijaya Rekulapally	Mother
		Rajashekar Reddy Seelam	Spouse
		Ravinder Reddy Rekulaplly	Brother
		Harsha Vardhan Reddy Seelam Vivek Vardhan Reddy Seelam	Sons
		Suvarna Seelam	Spouse's mother
		Vijaybhasker Reddy Seelam	Spouse's brother
		Madhavi Gillela	Spouse's sister
3.	Balasubramanian Narayanan	Saraswathi Narayanan	Mother
		Shanthi Balasubramanian	Spouse
		Lalitha Natarajan N Sangeetha	Sisters
		Sneha Balasubramanian Bhavana Balasubramanian	Daughters
		Pushpa Gurumani Hamsa Krishnan	Spouse's sisters

The entities forming a part of our Promoter Group are as follows:

1. Hita (OPC)
2. Hita Farms LLP
3. Zuti Engineering Solutions Private Limited
4. GS2 Retail*
5. Svaya Robotics Private Limited

**An application dated September 9, 2021 has been submitted with the RoC for striking off the name of GS2 Retail. The application is currently pending as on the date of this Draft Red Herring Prospectus.*

OUR GROUP COMPANY

In terms of the SEBI ICDR Regulations and pursuant to the resolution dated December 15, 2021 passed by our Board, the group companies shall include (i) the companies (other than the Subsidiaries of the Company) with which there were related party transactions as per the Restated Consolidated Financial Information as of September 30, 2021 and during the Fiscals 2021, 2020 and 2019; and (ii) such companies (other than the subsidiaries of our Company, if any) with which there were related party transactions for the period beginning from October 1, 2021, being companies considered material by our Board.

Accordingly, our Board has identified Hita Life Ventures Private Limited (OPC) as the Group Company.

Details of the Group Company

Hita Life Ventures Private Limited (OPC) ("Hita OPC")

Corporate information

Hita OPC was incorporated as a one-person company on August 25, 2014 under the Companies Act, 2013 with the RoC. Its registered office is situated at H. No. #6-3-1109/1, 4th Floor, Jewel Pawani Tower, Raj Bhavan Road, Somajiguda, Hyderabad 500 082, Telangana, India.

Financial performance

As required under the SEBI ICDR Regulations, Hita OPC shall host its financial information based on the audited standalone financial statements for Fiscals 2021, 2020 and 2019 on the website of our Company since Hita OPC does not have a separate website. Such financial information is available at https://sresta.com/overview/corporate-governance/.

Nature and extent of interest of the Group Company

In the promotion of our Company

Our Group Company does not have any interest in the promotion of our Company and does not hold any Equity Shares.

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 Group Company is not interested in the properties (i) acquired by our Company in the three years preceding the date of filing of this Draft Red Herring Prospectus; or (ii) proposed to be acquired by us as on the date of this Draft Red Herring Prospectus.

In the transactions for acquisition of land, construction of building and supply of machinery, etc.

Our Group Company is not interested in the transactions for acquisition of land, construction of building and supply of machinery, etc. entered into by our Company.

Related business transactions within our Group Company and significance on the financial performance of our Company

Except the transactions disclosed in "*Related Party Transactions*" beginning on page 237, there are no other related business transactions with the Group Company.

Common pursuits

There are no common pursuits between our Company and the Group Company.

Business and other interests

Our Company has entered into an agreement with Hita OPC dated November 15, 2021 ("**Hita Agreement**") for a term of five years from April 1, 2021 (which can be extended by mutual agreement between Hita OPC and our Company) to market and sell our organic food products such as spices, flours, processed foods, etc., being sold under our brand '24 Mantra', through Hita OPC's stores located in the states of Karnataka, Tamil Nadu and

Telangana, on its website and mobile application. Our Company will supply the products to Hita OPC at pre-agreed margins on invoice as set forth under the Hita Agreement.

Additionally, Hita OPC owes the Company ₹20 million which in terms of the Hita Agreement are required to be repaid by it to our Company within two years from the date of listing of our Equity Shares ("**Repayment Period**") which can be extended by mutual agreement between Hita OPC and our Company. However, in the event that Hita OPC is unable to make this repayment, our Promoter, Rajashekar Reddy Seelam, is required to invest ₹20 million into Hita OPC, within the Repayment Period, which will be used by Hita OPC to repay our Company. The Hita Agreement can be terminated by mutual consent between the parties subject to providing a 60 days' notice.

Except as disclosed above and in the "*Related Party Transactions*", beginning on page 237, our Group Company does not have any business or other interest in our Company.

Litigation involving our Group Company

There is no litigation involving our Group Company which may have a material impact on our Company.

DIVIDEND POLICY

The declaration and payment of dividend on our Equity Shares, if any, will be recommended by our Board and approved by our Shareholders, at their discretion, subject to the provisions of our Articles of Association and the applicable laws including the Companies Act, 2013 together with the applicable rules notified thereunder. As on date, our Company is not required to and has not adopted a formal dividend distribution policy. The dividend, if any, will depend on a number of factors, including but not limited to our Company's profits, accumulated reserves, earnings outlook, capital requirements, restrictive covenants under our borrowings facilities, financial commitments and financial requirements including business expansion plans, applicable legal restrictions, cost of raising funds from alternate sources, cash flows and other factors considered relevant by our Board. In addition, the dividend, if any, will also depend on a number of external factors including but not limited to applicable laws and regulations including taxation laws, economic conditions, and prevalent market practices.

We have not declared and paid any dividends on the Equity Shares in any of the three Fiscals preceding the date of this Draft Red Herring Prospectus and until the date of this Draft Red Herring Prospectus.

SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Examination Report of Independent Auditor on the Restated Consolidated Statement of Assets and Liabilities as at September 30, 2021, September 30, 2020, March 31, 2021, March 31, 2020 and March 31, 2019 and Restated Consolidated Statement of Profit and Loss (including other comprehensive income), Restated Consolidated Statement of Changes in Equity, Restated Consolidated Statement of Cash Flows along with the Statement of Significant Accounting Policies and other explanatory information for six months period ended September 30, 2021 and September 30, 2020 and years ended March 31, 2021, March 31, 2020 and March 31, 2019 of Sresta Natural Bioproducts Limited (formerly known as Sresta Natural Bioproducts Private Limited) (collectively, the "Restated Consolidated Financial Information")

The Board of Directors
Sresta Natural Bioproducts Limited
(Formerly known as Sresta Natural Bioproducts Private Limited)
REGD. OFFICE: 203, PAVANI ANNEXE, ROAD NO.2, BANJARA HILLS,
HYDERABAD TELANGANA 500034 IN

Dear Sirs/ Madams,

1. We, M S K A & Associates, have examined the Restated Consolidated Financial Information of Sresta Natural Bioproducts Limited (formerly known as Sresta Natural Bioproducts Private Limited) (the "Company" or the Holding Company or the "Issuer") and its subsidiaries (the Company and its subsidiaries together referred to as the "Group") which comprises of Restated Consolidated Statement of Assets and Liabilities as at September 30, 2021, September 30, 2020, March 31, 2021, March 31, 2020 and March 31, 2019, the Restated Consolidated Statement of Profit and Loss (including other comprehensive income), the Restated Consolidated Statement of Changes in Equity and the Restated Consolidated Statement of Cash Flows for the six months period ended September 30, 2021 and September 30, 2020 and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019 and the Significant Accounting Policies and other explanatory Information (collectively referred to as the "Restated Consolidated Financial Information"), annexed to this report 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 of face value of Rs. 10 each ("Offer"). The Restated Consolidated Financial Information, as approved by the Board of Directors of the Company (the "Board of Directors") at their meeting held on January 03, 2022, have been prepared by the Company in accordance with the requirements of:

    a) the Sub-section (1) of 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 (the "SEBI 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 from time to time (the "Guidance Note").

2. The Company's Board of Directors are responsible for the preparation of Restated Consolidated Financial Information for the purpose of inclusion in the DRHP to be filed with Securities and Exchange Board of India ("SEBI"), BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE") (Collectively "the Stock Exchanges") in connection with the Offer. The Restated Consolidated Financial Information have been prepared by the management of the Company in accordance with the basis of preparation stated in Note 2(i) of Annexure V to the Restated Consolidated Financial Information. The Board of Directors of the Company are responsible for designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The Board of Directors of the Company are also responsible for identifying and ensuring that the Group complies with the Act, the SEBI ICDR Regulations and the Guidance Note.

3. We have examined the Restated Consolidated Financial Information taking into consideration:

   a) the terms of reference and our engagement agreed with you vide our engagement letter dated August 1, 2021, in connection with the Offer;

   b) the Guidance Note also requires that we comply with the ethical requirements as stated in the Code of Ethics issued by the ICAI;

   c) the concepts of test check and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Financial Information; and

   d) the requirements of Section 26 of the Act and the SEBI ICDR Regulations.

   Our work was performed solely to assist you in meeting your responsibilities in relation to compliance with the Act, the SEBI ICDR Regulations and the Guidance Note in connection with the Offer.

4. The Restated Consolidated Financial Information have been compiled by the management from:

   a) Audited Special Purpose Interim Consolidated Ind AS Financial Statements of the Group as at and for the six months period ended September 30, 2021 and September 30, 2020, prepared in accordance with the Indian Accounting Standard 34 “Interim Financial Reporting” as prescribed under Section 133 of the 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 meeting held on January 03, 2022;

   b) Audited Consolidated Ind AS Financial Statements of the Group as at and for the year ended March 31, 2021, which were prepared in accordance with the Indian Accounting Standards (“Ind AS") as prescribed under Section 133 of the 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 meeting held on September 07, 2021; and

   c) Audited Special Purpose Consolidated Ind AS Financial Statements of the Group as at and for the year ended 31 March 2020 prepared by the Management in accordance with the Ind AS, as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which has been approved by the Board of Directors at their meeting held on January 03, 2022; and

   d) Audited Special Purpose Consolidated Financial Statements of the Group as at and for the year ended March 31, 2019 prepared by the Management of the Company in accordance with the basis of preparation, as set out in Note 2(i) of Annexure V to the Restated Consolidated Financial Information, which have been approved by the Board of Directors at their meeting held on January 03, 2022.

5. For the purpose of our examination, we have relied on:

   a) Auditor’s reports issued by us dated January 03, 2022 on the Special Purpose Interim Consolidated Ind AS Financial Statements of the Group as at and for the six months period ended September 30, 2021 and September 30, 2020 as referred in Para 4 (a) above;

   b) Auditor’s report issued by us dated September 07, 2021 on the Consolidated Ind AS Financial Statements of the Group as at and for the year ended March 31, 2021 as referred in Para 4 (b) above;

   c) Auditor’s report issued by us dated January 03, 2022 on the Special Purpose Consolidated Ind AS Financial Statements of the Group as at and for the year ended March 31, 2020, as referred in Para 4 (c) above;

   d) Auditor’s report issued by us dated January 03, 2022 on the Special Purpose Consolidated Financial Statements of the Group as at and for the year ended March 31, 2019, as referred in Para 4 (d) above; and

e) As informed to us by the management, M/s. Gandhi & Gandhi, Chartered Accountants ("Previous Auditor") resigned as auditors due to staff constraints. Further as informed to us by the management, they did not hold a valid peer review certificate as issued by the 'Peer Review Board' of the Institute of Chartered Accountants of India and has therefore, expressed their inability to perform any work on the Restated Consolidated Financial Information for the years ended March 31, 2020 and March 31, 2019. Accordingly, in accordance with SEBI ICDR Regulations and the Guidance Note, and pursuant to general directions received by the Books Running Lead Managers of the Company from Securities and Exchange Board of India (SEBI) vide their email dated October 28, 2021 through Association of Investment Bankers of India (AIBI), as shared with us, we have audited the financial statements for the year ended March 31, 2020 and for the year ended March 31, 2019, as referred in Para 4(c) and 4(d) above and issued our special purpose audit reports thereon.

6. As indicated in our audit report referred to in Para 5 above:

a) We did not audit the financial statements / financial information of a subsidiary whose share of total assets, total revenues, net cash inflows / (outflows) included in the Restated Consolidated Financial Information, for the relevant periods/years is tabulated below, are unaudited & prepared by the management and our opinion on the Restated Consolidated Financial Information, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, is based solely on the unaudited management financials.

Rs. in million

Name of the Company	Nature of the relationship	Year / six months period ended	Total assets	Total revenues	Net cash inflow/ (outflows)
Sresta Global FZE - Unaudited	Subsidiary	September 31, 2021	4.40	-	(0.50)
Sresta Global FZE - unaudited	Subsidiary	September 31, 2020	4.29	0.93	(0.14)
Sresta Global FZE – unaudited	Subsidiary	March 31, 2021	4.80	1.78	0.61
Sresta Global FZE – unaudited	Subsidiary	March 31, 2020	3.29	-	(0.39)
Sresta Global FZE - unaudited	Subsidiary	March 31, 2019	3.73	-	0.33

Further, the subsidiary is located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in its country and which are unaudited & prepared by the management. The Holding Company's management has converted the financial statements of such subsidiary, located outside India from accounting principles generally accepted in its country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion on the Restated Consolidated Financial Information in so far as it relates to the balances and affairs of such subsidiary located outside India, are based on the unaudited management financials and the conversion adjustments prepared by the management of the Holding Company and audited by us. These subsidiary financial statements are not material to Restated Consolidated Financial Information.

7. Based on the above and according to the information and explanations given to us, we report that:

i) Restated Consolidated Financial Information have been prepared after incorporating adjustments for the changes in accounting policies, any material errors and regroupings/ reclassifications retrospectively in the financial years as at and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019 and in the six months period ended September 30, 2020, to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the six months period ended September 30, 2021, as more fully described in Note 2(i) of Annexure V to the Restated Consolidated Financial Information;

ii) there are no qualifications in the auditor's reports which require any adjustments to the Restated Consolidated Financial Information; and

iii) Restated Consolidated Financial Information have been prepared in accordance with the Act, the SEBI ICDR Regulations and the Guidance Note.

8. The Restated Consolidated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited financial statements, as mentioned in paragraph 5 above.

9. This report should not in any way be construed as a reissuance or re-dating of any of the previous auditor's reports issued by us or by the Previous Auditor, 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 this report.

11. Our report is intended solely for use of the Board of Directors and for inclusion in the DRHP to be filed with the SEBI, BSE and NSE, as applicable in connection with the proposed IPO of the Company. Our report should not be used, referred to or distributed for any other purpose without prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care towards any other person relying on the statement.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration Number: 105047W

Ananthakrishnan G
Partner
Membership No. 205226
UDIN: 22205226AAAAAT8123

Place: Hyderabad
Date: January 03, 2022

Sresta Natural Bioproducts Limited (formerly known as Sresta Natural Bioproducts Private Limited)
(CIN: U01122TG2004PLC042837)
Annexure I
Restated Consolidated Statement of Assets and Liabilities
(All amounts are Rs. in Millions, unless stated otherwise)

Particulars	Notes	30 September 2021	30 September 2020	31 March 2021	31 March 2020	31 March 2019
ASSETS						
Non-current assets						
Property, plant and equipment	4	172.93	160.84	168.79	163.85	167.89
Right-of-use assets	5	134.28	154.45	137.21	119.19	150.36
Financial assets						
(i) Investments	6	-	-	-	-	-
(ii) Other financial assets	8	13.97	15.23	13.41	15.89	12.72
Other non-current assets	9	2.88	5.33	1.03	0.27	0.06
Deferred tax assets (net)	10	101.81	98.34	97.49	117.20	154.04
Total non-current assets		**425.87**	**434.19**	**417.93**	**416.40**	**485.07**
Current assets						
Inventories	11	1,174.88	1,209.45	1,062.75	668.22	653.69
Financial assets						
(i) Trade receivables	12	365.73	345.69	312.48	432.36	261.26
(ii) Cash and cash equivalents	13	105.20	89.27	66.18	61.76	43.86
(iii) Bank balances other than (ii) above	13	44.77	66.87	24.50	45.23	58.86
(iv) Loans	7	0.23	0.42	0.68	0.16	0.09
(v) Other financial assets	8	1.51	3.44	0.89	2.37	3.90
Other current assets	9	92.66	73.02	50.33	68.82	82.55
Total current assets		**1,784.98**	**1,788.16**	**1,517.81**	**1,278.92**	**1,104.21**
Total assets		**2,210.85**	**2,222.35**	**1,935.74**	**1,695.32**	**1,589.28**
EQUITY AND LIABILITIES						
EQUITY						
Equity share capital	14	182.74	182.56	182.61	182.56	182.48
Other equity	15	590.88	551.96	581.11	482.58	385.23
Total equity		**773.62**	**734.52**	**763.72**	**665.14**	**567.71**
LIABILITIES						
Non-current liabilities						
Financial liabilities						
(i) Borrowings	16	98.60	88.52	112.94	76.28	85.17
(ii) Lease liablities	5	108.94	124.96	113.74	90.82	119.56
Provisions	18	12.13	9.99	8.48	8.03	6.94
Total non-current liabilities		**219.67**	**223.47**	**235.16**	**175.13**	**211.67**
Current liabilities						
Financial liabilities						
(i) Borrowings	19	685.02	369.18	413.30	369.20	404.87
(ii) Lease liablities	5	45.47	39.90	36.67	35.94	36.22
(iii) Trade payables	20					
- Total outstanding dues of micro and small enterprises		7.60	13.02	14.80	16.25	14.83
- Total outstanding dues of creditors other than micro and small enterprises		258.10	603.00	369.68	335.20	275.20
(iv) Other financial liabilities	17	156.80	195.46	73.53	59.61	53.96
Provisions	18	5.84	4.94	6.24	5.69	3.36
Other liabilities	21	35.95	25.16	21.81	23.77	18.38
Current tax liabilities (Net)	22	22.78	13.70	0.83	9.39	3.08
Total current liabilities		**1,217.56**	**1,264.36**	**936.86**	**855.05**	**809.90**
Total liabilities		**1,437.23**	**1,487.83**	**1,172.02**	**1,030.18**	**1,021.57**
Total equity and liabilities		**2,210.85**	**2,222.35**	**1,935.74**	**1,695.32**	**1,589.28**

Note: The above statement should be read with Significant Accounting Policies forming part of the Restated Consolidated Financial Information in Annexure V, Statement of Adjustment to Restated Audited Consolidated Financial Statements in Annexure VI and Notes to Restated Consolidated Financial Information in Annexure VII.

As per our report attached
For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No.:105047W

For and on behalf of the Board of
Sresta Natural Bioproducts Limited
CIN: U01122TG2004PLC042837

Ananthakrishnan G
Partner
Membership No: 205226

Rajashekar Reddy Seelam
Managing Director
DIN: 00278954

Balasubramanian Narayanan
Director
DIN : 03070468

Karaiyalan Venkatesan
Chief Financial Officer
PAN : AAWPV3209Q

Padmasri Samaleti
Company Secretary
PAN : DXMPS7406G

Place: Hyderabad
Date: January 3, 2022

Place: Hyderabad
Date: January 3, 2022

Sresta Natural Bioproducts Limited (formerly known as Sresta Natural Bioproducts Private Limited)
(CIN: U01122TG2004PLC042837)
Annexure II
Restated Consolidated Statement of Profit and Loss
(All amounts are Rs. in Millions, unless stated otherwise)

Particulars	Notes	For 6 months period ended 30 September 2021	For 6 months period ended 30 September 2020	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
Revenues						
Revenue from operations	23	1,600.05	1,556.11	3,120.68	2,622.76	2,055.14
Other income	24	11.19	9.77	23.02	41.48	26.94
Total income		**1,611.24**	**1,565.88**	**3,143.70**	**2,664.24**	**2,082.08**
Expenses						
Cost of material consumed	25	925.33	1,017.08	1,972.49	1,395.50	1,095.05
Purchase of stock-in-trade		133.02	119.65	290.60	221.69	204.68
Changes in inventories of finished goods, stock-in-trade and work-in-progress	26	12.17	(195.48)	(272.71)	28.76	13.81
Employee benefits expense	27	188.94	172.85	341.99	325.18	274.44
Finance costs	29	39.67	43.01	69.40	75.19	74.56
Depreciation and amortisation	30	34.23	30.42	65.30	62.50	51.14
Other expenses	28	252.28	277.74	539.23	414.63	405.15
Total expenses		**1,585.64**	**1,465.27**	**3,006.30**	**2,523.45**	**2,118.83**
Profit/(Loss) before tax		**25.60**	**100.61**	**137.40**	**140.79**	**(36.75)**
Tax expenses						
Current tax		18.12	8.65	19.90	8.99	2.68
MAT Credit utilised		-	-	-	1.81	-
Deferred tax		(3.90)	18.76	19.51	35.27	(5.22)
Tax pertaining to earlier years		-	-	(5.94)	0.12	0.48
Total tax expense		14.22	27.41	33.47	46.19	(2.06)
Profit/(Loss) after tax (PAT)		**11.37**	**73.20**	**103.93**	**94.60**	**(34.69)**
Other comprehensive income						
Items that will not be reclassified subsequently to profit and loss						
Remeasurements of defined benefit liability		(1.67)	0.38	0.80	(0.82)	(1.29)
Income-tax relating to these items		0.42	(0.10)	(0.20)	0.24	0.43
Total comprehensive income/(loss) for the period / year		**10.12**	**73.48**	**104.53**	**94.02**	**(35.55)**
Earnings per share (face value of Rs. 10 per share)	34					
- Basic		0.62	4.01	5.69	5.18	(1.93)
- Diluted		0.62	4.00	5.67	5.17	(1.93)

Note: The above statement should be read with Significant Accounting Policies forming part of the Restated Consolidated Financial Information in Annexure V, Statement of Restated Adjustment to Audited Consolidated Financial Statements in Annexure VI and Notes to Restated Consolidated Financial Information in Annexure VII.

As per our report attached
For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No.:105047W

For and on behalf of the Board of
Sresta Natural Bioproducts Limited
CIN: U01122TG2004PLC042837

Ananthakrishnan G
Partner
Membership No: 205226

Rajashekar Reddy Seelam
Managing Director
DIN: 00278954

Balasubramanian Narayanan
Director
DIN : 03070468

Karaiyalan Venkatesan
Chief Financial Officer
PAN : AAWPV3209Q

Padmasri Samaleti
Company Secretary
PAN : DXMPS7406G

Place: Hyderabad
Date: January 3, 2022

Place: Hyderabad
Date: January 3, 2022

Sresta Natural Bioproducts Limited (formerly known as Sresta Natural Bioproducts Private Limited)
(CIN: U01122TG2004PLC042837)
Annexure III
Restated Consolidated Statement of Changes in Equity
(All amounts are Rs. in Millions, unless stated otherwise)

A. Equity share capital

	Notes	No. of Shares	Amount
As at 1 April 2018		**1,74,87,474**	**174.87**
Changes in equity share capital*	14	7,60,906	7.61
As at 31 March 2019		**1,82,48,380**	**182.48**
Changes in equity share capital	14	8,000	0.08
As at 31 March 2020		**1,82,56,380**	**182.56**
Changes in equity share capital		-	-
As at 30 September 2020		**1,82,56,380**	**182.56**
Changes in equity share capital	14	5,000	0.05
As at 31 March 2021		**1,82,61,380**	**182.61**
Changes in equity share capital	14	12,500	0.13
As at 30 September 2021		**1,82,73,880**	**182.74**

** includes Conversion of 13,20,000 number of CCPS into 734,906 number of Equity Shares.*

B. Other equity

Particulars	Notes	CCPS	Reserves and surplus				Other comprehensive income	Total
			Securities premium account	Employee stock option outstanding	Retained earnings	Foreign exchange translation reserve	Remeasurement of defined benefit obligations	
Balance as at 1 April 2018	15	13.20	968.18	0.29	(561.04)	31.96	-	452.59
Loss for the year		-	-	-	(34.69)	-	-	(34.69)
Conversion of CCPS into Equity Share Capital		(13.20)	5.85	-	-	-	-	(7.35)
Additions during the year		-	0.63	0.09	-	-	-	0.72
Change for the year		-	-	-	-	(25.18)	-	(25.18)
Other comprehensive income		-	-	-	-	-	(0.86)	(0.86)
Balance as at 31 March 2019		**-**	**974.66**	**0.38**	**(595.73)**	**6.78**	**(0.86)**	**385.23**
Profit for the year		-	-	-	94.60	-	-	94.60
Opening retained earnings Ind AS adjustments		-	-	-	5.47	-	-	5.47
Additions during the year		-	-	0.20	-	-	-	0.20
Shares issued during the year		-	0.19	(0.19)	-	-	-	-
Change for the year		-	-	-	-	(2.34)	-	(2.34)
Other comprehensive income		-	-	-	-	-	(0.58)	(0.58)
Balance at 31 March 2020		**-**	**974.85**	**0.39**	**(495.66)**	**4.44**	**(1.44)**	**482.58**
Profit for the period		-	-	-	73.20	-	-	73.20
Additions during the period		-	-	**0.21**	-	-	-	0.21
Change for the period		-	-	-	-	(6.13)	-	(6.13)
Other Comprehensive income		-	-	-	-	-	**2.10**	2.10
Balance at 30 September 2020		**-**	**974.85**	**0.60**	**(422.46)**	**(1.69)**	**0.66**	**551.96**
Balance as at 1 April 2020		-	974.85	0.39	(495.66)	4.44	(1.44)	482.58
Profit for the year		-	-	-	103.93	-	-	103.93
Additions during the year		-	-	2.53	-	-	-	2.53
Shares issued during the year		-	0.12	(0.12)	-	-	-	-
Change for the year		-	-	-	-	(8.53)	-	(8.53)
Other comprehensive income		-	-	-	-	-	0.60	0.60
Balance at 31 March 2021		**-**	**974.97**	**2.80**	**(391.73)**	**(4.09)**	**(0.84)**	**581.11**
Profit for the period		-	-	-	11.37	-	-	11.37
Additions during the period		-	-	0.12	-	-	-	0.12
Shares issued during the period		-	0.32	(0.32)	-	-	-	-
Change for the period		-	-	-	-	(0.47)	-	(0.47)
Other comprehensive income		-	-	-	-	-	(1.25)	(1.25)
Balance at 30 September 2021		**-**	**975.29**	**2.60**	**(380.36)**	**(4.56)**	**(2.09)**	**590.88**

Note: The above statement should be read with Significant Accounting Policies forming part of the Restated Consolidated Financial Information in Annexure V, Statement of Restated Adjustment to Audited Consolidated Financial Statements in Annexure VI and Notes to Restated Consolidated Financial Information in Annexure VII.

As per our report attached
For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No.:105047W

For and on behalf of the Board of
Sresta Natural Bioproducts Limited
CIN: U01122TG2004PLC042837

Ananthakrishnan G
Partner
Membership No: 205226

Rajashekar Reddy Seelam
Managing Director
DIN: 00278954

Balasubramanian Narayanan
Director
DIN : 03070468

Karaiyalan Venkatesan
Chief Financial Officer
PAN : AAWPV3209Q

Padmasri Samaleti
Company Secretary
PAN : DXMPS7406G

Place: Hyderabad
Date: January 3, 2022

Place: Hyderabad
Date: January 3, 2022

Sresta Natural Bioproducts Limited (formerly known as Sresta Natural Bioproducts Private Limited)
(CIN: U01122TG2004PLC042837)
Annexure IV
Restated Consolidated Cash Flow Statement
(All amounts are Rs. in Millions, unless stated otherwise)

Particulars		For 6 Months period ended 30 September 2021	For 6 Months period ended 30 September 2020	For the year ended 31 March 2021	For the year ended 31 March 2020	For the year ended 31 March 2019
A. Cash flow from operating activities						
Profit/(loss) before tax		25.60	100.61	137.40	140.79	(36.75)
Adjustments for :						
Depreciation and amortization expense		34.23	30.42	65.30	62.50	51.14
Interest expense		29.02	27.20	45.09	58.25	59.74
Interest expense on lease liabilities		8.38	6.54	13.23	13.54	11.36
Loss on discard / sale of fixed assets		-	-	2.41	0.18	1.53
Liabilities no longer required written back		-	-	-	-	(1.93)
Employee stock option expense		0.12	0.21	2.53	0.20	0.09
Foreign Exchange (Gain)/Loss (Net)		2.14	(2.46)	(8.63)	(2.54)	(25.53)
Bad debts written off		0.93	8.60	8.93	5.43	17.09
Provision for / (Reversal of) doubtful receivables		-	9.57	31.72	8.75	36.28
Interest income		(0.69)	(1.07)	(2.14)	(3.31)	(4.12)
Operating profit before working capital changes		**99.73**	**179.62**	**295.84**	**283.79**	**108.90**
Change in assets and liabilities						
(Increase) /Decrease in trade receivables		(54.18)	68.50	79.23	(185.28)	61.90
(Increase)/Decrease in inventories		(112.13)	(541.23)	(394.53)	(14.53)	(70.75)
(Increase) / Decrease in loans and other financial assets		(0.11)	0.40	1.96	(3.24)	(32.07)
(Increase)/Decrease in other assets		(44.18)	(9.26)	17.73	13.52	(0.32)
Increase / (Decrease) in trade payables and other financial liabilities		(35.57)	404.04	42.94	65.40	28.12
Increase / (Decrease) in provision		1.58	1.59	1.80	2.60	5.88
Increase/ (Decrease) in other liabilities		14.14	1.39	(1.96)	5.39	12.41
Cash generated from operations		**(130.73)**	**105.05**	**43.01**	**167.65**	**114.07**
Income taxes paid, (net of refund)		3.83	(4.34)	(22.52)	(2.80)	(0.08)
Net cash inflow from operating activities	**A**	**(126.90)**	**100.71**	**20.49**	**164.85**	**113.99**
B. Cash flows from investing activities						
Purchase of Property, Plant and Equipment and intangible assets		(13.84)	(6.60)	(25.66)	(12.60)	(8.42)
Proceeds from sale of Property, Plant and Equipment		-	-	0.02	-	-
Deposits placed having original maturity of more than 3 months, net		(20.27)	(21.64)	20.73	13.63	(58.86)
Interest received		0.07	-	3.62	4.84	0.22
Net cash used in investing activities	**B**	**(34.04)**	**(28.24)**	**(1.29)**	**5.87**	**(67.06)**
C. Cash flow from financing activities						
Proceeds from issue of shares		0.13	-	0.05	0.08	0.26
Proceeds from/(repayment) of long term borrowings (net)		69.15	(35.92)	(43.00)	(5.78)	(63.86)
Payment of lease liabilities		(28.12)	(28.17)	(48.86)	(50.32)	(41.00)
Proceeds from/(repayment) of short term borrowings (net)		188.23	48.14	123.76	(38.78)	82.38
Interest paid		(29.43)	(29.01)	(46.73)	(58.02)	(57.93)
Net cash used in financing activities	**C**	**199.96**	**(44.96)**	**(14.78)**	**(152.82)**	**(80.15)**
Net increase/(decrease) in cash and cash equivalents	**A+B+C**	39.02	27.51	4.42	17.90	(33.22)
Cash and cash equivalents at the beginning of the period / year		66.18	61.76	61.76	43.86	77.08
Cash and cash equivalents at end of the period / year		**105.20**	**89.27**	**66.18**	**61.76**	**43.86**

Note: The above Restated Consolidated Statement of Cash flows has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS) 7 - "Statement of Cash Flows ".

As per our report attached
For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No.:105047W

For and on behalf of the Board of
Sresta Natural Bioproducts Limited
CIN: U01122TG2004PLC042837

Ananthakrishnan G
Partner
Membership No: 205226

Rajashekar Reddy Seelam
Managing Director
DIN: 00278954

Balasubramanian Narayanan
Director
DIN : 03070468

Karaiyalan Venkatesan
Chief Financial Officer
PAN : AAWPV3209Q

Padmasri Samaleti
Company Secretary
PAN : DXMPS7406(

Place: Hyderabad
Date: January 3, 2022

Place: Hyderabad
Date: January 3, 2022

Sresta Natural Bioproducts Limited (formerly known as Sresta Natural Bioproducts Private Limited)
(CIN: U01122TG2004PLC042837)
Annexure V
Summary of Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of this restated consolidated financial information. These policies have been consistently applied to all the years presented, unless otherwise stated.

1 Corporate Information

Sresta Natural Bioproducts Limited (formerly known as Sresta Natural Bioproducts Private Limited) ('the Company' / 'Parent Company' / 'Holding Company') together with its subsidiaries (collectively, "the Group") is engaged in the business of providing comprehensive range of Organic Foods and related services.

The Parent Company incorporated under the provisions of the Companies Act, 2013 and its subsidiaries have been incorporated under the US Regulations and UAE. The parent company was incorporated on March 09, 2004 and is having its registered office at # 203, Pavani annexe road, No.2 Banjara Hills, Hyderabad - 500 034.

The Parent Company was converted into a public limited company under the Companies Act, 2013 on December 13, 2021 and consequently, the name was changed to "Sresta Natural Bioproducts Limited".

2 Basis of preparation and measurement

(i) Statement of compliance & Basis for preparation

The Restated Consolidated Financial Information relates to the Group 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 Consolidated Financial Information comprise Restated Consolidated Statement of Assets and Liabilities as at 30 September 2021, 30 September 2020, 31 March 2021, 31 March 2020, and 31 March 2019, the Restated Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Restated Consolidated Cash Flow Statement, the Restated Consolidated Statement of Changes in Equity and Notes forming part of the Restated Consolidated Financial Information for the years/period ended 30 September 2021, 30 September 2020, 31 March 2021, 31 March 2020 and 31 March 2019 (hereinafter collectively referred to as "Restated Consolidated Financial Information").

The Restated Consolidated Financial Information has been prepared by the Management of the Company to comply 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 Consolidated Financial Information have been compiled from:
I. Audited Special Purpose Interim Consolidated Ind AS Financial Statements of the Group as at and for the six months period ended 30 September 2021 and 30 September 2020 prepared in accordance with the Indian Accounting Standard 34 "Interim Financial Reporting" as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which has been approved by the Board of Directors at their meeting held on January 3, 2022;

II. Audited Consolidated Financial Statements of the Group as at and for the year ended 31 March 2021 prepared in accordance with the Indian Accounting Standards, as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended (referred to as "Ind AS"), and other accounting principles generally accepted in India, which has been approved by the Board of Directors at their meeting held on September 7, 2021;

III. Audited Special Purpose Consolidated Ind AS Financial Statements of the Group as at and for the year ended 31 March 2020 prepared in accordance with the Ind AS, as prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other accounting principles generally accepted in India, which has been approved by the Board of Directors at their meeting held on January 3, 2022; and

IV. The Company has prepared the Special Purpose Consolidated Financial Statements as at and for the year ended March 31, 2019 (the "Special Purpose Consolidated Financial Statements") as per following basis :
The Audited Special Purpose Consolidated Financial Statements of the Group as at and for the year ended March 31, 2019, have been prepared by the management of the Company in accordance with Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ('Previous GAAP' or 'Indian GAAP') after giving effect to accounting policy and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Indian Accounting Standards 101 'First-time Adoption of Indian Accounting Standards' (Ind AS 101)) as initially adopted on transition date i.e. April 1, 2019. These Audited Special Purpose Consolidated Financial Statements prepared in accordance with the Ind AS as described in this paragraph, have been approved by the Board of Directors on January 3, 2022.
Suitable restatement adjustments (both re-measurements and reclassifications) as per Ind AS 101, are made to these Financial Statements for the year ended March 31, 2019.

In pursuance to general directions received from Securities and Exchange Board of India (SEBI) vide their email dated October 28, 2021 received by the BRLMs of the Company through Association of Investment Bankers of India (AIBI), as shared with us, these Special Purpose Consolidated Financial Statements have been prepared solely for the purpose of preparation of Restated Consolidated Financial Information for inclusion in Offer Documents in relation to the proposed IPO. As such these Special Purpose Consolidated Financial Statements are not suitable for any other purpose other than for the purpose of preparation of Restated Consolidated Financial Information and are also not financial statements prepared pursuant to any requirements under section 129 of the Companies Act, 2013, as amended.

The accounting policies have been consistently applied by the Holding Company in preparation of the Restated Consolidated Financial Information and are consistent with those adopted in the preparation of financial statements for the six months period ended September 30, 2021. This Restated Consolidated Financial Information does not reflect the effects of events that occurred subsequent to the respective dates of board meeting held to approve and adopt the audited special purpose interim consolidated financial statements, audited consolidated financial statements and audited special purpose consolidated financial statements as mentioned above.

The Restated Consolidated Financial Information have been prepared so as to contain information/disclosures and incorporating adjustments set out below in accordance with the ICDR Regulations:

a. Adjustments to the profits or losses of the earlier periods and of the period in which the change in the accounting policy has taken place, recomputed to reflect what the profits or losses of those periods would have been if a uniform accounting policy was followed in each of these periods, if any;

b. Adjustments for reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the restated consolidated financial information of the Group for the period ended 30 September 2021 and the requirements of the SEBI Regulations, if any; and

c. The resultant impact of tax due to the aforesaid adjustments, if any.

(ii) Functional and presentation currency

These Restated Consolidated Financial Information are presented in Indian Rupees (INR), which is also the Group's functional currency. All financial information presented in Indian rupees have been rounded-off to two decimal places to the nearest million except share data or as otherwise stated.

(iii) Basis of measurement

The Restated Consolidated Financial Information have been prepared on the historical cost basis except for the following items:

- Certain financial assets and liabilities : Measured at fair value
- Net defined benefit (asset)/ liability : Fair value of plan assets less present value of defined benefit obligations
- Borrowings : Amortised cost using effective interest rate method
- Equity settled share based payments at grant date : Measured at fair value

(iv) Use of estimates and judgements

The preparation of the Restated Consolidated financial statemets in confirmity with Ind AS requieres management to make estimates, judgements and assumptions. These estimates, judgments and assumptions affect the application policies and reported amounts of the assets and liabilities, the disclosure of contingent assets and liabilities at the date of financial statements and reported amounts of revenue and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in the estimates are made as and when management becomes aware of changes in circumstances surrounding the estimates. Changes in the estimates are eflected in the financial statemnets in the period in which the changes are made and, if material, such effects are disclosed in the notes to financial statements.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

- Note 38 – measurement of defined benefit obligations: key actuarial assumptions;
- Notes 32 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 11 - Provision for slow moving and expired inventories;
- Note 12 – impairment of financial assets;
- Note 4 - determining an asset's expected useful life and the expected residual value at the end of its life.

(v) Measurement of fair values

Accounting polices and disclosures require measurement of fair value for both financial and non-financial 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in the measuring fair values is included in the following notes:
- Note 39 - Financial instruments

(vi) Principles of consolidation

a. Subsidiaries

Subsidiaries are entities controlled by the Group. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

(i) Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
(ii) Exposure, or rights, to variable returns from its involvement with the investee; and the ability to use its power over the investee to affect its returns.
(iii) The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(i) The contractual arrangement with the other vote holders of the investee;
(ii) Rights arising from other contractual arrangements;
(iii) The Group's voting rights and potential voting rights;
(iv) The size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the Restated Consolidated Financial Statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Restated Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the Restated Consolidated Financial Statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent Company, i.e. year ended on March 31 / period ended September 30.

b. Consolidation procedures:

a. Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the Restated Consolidated Financial Statements at the acquisition date.

b. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

c. Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognized in assets, such as inventory and property, plant and equipment and intangible assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the Restated Consolidated Financial Statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profit and losses resulting from intragroup transactions.

c. Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition.
Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

d. Loss of control

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.
If the Group loses control over a subsidiary, it:
(i) Derecognises the assets (including goodwill) and liabilities of the subsidiary.
(ii) Derecognises the carrying amount of any non-controlling interests.
(iii) Derecognises the cumulative translation differences recorded in equity.
(iv) Recognises the fair value of the consideration received.
(v) Recognises the fair value of any investment retained.
(vi) Recognises any surplus or deficit in profit or loss.
(vii) Reclassifies the parent's share of components previously recognized in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

e. Subsidiaries considered in the Restated Consolidated Financial Statements:

S.No.	Name of the entity	Relationship	Country of incorporation	Ownership interest in %				
				September 30, 2021	September 30, 2020	March 31, 2021	March 31, 2020	March 31, 2019
1	Fyve Elements LLC	Subsidiary	US	100%	100%	100%	100%	100%
2	Sresta America Inc	Subsidiary	US	- (refer below *)	100%	100%	100%	100%
3	Sresta Global FZE	Subsidiary	UAE	100%	100%	100%	100%	100%
4	Bhoomi Foods LLC	Step down subsidiary	US	- (refer below *)	100%	100%	100%	100%
5	GS2 Retail Ventures Private Limited#	Associate	India	24.46%	24.46%	24.46%	24.46%	24.46%

*With effect from July 31, 2021, Sresta America Inc. & Bhumi Foods LLC were merged with Fvye Elements LLC vide Letter of acceptance of Articles of Merger by the Maryland Department of Assessment and Taxation dated July 7, 2021 which was filed by FYVE Elements LLC and also the Certificate of Merger issued by Secretary First State of Delware dated July 14, 2021 which was filed by Sresta America Inc. Fvye Elements LLC is in the process of issuing shares to the Company pending approval from Reserver Bank of India.

GS2 Retail Ventures Private Limited - is in process of applying for liquidation.

(vii) Current and non-current classification:

The Schedule III to the Act requires assets and liabilities to be classified as either current or non-current. The Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

Assets

An asset is classified as a current when it is:
- it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- it is expected to be realised within twelve months from the reporting date;
- it is held primarily for the purposes of being traded; or
- 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

Liabilities

A liability is classified as a current when:
- it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- it is due to be settled within twelve months from the reporting date;
- it is held primarily for the purposes of being traded;
- Deferred tax assets/liabilities are classified as non-current.
- the Company does not have an unconditional right to defer settlement of liability for atleast twelve months from the reporting date.

All other liabilities are classified as non-current.

Operating Cycle

Operating cycle is the time between the acquisition of assets for processing and realisation in cash or cash equivalents. The Group has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

3 Summary of significant accounting policies

A. Revenue recognition

i) Income from sale of organic products

Revenue from sale of goods is recognised on the basis of customer contracts and performance obligations contained therein. Revenue is recognised at a point in time when the control of goods is transferred to customer, this is generally when the goods are delivered to the customer's location. Control lies with the customer if the customer can independently determine the use of and consume the benefit derived from goods or services. Revenue from delivery of goods is recognised at a point in time based on an overall assessment of the existence of right to payment, the transfer of physical possession, the transfer of risks and rewards, and acceptance by customer.

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of actual and expected sales deductions resulting from sales returns, trade discounts, cash discounts, allowances and volume rebates, taxes and amounts collected on behalf of third parties.

The Group's products are mainly essential organic grocery products consumed by general public and the Group's customers are domestic and international distributors, e-commerce and modern trade retailers and the Group invoices the sale of products to them. As per the commercial practices in the market in which the Group operates, generally require the companies to accept the return of the goods unsold by the distributors upon expiry of the products.

Therefore, a refund liability is recognised for the products to be returned. Accruals for estimated product returns are made based on historical experience of annual returns where the Group considers those to be reliable estimates of future returns. These estimates are further reviewed based on the actual product returns (pertaining to products sold during the reporting period) in the subsequent period until the financial statements are approved by the board. Any material differences in the estimates and the actual product returns are adjusted accordingly.

ii) Income from sale of services

Revenue from service contracts is recognised based on the terms of the contract as and when services are rendered and no significant uncertainity exists regarding the collection of the consideration.

B. Recognition of dividend income, interest income

Dividend income is recognised in profit or loss on the date on which the Groups's right to receive payment is established.

Interest income is recognised using the effective interest rate method.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

C. Borrowing cost

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

D. Financial instruments

A financial instrument is any contract that gives rise to a Financial Asset of one entity and Financial liability or equity instrument of another entity.

i) Initial Recognition and measurement

Financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument. A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii) Classification and subsequent measurement

Financial assets

All financial assets except Trade receivables are initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

Subsequent measurement: For the purpose of subsequent measurement, financial assets are categorised as under:
- Amortised cost;
- Fair Value through Other Comprehensive Income (FVOCI) – equity investment; or
- Fair Value through Profit or Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

− the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

− the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost: These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Equity investments at FVOCI: These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial liabilities:

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in statement of profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in statement of profit or loss.

iii) Derecognition

Financial assets

A Financial asset is primarily derecognised when the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

iv) Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if there is a currently and legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

E. Property, plant and equipment

i) Recognition and measurement

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment loss, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to statement of profit or loss during the reporting period in which they are incurred. If an item of property, plant and equipment is purchased with deferred credit period from supplier, such asset is recorded at its cash price equivalent value.

ii) Depreciation

Depreciation is provided using the Straightline Method over the useful lives of the assets as estimated by the Management. Depreciation on additions and deletions are restricted to the period of use. Depreciation is charged to statement of profit and loss.

The Company, based on technical assessment and management estimate, depreciates certain items of property, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Act. The Management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. The Company has estimated the following useful lives to provide depreciation on its property, plant and equipment:

Asset category	Management estimate of useful life & Useful life as per Schedule II
Factory buildings	30 years
Plant and equipments	15 years
Furniture and fixtures	10 years
Electrical equipments	10 years
Office equipments	5 years
Computers	
- Servers and networks	6 years
- End user devises such as laptops, etc.	3 years
Vehicles	8 years

In case of Building on leasehold land, the depreciation is charged based on useful life of the building or the lease period whichever is lower. In the case of leased hold building improvements, the depreciation is charged based on useful life of the improvements which is 10 years or lease period inculding expected renewal period which ever is lower. Residual value is considered to be 5% on all the assets, as technically estimated by the management.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains or losses arising from disposal of property, plant and equipment which are carried at cost are recognised in the statement of profit and loss.

F. Inventories

Inventories are valued at lower of cost and net realizable value. Cost of inventories comprises of all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition after adjusting for recoverable taxes, if any. Raw Materials are valued on FIFO basis. Work-in-Progress and FInished Goods are valued on Weighted Average basis.

Cost of work-in-progress and finished goods include direct materials and labour and a portion of manufacturing overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

The net realisable value of work-in-progress is determined with reference to the selling prices related finished products. Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of finished products will exceed their net realisable value. The comparision of cost and net realisable value is made on an item-by-item basis.

G. Impairment of assets

***i)* Impairment of financial instruments**

The Group recognises loss allowances for expected credit losses on financial assets measured at amortised cost and trade receivables. At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is ‘credit-impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:
- significant financial difficulty of the borrower or issuer;
- a breach of contract;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

The Group measures loss allowances at an amount equal to lifetime expected credit losses.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company’s historical experience and informed credit assessment and including forward-looking information.

Measurement of expected credit losses
The Group applies expected credit loss (ECL) model for measurement and recognition of loss allowance on the following:
i. Trade receivables
ii. Financial assets measured at amortised cost (other than trade receivables)
iii. Financial assets measured at fair value through other comprehensive income (FVTOCI).

The Group follows a simplified approach wherein an amount equal to lifetime ECL is measured and recognised as loss allowance.

In case of other assets (listed as ii and iii above), the Group determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk of such assets has not increased significantly, an amount equal to 12-month ECL is measured and recognised as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime ECL is measured and recognised as loss allowance.

Subsequently, if the credit quality of the financial asset improves such that there is no longer a significant increase in credit risk since initial recognition, the Group reverts to recognising impairment loss allowance based on 12-month ECL.

ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial asset. 12-month ECL are a portion of the lifetime ECL which result from default events that are possible within 12 months from the reporting date.

ECL are measured in a manner that they reflect unbiased and probability weighted amounts determined by a range of outcomes, taking into account the time value of money and other reasonable information available as a result of past events, current conditions and forecasts of future economic conditions.

As a practical expedient, the Group uses a provision matrix to measure lifetime ECL on its portfolio of trade receivables. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates. At each reporting date, the historically observed default rates and changes in the forward-looking estimates are updated.

Presentation of allowance for expected credit losses in the balance sheet
Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off
The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group’s procedures for recovery of amounts due.

ii) **Impairment of non-financial assets**
The Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher 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 pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Company’s corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss.

In respect of assets for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised.

H. Employee benefits

(i) Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services upto the end of the reporting period and are measured on an undiscounted basis at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Group makes specified monthly contributions towards Government administered provident fund scheme and other funds. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in statement of profit and loss in the periods during which the related services are rendered by employees.

(iii) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The liability or asset recognised in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by a qualified actuary using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

I. Leases

Lease contracts entered by the Group majorly pertains for buildings taken on lease to conduct its business in the ordinary course.

Company as a Lessee:

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

The Group used the following practical expedients when applying Ind AS 116 :
• Applied a single discount rate to a portfolio of leases with similar characteristics.
• Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term and leases of low value.
• Excluded initial direct costs from measuring the right-of-use asset at the date of initial application.
• Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

Right of use asset: The Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-ofuse assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

Lease Liability: The Group measures the lease liability at present value of the future lease payments at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses incremental borrowing rate as at the commencement of lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Group recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the re-measurement in statement of profit and loss.

J. Income-tax

Income-tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

(i) 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. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction; and
- temporary differences related to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future;

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

(iii) Minimum Alternative Tax

Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961 ("the IT Act") is recognised as current tax in the statement of Profit and Loss. The credit availed under the IT Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

The Taxation Laws (Amendment) Ordinance, 2019 ('Ordinance') was promulgated on September 20, 2019. The Ordinance has amended the Income Tax Act, 1961 and Finance Act, 2019 to inter-alia provide an option to domestic companies to pay income tax at a reduced tax of 22 percent plus applicable surcharge and cess with certain conditions to be met. The Group has opted to apply the provisions of section 115BAA from the Assessment year 2020-21 (year ended March 31, 2020) and accordingly, the Group has charged off the balance of MAT credit during the year ended March 31, 2020.

K. Share based payments

Employees of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments.The cost of equity-settled transactions is determined by the fair value at the date when the grant is made. The grant date fair value of options granted to employees is recognised as employee expense with a corresponding increase in employee stock options reserve, over the period in which the eligibility conditions are fulfilled and the employees unconditionally become entitled to awards. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

L. Provision, contingent liabilities and contingent assets

i) Provision:

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised under finance costs. Expected future operating losses are not provided for.Provision in respect of loss contingencies relating to claims, litigations, assessments, fines and penalties are recognised when it is probable that a liability has been incurred and the amount can be estimated reliably.

ii) Contingent liabilities and contingent assets:

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

Contingent assets has to be recognised in the financial statements in the period in which if it is virtually certain that an inflow of economic benefits will arise. Contingent assets are assessed continually and no such benefits were found for the current financial year.

M. Earnings per share

Basic Earnings Per Share ('EPS') is computed by dividing the net profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date. In computing diluted earnings per share, only potential equity shares that are dilutive and that either reduces earnings per share or increases loss per share are included. The number of shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for the share splits.

N. Cash flow statement

Cash flows are reported using the indirect method, whereby net profit/ (loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Group are segregated.

O. Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

P. Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

Q. Foreign currency transactions and translations

Monetary and non-monetary transactions in foreign currencies are initially recorded in the functional currency of the Group at the exchange rates at the date of the transactions. Monetary foreign currency assets and liabilities remaining unsettled on reporting date are translated at the rates of exchange prevailing on reporting date. Gains/(losses) arising on account of realisation/settlement of foreign exchange transactions and on translation of monetary foreign currency assets and liabilities are recognised in the restated consolidated statement of profit and loss.

Foreign operations

The assets and liabilities of foreign operations, are translated into Indian rupees (INR), the functional currency of the Group at the exchange rate at the reporting date. The income and expenses of foreign operations are translated to Indian rupees (INR) at exchange rates at the date of transactions or an average rate if the average rate approximates the actual rate at the date of transaction.

Foreign currency translation differences are recognised in other comprehensive income and accumulated in equity and attributed to non-controlling interests as applicable.

R. Recent accounting pronouncements:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as amended from time to time. There are no such recently issued standards or amendments to the existing standards for which the impact on the Restated Consolidated Financial Information is required to be disclosed.

(All amounts are Rs. in Millions, unless stated otherwise)

Statement of restatement adjustments

For periods up to and including the year ended 31 March 2020, the Group prepared its Consolidated financial statements in accordance with accounting standards referred to in paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP) notified under section 133 of the Companies Act, 2013. The Restated Consolidated Financial Information have been compiled from the Audited Special Purpose Interim Consolidated financial statements of the Group as at and for the six months period ended 30 September 2021 and 30 September 2020, the Audited Consolidated financial statements of the Group as at and for the year ended 31 March 2021 and the Audited Special Purpose Consolidated financial statements of the Group as at and for the year ended 31 March 2020 and 31 March 2019. (refer basis of preparation para under Note 2).

There is no difference between Restated Consolidated Financial Information and Audited Special Purpose Interim Consolidated Financial Statements, Audited Consolidated Financial Statements and Audited Special Purpose Consolidated Financial Statements of the Group as referred above. Reconciliations between the Restated Consolidated Financial Information and Consolidated Audited Financial Statements of the Group are set out in the following tables and notes.

A Reconciliations between the restated consolidated financial information and consolidated audited financial statements of the Group.

1 Reconciliation of total equity as at 31 March 2020, 31 March 2019 and 1 April 2018 #

Particulars	Notes	31 March 2020	31 March 2019	1 April 2018
Total equity (shareholder's funds) as per audited consolidated financial statements of respective years		891.83	822.44	832.95
Adjustments:				
Adjustment for fair valuation of employee stock option expense	ii(g)	0.20	(0.38)	(0.29)
Adjustment for recognition of right-of-use assets and lease liabilities	ii(a)	(7.57)	(5.41)	0.73
Adjustment for expected credit loss allowance on financial assets	ii(b)	(24.42)	(29.50)	0.30
Adjustment for Effective interest rate adjustment on borrowings	ii(c)	0.66	0.48	3.86
Prior period adjustment	i.	(262.91)	(316.78)	(313.77)
Other adjustments		(1.57)	3.66	13.91
Tax effect of adjustments	i. , ii(f)	68.92	93.20	89.76
Total Adjustments		**(226.69)**	**(254.73)**	**(205.49)**
Total equity as per restated consolidated financial information		**665.14**	**567.71**	**627.46**

2 Reconciliation of profit/(loss) and other comprehensive income/(loss) for the year ended 31 March 2020 and 31 March 2019 #

Particulars	Notes	31 March 2020	31 March 2019
Profit/(loss) after tax as per as per audited consolidated financial statements of respective years		**65.37**	**4.30**
Adjustments:			
Adjustment for employee stock option expense	ii(g)	0.58	(0.09)
Adjustment for recognition of right-of-use assets and lease liabilities	ii(a)	(2.16)	(6.14)
Adjustment for expected credit loss allowance on financial assets	ii(b)	5.08	(29.80)
Adjustment for Effective interest rate adjustment on borrowings	ii(c)	0.18	(3.38)
Prior period adjustment	i.	53.87	(3.01)
Other adjustments		(4.04)	-
Tax effect of adjustments	i. , ii(f)	(24.28)	3.43
Total Adjustments		**29.23**	**(38.99)**
Profit/(loss) for the year as per restated consolidated financial information		**94.60**	**(34.69)**
Other comprehensive income/(loss)			
Remeasurement of defined benefit obligations (net of tax)	ii(d)	(0.82)	(1.29)
Exchange differences on translation of foreign operations		0.24	0.43
Total comprehensive income/(loss) for the year as per restated consolidated financial information		**94.02**	**(35.55)**

 # There have been no restatement adjustment relating to financial period/year ended on 30 September 2021, 31 March 2021 and 30 September 2020.

3 Impact of restatement adjustment on the cash flows statement for the year ended 31 March 2020 and 31 March 2019 #

The restatement adjustment has not made a material impact on the statement of cash flows.

4 Reconciliation of the assets and liabilities presented in the balance sheet prepared as per as per audited consolidated financial statements and as per the restated consolidated statement of assets and liabilities is as follows: #

Particulars	Notes	Audited as at 31 March 2020*	Adjustments	Restated as at 31 March 2020	Audited as at 31 March 2019*	Adjustments	Restated as at 31 March 2019
ASSETS							
Non-current assets							
Property, plant and equipment	i.	167.25	(3.40)	163.85	169.45	(1.56)	167.89
Right-of-use assets	ii(a)	-	119.19	119.19	-	150.36	150.36
Financial assets							
(i) Investments		-	-	-	-	-	-
(ii) Other financial assets		15.89	-	15.89	12.72	-	12.72
Other non-current assets	i. , ii(f)	155.99	(155.72)	0.27	181.53	(181.47)	0.06
Deferred tax assets (net)	i. , ii(f)	48.24	68.96	117.20	56.17	97.87	154.04
Total non-current assets		**387.37**	**29.03**	**416.40**	**419.87**	**65.20**	**485.07**
Current assets							
Inventories	i.	651.38	16.84	668.22	643.95	9.74	653.69
Financial assets					-		
(i) Trade receivables	i. , ii(b)	466.08	(33.72)	432.36	328.32	(67.06)	261.26
(ii) Cash and cash equivalents		61.76	-	61.76	43.86	-	43.86
(iii) Bank balances other than (ii) above		45.23	-	45.23	58.86	-	58.86
(iv) Loans		0.16	-	0.16	0.09	-	0.09
(v) Other financial assets		2.37	-	2.37	3.90	-	3.90
Other current assets	i. , ii(f)	168.96	(100.14)	68.82	194.42	(111.87)	82.55
Total current assets		**1,395.94**	**(117.02)**	**1,278.92**	**1,273.40**	**(169.19)**	**1,104.21**
Total assets		**1,783.31**	**(87.99)**	**1,695.32**	**1,693.27**	**(103.99)**	**1,589.28**

(All amounts are Rs. in Millions, unless stated otherwise)

EQUITY AND LIABILITIES							
EQUITY							
Equity share capital		182.56	-	182.56	182.48	-	182.48
Other equity	i. , ii.	709.27	(226.69)	482.58	639.96	(254.73)	385.23
Total equity		**891.83**	**(226.69)**	**665.14**	**822.44**	**(254.73)**	**567.71**
LIABILITIES							
Non-current liabilities							
Financial liabilities							
(i) Borrowings	ii(c)	76.94	(0.66)	76.28	85.64	(0.47)	85.17
(ii) Lease liablities	ii(a)	-	90.82	90.82	-	119.56	119.56
Provisions		8.03	-	8.03	6.94	-	6.94
Total non-current liabilities		**84.97**	**90.16**	**175.13**	**92.58**	**119.09**	**211.67**
Current liabilities							
Financial liabilities							
(i) Borrowings	ii(c)	369.20	-	369.20	404.87	-	404.87
(ii) Lease liablities	ii(a)	-	35.94	35.94	-	36.22	36.22
(iii) Trade payables					-		
- Total outstanding dues of micro and small enterprises		16.25	-	16.25	14.83	-	14.83
- Total outstanding dues of creditors other than micro and small enterprises	i.	332.43	2.77	335.20	283.89	(8.69)	275.20
(iv) Other financial liabilities		59.61	-	59.61	53.96	-	53.96
Provisions		5.69	-	5.69	3.36	-	3.36
Other liabilities	i. , ii.	13.94	9.83	23.77	14.26	4.12	18.38
Current tax liabilities (Net)		9.39	-	9.39	3.08	-	3.08
Total current liabilities		**806.51**	**48.54**	**855.05**	**778.25**	**31.65**	**809.90**
Total liabilities		**891.48**	**138.70**	**1,030.18**	**870.83**	**150.74**	**1,021.57**
Total equity and liabilities		**1,783.31**	**(87.99)**	**1,695.32**	**1,693.27**	**(103.99)**	**1,589.28**

** The audited consolidated financial statements figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.*

 # There have been no restatement adjustment relating to financial period/year ending on 30 September 2021, 31 March 2021 and 30 September 2020.

5 Reconciliation of the income and expenses presented in the statement of profit and loss prepared as per audited consolidated financial statements and as per restated consolidated financial information is as follows: #

Particulars	Notes	Audited as at 31 March 2020*	Adjustments	Restated 31 March 2020	Audited as at 31 March 2019*	Adjustments	Restated 31 March 2019
Revenues							
Revenue from operations	ii(e)	2,749.36	(126.60)	2,622.76	2,232.83	(177.69)	2,055.14
Other income		41.48	-	41.48	26.94	-	26.94
Total income		**2,790.84**	**(126.60)**	**2,664.24**	**2,259.77**	**(177.69)**	**2,082.08**
Expenses							
Cost of material consumed	i.	1,239.65	155.85	1,395.50	900.26	194.79	1,095.05
Purchase of stock-in-trade	i.	189.20	32.49	221.69	181.96	22.72	204.68
Changes in inventories of finished goods, stock-in-trade and work-in-progress	i.	(41.64)	70.40	28.76	2.81	11.00	13.81
Employee benefits expense	i. , ii(d)	233.54	91.64	325.18	188.69	85.75	274.44
Finance costs	ii(a) , ii(c)	61.83	13.36	75.19	63.20	11.36	74.56
Depreciation and amortisation	i. , ii(a)	155.24	(92.74)	62.50	149.73	(98.59)	51.14
Other expenses	ii(a),ii(b),ii(c), ii(e)	868.80	(454.17)	414.63	768.78	(363.63)	405.15
Total expenses		**2,706.62**	**(183.17)**	**2,523.45**	**2,255.43**	**(136.60)**	**2,118.83**
Profit/(Loss) before tax		**84.22**	**56.57**	**140.79**	**4.34**	**(41.09)**	**(36.75)**
Tax expenses							
Current tax		8.99	-	8.99	2.80	(0.12)	2.68
MAT Credit utilised		1.81	-	1.81	-	-	-
Deferred tax	ii(f)	7.93	27.34	35.27	(3.24)	(1.98)	(5.22)
Tax pertaining to earlier years		0.12	-	0.12	0.48	-	0.48
Total tax expense		18.85	27.34	46.19	0.04	(2.10)	(2.06)
Profit/(Loss) after tax (PAT)		**65.37**	**29.23**	**94.60**	**4.30**	**(38.99)**	**(34.69)**
Other comprehensive income							
Items that will not be reclassified subsequently to profit and loss							
Remeasurements of defined benefit liability	ii(d)	-	(0.82)	(0.82)	-	(1.29)	(1.29)
Income-tax relating to these items	ii(d)	-	0.24	0.24	-	0.43	0.43
Total comprehensive income/(loss) for the period / year		**65.37**	**28.65**	**94.02**	**4.30**	**(39.85)**	**(35.55)**

** The audited consolidated financial statements figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.*

 # There have been no restatement adjustment relating to financial period/year ending on 30 September 2021, 31 March 2021 and 30 September 2020.

(All amounts are Rs. in Millions, unless stated otherwise)

6 Notes :

i. **Prior Period Adjustments**

The Company has made certain errors in the adoption on accounting policies, accrual of revenue for miscellaneous expenditure to the extent not written offand timing of cost of sales and measurement of depreciation, employee stock option scheme. During the current year, on transition to Ind AS, the Company has rectified these errors by restating the transition date balance sheet and balance sheet as at April 1, 2018.

	31 March 2020	31 March 2019
Miscellaneous expenditure to the extent not written off	(262.51)	(282.87)
Timing of recognition of revenue	(15.27)	(41.69)
Timing of recognition of COGS on above revenue	10.71	28.77
Valuation of inventories	6.12	(19.03)
Measurement of depreciation	(1.96)	(1.95)
Deferred tax impact of above changes	68.92	93.19
Total	**(193.99)**	**(223.58)**

ii. **Ind AS Adjustments**

ii(a) **Recognition of Right of use assets**

Under the previous GAAP, rental expenditure for operating leases were recognised as expenditure on a straight-line basis over the lease period. During the current year, on transition to Ind AS, the Company has applied the principles of Ind AS 116 and recognised a right of use assets with a corresponding lease liability in the balance sheet by using the modified retrospective method effective from the transition date. Accordingly, the rental expenditure has been reversed and an amortisation charge on Right of use asset and interest on lease liability is recognised in the statement of profit and loss.

ii(b) **Expected credit loss**

Under previous GAAP, the Company measured financial assets at cost. As at the transition date, the Company recognised the provision for expected credit loss for certain financial assets as per the criteria set out in Ind AS 101.

ii(c) **Effective interest rate**

Under previous GAAP, processing fees on loans obtained is charged to the statement of profit and loss in the year in which it is incurred, except if the loan is obtained for the purpose of acquiring a qualifying asset in which case the processing fees is capitalised in the cost of property, plant and equipment. During the current year, on transition to Ind AS, the Company has carried the loans using effective interest rate.

ii(d) **Defined benefit obligation**

Both under Indian GAAP and Ind-AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind-AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are to be recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI. Whereas, the Company has recognised all the remeasurements to the Statement of profit and loss and decided to follow the same consistently.

ii(e) **Ind AS 115 - Reclassification - Discount on revenue contracts**

The Company provides various discounts to its customer on revenue contracts. Under previous GAAP, discount (other than trade discounts) were charged to other expenses in the statement of profit and loss. During the current year, on transition to Ind AS, the Company has netted off other discounts from the revenue from operations by applying the principles of Ind AS 115.

ii(f) **Deferred tax assets (net)**

The Company has recognised deferred tax assets (net) on unabsorbed depreciation and business losses, other temporary difference on account of rectification of prior period erros and on account of adjustments made on transition to Ind AS.

ii(g) **Employee stock option expense**

Under Previous GAAP, the cost of equity-settled and liability settled employee share-based plan were recognised using the intrinsic value method. Under Ind AS, the cost of share-based plan is recognised on the fair value of the options as at the grant date and reporting date as applicable.

B **Material regrouping :** None

Appropriate regroupings have been made in the Restated Consolidated Balance Sheet, Restated Consolidated Statement of Profit & Loss and Restated Consolidated Statement of CashFlows, wherever required, by reclassification of the corresponding items of income, expenses, assets, liabilities and cashflows, in order to bring them in line with the accounting policies and classification as per Ind AS financial information of the Group for the periods / years ended ended 30 September 2021, 30 September 2020, 31 March 2021, 31 March 2020 and 31 March 2019 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 & Disclosure Requirements) Regulations 2018, as amended.

C **Non-adjusting items:**

Audit Qualifications in Annexure to Auditors' Report, which do not require any corrective adjustments in the Restated Consolidated Financial Information

In addition to the audit opinion on the consolidated financial statements, the auditors are required to comment upon the matters included in the Companies (Auditor's Report) Order, 2016 ("the CARO 2016 Order") issued by the Central Government of India under sub-section (11) of Section 143 of Companies Act, 2013 on the standalone financial statements as at and for the financial years ended 31 March 2019, 31 March 2020 and 31 March 2021 respectively. Certain statements/comments included in the CARO in the standalone financial statements of the parent company, which do not require any adjustments in the Restated Consolidated Financial Information are reproduced below in respect of the financial statements presented.

For the year ended March 31, 2020

Clause (vii) (b) of CARO 2016 Order

According to the information and explanations given to us and the records of the company examined by us, there are no dues of income-tax, sales tax, service tax, goods and service tax, duty of customs, duty of excise or value added tax which have not been deposited on account of any dispute, except as per details below:

Nature of dues	Name of the statute	Amount in million	Period to which the amount relates	Forum where the dispute is pending
Telangana VAT Act	VAT	0.91	2016-17 to 2017-18 (Upto June 2017)	Appellate Deputy Commissioner (CT), Punjagutta division, Hyderabad

For the year ended March 31, 2021

Clause (vii) (c) of CARO 2016 Order

According to the information and explanation given to us and the records of the Company examined by us, there are no dues of income tax, goods and service tax, customs duty, cess and any other statutory dues which have not been deposited on account of any dispute, except below

Nature of dues	Name of the statute	Amount in million	Period to which the amount relates	Forum where the dispute is pending
CST-Central tax dues	Sales Tax - Rajasthan	19.00	Year 2015-2016 and 2016-17	CTO, Commercial Tax Department Rajasthan.

As per our report attached
For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No.:105047W

Ananthakrishnan G
Partner
Membership No: 205226

Place: Hyderabad
Date: January 3, 2022

For and on behalf of the Board of
Sresta Natural Bioproducts Limited
CIN: U01122TG2004PLC042837

Rajashekar Reddy Seelam
Managing Director
DIN: 00278954

Balasubramanian Narayanan
Director
DIN : 03070468

Karaiyalan Venkatesan
Chief Financial Officer
PAN : AAWPV3209Q

Padmasri Samaleti
Company Secretary
PAN : DXMPS7406G

Place: Hyderabad
Date: January 3, 2022

Sresta Natural Bioproducts Limited (formerly known as Sresta Natural Bioproducts Private Limited)
(CIN: U01122TG2004PLC042837)

Annexure VII Notes to Restated Consolidated Financial Information
(All amounts are in Millions, unless stated otherwise)

4. Property, plant and equipment

Description	Land	Buildings	Leasehold Improvement	Plant and Machinery	Electrical Equipment	Furniture and Fixtures	Office Equipment	Computers	Vehicles	Total
Cost as at April 1, 2018	**36.46**	**-**	**24.24**	**124.61**	**14.79**	**19.71**	**5.31**	**13.97**	**5.27**	**244.36**
Additions	-	-	0.75	5.58	0.10	0.42	0.22	1.35	-	8.42
Disposals	-	-	-	(2.36)	(0.21)	(2.71)	(0.82)	(0.48)	0.44	(6.14)
Cost as at March 31, 2019	**36.46**	**-**	**24.99**	**127.83**	**14.68**	**17.42**	**4.71**	**14.84**	**5.71**	**246.64**
Additions	-	-	1.12	3.01	1.39	0.91	0.09	6.08	-	12.60
Disposals	-	-	-	(0.64)	-	-	-	(0.09)	-	(0.73)
Cost as at March 31, 2020	**36.46**	**-**	**26.11**	**130.20**	**16.07**	**18.33**	**4.80**	**20.83**	**5.71**	**258.51**
Additions	-	-	0.11	4.14	0.20	0.34	0.01	1.80	-	6.60
Disposals	-	-	-	-	-	-	-	-	-	-
Cost as at September 30, 2020	**36.46**	**-**	**26.22**	**134.34**	**16.27**	**18.67**	**4.81**	**22.63**	**5.71**	**265.11**
Additions	-	0.86	0.11	18.62	1.64	0.68	0.12	3.63	-	25.66
Disposals	-	-	(0.19)	(1.26)	(0.01)	(0.81)	(0.90)	(5.09)	-	(8.26)
Cost as at March 31, 2021	**36.46**	**0.86**	**26.03**	**147.56**	**17.70**	**18.20**	**4.02**	**19.37**	**5.71**	**275.91**
Additions	-	-	2.00	6.15	1.12	1.93	0.78	1.86	-	13.84
Disposals	-	-	-	-	-	-	-	-	-	-
Cost as at September 30, 2021	**36.46**	**0.86**	**28.03**	**153.71**	**18.82**	**20.13**	**4.80**	**21.23**	**5.71**	**289.75**
Accumulated depreciation as at April 1, 2018	-	-	7.39	31.11	3.60	7.72	3.59	11.16	3.13	67.70
Depreciation for the year	-	-	2.69	8.43	1.40	1.62	0.56	0.91	0.51	16.12
Disposals/adjustments	-	-	-	(0.83)	(0.14)	(2.56)	(0.68)	(0.54)	-	(4.75)
Forex Reserve as at March 31 , 2019	-	-	-	(0.28)	(0.01)	-	(0.02)	(0.01)	-	(0.32)
Accumulated depreciation as at March 31, 2019	-	-	10.08	38.43	4.85	6.78	3.45	11.52	3.64	78.75
Depreciation for the year	-	-	2.91	8.50	1.41	1.65	0.47	1.40	0.64	16.98
Disposals/adjustments	-	-	-	(0.51)	-	-	-	(0.04)	-	(0.55)
Forex restatement adjustment	-	-	-	(0.44)	(0.02)	-	(0.02)	(0.01)	(0.03)	(0.52)
Accumulated depreciation as at March 31, 2020	-	-	12.99	45.98	6.24	8.43	3.90	12.87	4.25	94.66
Depreciation for the period	-	-	1.62	4.87	0.84	0.92	0.19	1.15	0.30	9.89
Disposals/adjustments	-	-	-	-	-	-	-	-	-	-
Forex restatement adjustment	-	-	-	(0.20)	-	-	(0.04)	(0.02)	(0.02)	(0.28)
Accumulated depreciation as at September 30, 2020	-	-	14.61	50.65	7.08	9.35	4.05	14.00	4.53	104.27
Depreciation for the year	-	-	3.04	8.74	1.59	1.73	0.35	2.25	0.57	18.27
Disposals/adjustments	-	-	(0.15)	(0.86)	(0.01)	(0.74)	(0.86)	(3.24)	-	(5.86)
Forex restatement adjustment	-	-	-	0.05	-	-	-	(0.01)	0.01	0.05
Accumulated depreciation as at March 31, 2021	-	-	15.88	53.91	7.82	9.42	3.39	11.87	4.83	107.12
Depreciation for the period	-	0.01	1.63	4.84	0.86	0.92	0.18	1.28	0.28	10.00
Disposals/adjustments	-	-	-	-	-	-	-	-	-	-
Forex restatement adjustment	-	-	-	(0.21)	-	-	(0.04)	(0.03)	(0.02)	(0.30)
Accumulated depreciation as at September 30, 2021	-	0.01	17.51	58.54	8.68	10.34	3.53	13.12	5.09	116.82
Net carrying amount as at April 1, 2019	36.46	-	14.91	89.40	9.83	10.64	1.26	3.32	2.07	167.89
Net carrying amount as at March 31, 2020	36.46	-	13.12	84.22	9.83	9.90	0.90	7.96	1.46	163.85
Net carrying amount as at September 30, 2020	36.46	-	11.61	83.69	9.19	9.32	0.76	8.63	1.18	160.84
Net carrying amount as at March 31, 2021	36.46	0.86	10.15	93.65	9.88	8.78	0.63	7.50	0.88	168.79
Net carrying amount as at September 30, 2021	36.46	0.85	10.52	95.17	10.14	9.79	1.27	8.11	0.62	172.93

Title deeds of Immovable Properties not held in name of the Group:

Description	**30 September 2021**	**30 September 2020**	**31 March 2021**	**31 March 2020**	**31 March 2019**
Title deeds held in the name of	Sresta Natural Bioproducts Limited				
Whether title deed holder is a promoter, director or relative of promoter/director or employee of promoter/director	NA				
Reason for not being held in the name of the Group	NA				

(All amounts are in Millions, unless stated otherwise)

5. Right of use assets and Lease Liabilities

The Group has lease contracts for various items of building for factory, warehouse and office units. Leases of building generally have lease terms between 1 and 20 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. There are several lease contracts that include extension and termination options.

The Group has adopted Ind AS 116, effective annual reporting period beginning April 1, 2018 and applied the standard to its leases, under modified retrospective transition method.

The Group has elected not to apply the requirements of Ind AS 116 "Leases" to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term except inflation adjustment.

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

(i) Movement in Right of use assets and Lease liabilities is given below:

Description	Right of use assets (Buildings)
Cost as at April 01, 2018	-
Due to transition to Ind AS 116 on April 01, 2018	177.87
Additions	0.25
Disposals	-
Cost as at March 31, 2019	**178.12**
Ind AS 116 Transition adjustment	(29.88)
Additions	0.23
Disposals	-
Cost as at March 31, 2020	**148.47**
Additions	62.22
Disposals	-
Cost as at September 30, 2020	**210.69**
Additions	62.22
Disposals	-
Cost as at March 31, 2021	**210.69**
Additions	24.50
Disposals	-
Cost as at September 30, 2021	**235.19**
Accumulated depreciation as at April 1, 2018	**-**
Depreciation for the year	35.07
Disposals	-
Forex restatement adjustment	(7.32)
Accumulated depreciation as at April 1, 2019	**27.75**
Ind AS 116 transition adjustment	(35.34)
Depreciation for the year	44.09
Disposals	-
Forex restatement adjustment	(7.22)
Accumulated depreciation as at March 31, 2020	**29.28**
Depreciation for the period	20.53
Disposals	-
Forex restatement adjustment	6.43
Accumulated depreciation as at September 30, 2020	**56.24**
Depreciation for the year	41.42
Disposals	-
Forex restatement adjustment	2.78
Accumulated depreciation as at March 31, 2021	**73.48**
Depreciation for the period	24.23
Disposals	-
Forex restatement adjustment	3.20
Accumulated depreciation as at September 30, 2021	**100.91**
Net carrying amount as at April 1, 2019	**150.36**
Net carrying amount as at March 31, 2020	**119.19**
Net carrying amount as at September 30, 2020	**154.45**
Net carrying amount as at March 31, 2021	**137.21**
Net carrying amount as at September 30, 2021	**134.28**

Lease Liability

Set out below are the carrying amounts of lease liabilities and the movements during the period / year:

	As at				
	30-Sep-2021	**30-Sep-2020**	**31-Mar-2021**	**31-Mar-2020**	**31-Mar-2019**
Opening balance	150.41	126.76	126.76	155.78	**-**
Recognised on adoption of Ind AS 116			-	-	177.87
Additions during the period / year	24.50	62.22	62.22	0.23	0.25
Disposal during the period / year	-	-	-	-	-
Accretion of interest	8.38	6.53	13.23	13.54	11.36
Payment of lease liabilities	(28.12)	(28.17)	(48.86)	(50.32)	(41.00)
Forex restatement	(0.76)	(2.48)	(2.94)	7.53	7.30
Closing balance	**154.41**	**164.86**	**150.41**	**126.76**	**155.78**
Less: Current Lease liabilities	45.47	39.90	36.67	35.94	36.22
Non Current Lease liabilities	**108.94**	**124.96**	**113.74**	**90.82**	**119.56**

(ii) Payments recognised as expenses and income

	For the period / year ended				
	30-Sep-2021	**30-Sep-2020**	**31-Mar-2021**	**31-Mar-2020**	**31-Mar-2019**
Short term leases and low value assets	11.61	14.98	28.44	22.08	26.85
	11.61	**14.98**	**28.44**	**22.08**	**26.85**

(iii) Contractual maturities of lease liabilities on undiscounted basis

	As at				
	30-Sep-2021	**30-Sep-2020**	**31-Mar-2021**	**31-Mar-2020**	**31-Mar-2019**
Less than one year	59.21	54.59	50.98	42.31	49.47
One to five years	120.12	153.26	127.32	114.72	138.56
More than five years	-	-	-	-	11.99
	179.33	**207.85**	**178.30**	**157.03**	**200.02**

Annexure VII Notes to Restated Consolidated Financial Information (Continued)
(All amounts are Rs. in Millions, unless stated otherwise)

6 Investments	30 September 2021	30 September 2020	31 March 2021	31 March 2020	31 March 2019
Investments in unlisted equity instruments [At amortised cost]					
- Investments in Associates					
GS2 Retail Ventures Private Limited*					
1,02,000 (30 September 2020, 31 March 2021, 31 March 2020 and 31 March 2019: 1,02,000) shares of equity shares of Rs. 10 each	1.02	1.02	1.02	1.02	1.02
1,89,769 (30 September 2020, 31 March 2021, 31 March 2020 and 31 March 2019: 1,89,769) shares of 8% non-cumulative preference shares of Rs. 10 each	1.90	1.90	1.90	1.90	1.90
Less: Provision made for other than temporary diminution in the value and Company's share of losses	(2.92)	(2.92)	(2.92)	(2.92)	(2.92)
	-	-	-	-	-

*GS2 Retail Ventures Private Limited is in the process of applying for liquidation.

7 Loans (at amortised cost)

(Unsecured considered good)	30 September 2021	30 September 2020	31 March 2021	31 March 2020	31 March 2019
A. Current					
Loans to employees	0.23	0.42	0.68	0.16	0.09
	0.23	**0.42**	**0.68**	**0.16**	**0.09**

8. Other financial assets (at amortised cost)
(Unsecured considered good)

A. Non-current					
Security Deposits	13.97	15.23	13.41	15.89	12.72
	13.97	**15.23**	**13.41**	**15.89**	**12.72**

	30 September 2021	30 September 2020	31 March 2021	31 March 2020	31 March 2019
B. Current					
Interest accrued on bank deposits	1.51	3.44	0.89	2.37	3.90
	1.51	**3.44**	**0.89**	**2.37**	**3.90**

9. Other assets

(Unsecured, Considered good)	30 September 2021	30 September 2020	31 March 2021	31 March 2020	31 March 2019
A. Non-current					
Loans to employee	1.25	3.28	0.20	0.19	0.06
Capital advances	1.63	2.05	0.83	0.08	-
	2.88	**5.33**	**1.03**	**0.27**	**0.06**

	30 September 2021	30 September 2020	31 March 2021	31 March 2020	31 March 2019
B. Current					
Prepaid expenses	6.56	6.00	2.41	4.51	5.10
Balances with government authorities	44.61	38.65	39.60	44.04	59.53
Advance recoverable in cash or in kind	41.49	28.37	8.32	20.27	17.92
	92.66	**73.02**	**50.33**	**68.82**	**82.55**

10. Deferred tax assets (net)

	30 September 2021	30 September 2020	31 March 2021	31 March 2020	31 March 2019
Depreciation/amortisation of Property, plant and equipment	(4.79)	(5.01)	(5.23)	(5.23)	(9.22)
Provision for employee benefits	9.81	3.76	6.66	7.72	3.91
Provision for doubtful receivables	15.30	11.26	16.71	8.85	5.72
Provision for others	2.52	2.52	2.52	1.85	1.60
Right of use assets (net of lease liability)	1.36	0.72	0.96	0.83	1.17
MAT credit entitlement	-	-	-	-	1.81
Unabsorbed depreciation and business losses	80.20	80.31	64.84	102.37	146.17
Others	(2.59)	4.78	11.03	0.81	2.88
	101.81	**98.34**	**97.49**	**117.20**	**154.04**

11. Inventories

	30 September 2021	30 September 2020	31 March 2021	31 March 2020	31 March 2019
Raw material	405.40	509.00	283.02	170.41	157.15
Finished goods	553.55	391.62	541.31	369.95	382.70
Stock in transit	157.52	251.15	181.99	84.31	78.55
Packing material	58.41	57.68	56.43	43.55	35.29
	1,174.88	**1,209.45**	**1,062.75**	**668.22**	**653.69**

(All amounts are Rs. in Millions, unless stated otherwise)

12. Trade receivables

	30 September 2021	30 September 2020	31 March 2021	31 March 2020	31 March 2019
Trade receivables					
Unsecured considered good					
Trade receivables	365.73	345.69	312.48	432.36	261.26
Trade receivables - Credit impaired	69.90	69.24	85.96	60.20	49.50
Total receivables	**435.63**	**414.93**	**398.44**	**492.56**	**310.76**
Less: Expected credit loss for trade receivables	(69.90)	(69.24)	(85.96)	(60.20)	(49.50)
Net trade receivables	**365.73**	**345.69**	**312.48**	**432.36**	**261.26**

No trade or other receivable are due from directors or other officers of the Group.
Trade receivables due from private companies in which any director is a director or a member, refer note no. 33
Trade receivable from related parties refer note no. 33
Trade receivables are non-interest bearing and generally on terms of 30 to 90 days

Trade Receivables ageing schedule:

As at 30 September 2021

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1- 2 years	2-3 years	Morethan 3 years	Total
(i) Undisputed Trade receivables - considered good	356.57	9.15	-	-	-	365.73
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	23.39	5.14	6.26	5.98	27.48	68.27
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables- considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	1.64	-	1.64
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
Total	**379.97**	**14.29**	**6.26**	**7.62**	**27.48**	**435.63**

As at 30 September 2020

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1- 2 years	2-3 years	Morethan 3 years	Total
(i) Undisputed Trade receivables - considered good	290.62	55.08	-	-	-	345.69
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	14.92	26.28	7.20	8.57	10.53	67.49
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables- considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	1.75	-	1.75
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
Total	**305.53**	**81.36**	**7.20**	**10.32**	**10.53**	**414.93**

As at 31 March 2021

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1- 2 years	2-3 years	Morethan 3 years	Total
(i) Undisputed Trade receivables - considered good	226.34	86.14	-	-	-	312.48
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	17.53	9.30	23.02	6.17	28.19	84.22
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables- considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	1.75	-	1.75
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
Total	**243.88**	**95.44**	**23.02**	**7.92**	**28.19**	**398.44**

Annexure VII Notes to Restated Consolidated Financial Information (Continued)
(All amounts are Rs. in Millions, unless stated otherwise)

As at 31 March 2020

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1- 2 years	2-3 years	Morethan 3 years	Total
(i) Undisputed Trade receivables – considered good	278.51	153.85	-	-	-	432.36
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	10.82	5.98	15.24	6.84	19.56	58.45
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables- considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	1.75	-	-	1.75
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total	**289.34**	**159.83**	**16.99**	**6.84**	**19.56**	**492.56**

As at 31 March 2019

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1- 2 years	2-3 years	Morethan 3 years	Total
(i) Undisputed Trade receivables – considered good	177.29	41.35	42.62	-	-	261.26
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	2.19	5.05	18.43	12.03	9.93	47.63
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables- considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	1.87	-	-	1.87
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
Total	**179.48**	**46.40**	**62.92**	**12.03**	**9.93**	**310.76**

13. Cash and Bank Balances

	30 September 2021	30 September 2020	31 March 2021	31 March 2020	31 March 2019
(a) Cash and cash equivalents					
Cash on hand	0.37	0.18	0.56	0.69	0.46
Balances with banks					
- in current accounts	104.83	89.09	65.62	61.07	43.40
	105.20	**89.27**	**66.18**	**61.76**	**43.86**
(b) Other bank balances - deposits with remaining maturity less than 12 months*	44.77	66.87	24.50	45.23	58.86
	44.77	**66.87**	**24.50**	**45.23**	**58.86**
Total	**149.97**	**156.14**	**90.68**	**106.99**	**102.72**

* includes deposits against bank guarantees.

14. Share capital

Authorized equity share capital	30 September 2021	30 September 2020	31 March 2021	31 March 2020	31 March 2019
22,000,000 (30 September 2020, 31 March 2021, 31 March 2020 and 31 March 2019: 22,000,000) equity shares of Rs. 10/- each	220.00	220.00	220.00	220.00	220.00
4,200,000 (30 September 2020, 31 March 2021, 31 March 2020 and 31 March 2019: 4,200,000) Preference shares of Rs. 10/- each	42.00	42.00	42.00	42.00	42.00
Issued, subscribed and paid-up					
18,273,880 (30 September 2020: 18,256,380, 31 March 2021: 18,261,380, 31 March 2020: 18,256,380 and 31 March 2019: 18,248,380) equity shares of Rs. 10/- each	182.74	182.56	182.61	182.56	182.48
	182.74	**182.56**	**182.61**	**182.56**	**182.48**

i) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period/year

Particulars	30 September 2021		30 September 2020		31 March 2021		31 March 2020		31 March 2019	
	Number of shares	Amount in ₹ Million	Number of shares	Amount in ₹ Million	Number of shares	Amount in ₹ Million	Number of shares	Amount in ₹ Million	Number of shares	Amount in ₹ Million
Balance at the beginning of the reporting period/year	1,82,61,380	182.61	1,82,56,380	182.56	1,82,56,380	182.56	1,82,48,380	182.48	1,74,87,474	174.87
Shares issued during the period / year - Employee Stock Option	12,500	0.13	-	-	5,000	0.05	8,000	0.08	26,000	0.26
Shares issued during the period / year - Conversion of CCPS into Equity	-	-	-	-	-	-	-	-	7,34,906	7.35
Shares outstanding at the end of the period/year	1,82,73,880	182.74	1,82,56,380	182.56	1,82,61,380	182.61	1,82,56,380	182.56	1,82,48,380	182.48

(All amounts are Rs. in Millions, unless stated otherwise)

ii) Rights, preferences and restrictions attached to equity shares of Rs. 10 each, fully paid up:

The Parent Company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The Parent Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Parent Company, the holders of equity shares will be entitled to receive remaining assets of the Parent Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

iii) Details of shareholders holding more than 5% shares in the Parent Company

	30 September 2021		30 September 2020		31 March 2021		31 March 2020		31 March 2019	
Name of the shareholder	No. of shares	% Holding	No. of shares	% Holding	No. of shares	% Holding	No. of shares	% Holding	No. of shares	% Holding
Rajashekar Reddy Seelam	31,05,607	17%	31,05,607	17%	31,05,607	17%	31,05,607	17%	31,05,607	17%
Ventureast Trustee Company Pvt. Ltd.	48,60,762	27%	48,60,762	27%	48,60,762	27%	48,60,762	27%	48,60,762	27%
Ventureast Life Fund III LLC	22,75,001	12%	22,75,001	12%	22,75,001	12%	22,75,001	12%	22,75,001	12%
Peepul Capital Fund III LLC	65,83,125	36%	65,83,125	36%	65,83,125	36%	65,83,125	36%	65,83,125	36%
Total	**1,68,24,495**	**92%**	**1,68,24,495**	**92%**	**1,68,24,495**	**92%**	**1,68,24,495**	**92%**	**1,68,24,495**	**92%**

As per the records of the Parent Company including its register of shareholders and other declarations received from shareholders regarding beneficial interest the above shareholding represents both legal and beneficial interest.

iv) Shareholding of promoters

	30 September 2021			30 September 2020			31 March 2021			31 March 2020			31 March 2019		
Particulars	Number of shares	% holding	% of change	Number of shares	% holding	% of change	Number of shares	% holding	% of change	Number of shares	% holding	% of change	Number of shares	% holding	% of change
Rajashekar Reddy Seelam	31,05,607	16.99%	0.01%	31,05,607	17.01%	0.00%	31,05,607	17.01%	0.01%	31,05,607	17.01%	-0.01%	31,05,607	17.02%	-0.74%
Renuka Seelam	5,98,885	3.28%	0.00%	5,98,885	3.28%	0.00%	5,98,885	3.28%	0.00%	5,98,885	3.28%	0.00%	5,98,885	3.28%	-0.14%
Total	37,04,492	20.27%	0.01%	37,04,492	20.29%	0.00%	37,04,492	20.29%	0.01%	37,04,492	20.29%	-0.01%	37,04,492	20.30%	-0.88%

v) i) For details of shares reserved for issue under Employee Stock Option Plan (ESOP) of the Parent Company, refer Note 36.

ii) there are no bonus shares issued or shares issued for consideration other than cash and shares bought back during the period of five years immediately preceeding the reporting date.

15 Other equity

	30 September 2021	30 September 2020	31 March 2021	31 March 2020	31 March 2019
Securities premium account (refer note i)	975.29	974.85	974.97	974.85	974.66
Retained earnings (refer note ii)	(380.36)	(422.46)	(391.73)	(495.66)	(595.73)
Foreign Exchange Translation Reserve) (refer note iii)	(4.56)	(1.69)	(4.09)	4.44	6.78
Other comprehensive income (refer note iv)	(2.09)	0.66	(0.84)	(1.44)	(0.86)
Employee stock option outstanding (refer note v)	2.60	0.60	2.80	0.39	0.38
Total other equity	**590.88**	**551.96**	**581.11**	**482.58**	**385.23**

i) Securities Premium account

	30 September 2021	30 September 2020	31 March 2021	31 March 2020	31 March 2019
Balance at the beginning of the period/year	974.97	974.85	974.85	974.66	968.18
Add: Additions during the period/year	0.32	-	0.12	0.19	6.48
Balance at the end of the period/year	**975.29**	**974.85**	**974.97**	**974.85**	**974.66**

ii) Retained earnings

	30 September 2021	30 September 2020	31 March 2021	31 March 2020	31 March 2019
Balance at the beginning of the period/year	(391.73)	(495.66)	(495.66)	(595.73)	(561.04)
Add: Profit /(loss) for the period/year	11.37	73.20	103.93	94.60	(34.69)
Add: Opening retained earnings Ind AS adjustments	-	-	-	5.47	-
Balance at the end of the period/year	**(380.36)**	**(422.46)**	**(391.73)**	**(495.66)**	**(595.73)**

iii) Foreign Exchange Translation Reserve

	30 September 2021	30 September 2020	31 March 2021	31 March 2020	31 March 2019
Balance at the beginning of the period/year	(4.09)	4.44	4.44	6.78	31.96
Transalation as per Non Integral Foreign Operations	(0.47)	(6.13)	(8.53)	(2.34)	(25.18)
- On elimination of inter company transactions	(1.87)	(3.76)	(6.50)	(7.40)	(3.45)
- On account of Share capital and investments	0.68	(1.43)	(1.70)	5.61	10.51
- Transalation as per Non Integral Foreign Operations	0.72	(0.94)	(0.33)	(0.55)	(32.24)
Balance at the end of the period/year	**(4.56)**	**(1.69)**	**(4.09)**	**4.44**	**6.78**

iv) Other comprehensive income (OCI) Other items of OCI

	30 September 2021	30 September 2020	31 March 2021	31 March 2020	31 March 2019
Remeasurement of defined benefit obligations (liability net of tax)					
Balance at the beginning of the period/year	(0.84)	(1.44)	(1.44)	(0.86)	-
Add: Changes during the period/year	(1.25)	2.10	0.60	(0.58)	(0.86)
Balance at the end of the period/year	**(2.09)**	**0.66**	**(0.84)**	**(1.44)**	**(0.86)**

(All amounts are Rs. in Millions, unless stated otherwise)

v) Employee Stock Option Outsanding

	30 September 2021	30 September 2020	31 March 2021	31 March 2020	31 March 2019
Balance at the commencement of the period/year	2.80	0.39	0.39	0.38	0.29
Add : share option expense for the period/year	0.12	0.21	2.53	0.20	0.09
Less : share issued during the period/year	(0.32)	-	(0.12)	(0.19)	-
Balance as at the end of the period/year	**2.60**	**0.60**	**2.80**	**0.39**	**0.38**

1. Securities Premium account

Securities Premium account is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

2. Retained earnings

Retained earnings are the profit/losses (net of appropriation) of the parent company earned till date, including items of other comprehensive income.

16. Borrowings (at amortised cost)

	30 September 2021	30 September 2020	31 March 2021	31 March 2020	31 March 2019
Secured					
Term loans					
- from Banks (refer note (i) and (ii))	47.50	-	47.50	-	0.12
- from Financial Institutions (refer note (iii))	-	-	-	1.89	1.89
Working Capital loans					
- from Financial Institutions (refer note (iv))	126.20	72.76	53.62	81.11	94.32
- from Others (refer note (vi) and (vii))	3.30	42.17	6.73	67.85	100.30
	177.00	**114.93**	**107.85**	**150.85**	**196.63**
Unsecured					
- from Others (refer note (v))	40.00	40.00	40.00	40.00	-
Less : Current maturities of Long term borrowings	(118.40)	(66.41)	(34.91)	(114.57)	(111.46)
	98.60	**88.52**	**112.94**	**76.28**	**85.17**

Notes:

*Refer current maturities of long term borrowings under note 19

Security and other details for Long-term loans:

i) ECLGS Term loan - from Banks amounting to Rs. 47.50 million (March 31, 2021: Rs. 47.50 million, September 30, 2020, March 31, 2020 and March 31, 2019: Rs. Nil) carries interest rate of 8.25% which is repayable in 48 equated monthly instalments. During the year 2020-21, the Company has obtained 12 months moratorium under MSME Scheme. The loan is secured on paripassu basis as given below:

a) First paripassu charge and mortgage on Immovable Property being Industrial Property Land (18 acres- 27 guntas) situated at Elikatta village, Admfarooq nagar.

b) First charge on immovable property belonging to Mr. Rajashekar Reddy Seelam being Open Land situated at kondapur village, serilingampally.

c) First charge on immovable property belonging to Mrs. Renuka Seelam, being commercial Property situated at Banjarahills.

d) First charge on the Stocks including Stock for export, Debtors including Export debtors and Fixed deposits.

e) Charge on Fixed deposits of Rs. 1.72 crore.

f) Personal Guarantee by Mr. Rajashekar Reddy Seelam Managing Director - Sresta Natural Bioproducts Limited (formally known as Sresta Natural Bioproducts Private Limited).

ii) Term loan from banks amounting to Rs. Nil (March 31, 2021, September 30, 2020 and March 31, 2020 : Rs Nil and March 31, 2019: Rs. 0.12 million) is a vehicle finance loan is secured against the asset purchased. The loan carries interest at 10.25% and is payable in monthly equated instalments.

iii) Term loans from financial institutions amounting to Rs. Nil (March 31, 2021 & September 30, 2020 : Rs. Nil and March 31, 2020 & March 31, 2019: Rs. 1.89 million) carries interest at 14.5% and is repayable in equated monthly instalments. The loan is secured against the assets purchased from the loan amount.

iv) Working capital loans from financial institutions amounting to Rs.126.20 million (March 31, 2021: Rs.53.62 million, 30 Sep 2020: Rs.72.76 million, March 31, 2020: Rs. 81.11 million and March 31, 2019: Rs. 94.32 million) carries interest at 13.75% to 14.5% and is repayable in 28 to 36 equated monthly instalments. During the year 2020-21, the Company has obtained 12 months moratorium under MSME Scheme. The loan is secured on paripassu basis as given below:

a. Second charge on all current assets of the Borrower, so as to provide a security cover of at least 1.20 to 1.25 times on the outstanding Credit Facility.

b. Personal Guarantee by Mr. Rajashekar Reddy Seelam -Managing Director of Sresta Natural Bioproducts Limited (formally known as Sresta Natural Bioproducts Private Limited).

v) Unsecured loan from others amounting to Rs. 40.00 million (March 31, 2021, September 30, 2020 and March 31, 2020: Rs. 40.00 million and March 31, 2019: Rs. Nil) carries interest at 18% and is repayable after 3 years from the date of disbursement. The loan is unsecured.

vi) Secured loan from others amounting to Rs. 3.30 million (March 31, 2021, September 30, 2020 and March 31, 2020 and March 31, 2019: Rs. Nil) :

Interest free promotion scheme assitance/loan from Spices Board India and is repayable in four equal annual instalments, commencing from the fourth year and ending in the seventh year from the date of receipt of 1st disbursement of loans and loan is secured against bank guarantee.

(All amounts are Rs. in Millions, unless stated otherwise)

vii) Secured loan from others amounting to Nil (March 31 2021 Rs. 6.73 Million, September 31 2020 Rs. 42.17 Million, March 31, 2020: Rs. 67.85 million and March 31, 2019: Rs. 100.30 million) relates to below subsidiaries - Bhumi Foods LLC and FYVE Elements LLC :

In Case US Subsidiary - Bhumi Foods LLC :

A. Term loans - from Small Businees Administration (SBA) for Working Capital Requirements received in the FY20-21

- balance as at September 30, 2021 : USD Nil (March 31, 2021 : USD 91,500, September 30, 2020 : USD 91,500, March 31, 2020 : Nil and March 31, 2019 : Nil)

Terms:

(i) The loans from SBA is obtained to alleviate economic injury caused by the disaster which carryies an interest rate of 3.75%. The loans are payable in 30 years which is converted into 360 equated Monthly installments and it will begin from 12 months from the date of the promissory note.

(ii) Borrower hereby grants to SBA, the secured party hereunder, a continuing security interest in and to any and all "Collateral". The Collateral

includes the following property that Borrower now owns or shall acquire or create immediately upon the acquisition or creation thereof: all tangible and intangible personal property, including, but not limited to:

(a) inventory, (b) equipment, (c) instruments, including promissory notes (d) chattel paper, including tangible chattel paper and electronic chattel paper, (e) documents, (f) letter of credit rights, (g) accounts, including health-care insurance receivables and credit card receivables, (h) deposit accounts, (i) commercial tort claims, (j) general intangibles, including payment intangibles and software and (k) as-extracted collateral as such terms may from time to time be defined in the Uniform Commercial Code.

B. for - CIT - Short Term Loans - balance as at September 30, 2021 : Nil (March 31, 2021 : Nil, September 30, 2020 : Nil, March 31, 2020 : Nil and March 31, 2019 : USD 22,146) for Equipment Purchase.

Terms:

(i) The short term loans from Banks carries an interest rate of 9.11% taken for purchase of Asset (Fork Lift) and the same is given as security.

In Case US Subsidiary - FYVE Elements LLC :

For Term Loans for Working Capital Requirements from Responsiblity Fair Agriculture Fund balance as at September 30, 2021 : USD Nil (March 31, 2021 : USD Nil, September 30, 2020 : USD 300,000, March 31, 2020 : USD 900,000 and March 31, 2019 : USD 1,450,000). Initially 3 Term Loans were obtained total amounting to USD 1,700,000 @ 12.75% and these were subsumed as one term loan in FY2019-20 @ 13.21%.

Terms:

(i) These loans are from "Responsibility Fair Agriculture Fund", a financial institution carrying an interest rate of 13.21% on above USD loan taken for working capital requirement and payable in 13 equated Monthly Installments.

(ii) The Facility from Responsibility Fair Agriculutre Fund is secured by the following :

a. Corporate Guarantee issued by Holding Company, vide contract dated 22-02-2019 to the tune of USD 2 Million for working capital loan.

b. Security interest in all assets of above mentioned US Entity, and including but not limited to, all Accounts, Inventory and Equipment, goods, deposits accounts, instruments, documents, commercial tort claims, letter of credit rights, investment property, and chattel paper(as all such terms are used herein and in the uniform commercial code). Without limiting the foregoing, the term " Collateral" shall include all the Owner's rights, title and interest in, to and under (i) any interest rate hedge agreeement or other derivative transaction agreeement and (ii) any schedule or confirmation realting to such interest rate hedge agreement or derivative transaction agreeement.

17. Other financial liabilities (at amortised cost)

	30 September 2021	30 September 2020	31 March 2021	31 March 2020	31 March 2019
Current					
Expenses payable to employees	-	-	2.80	2.55	2.37
Employee benefits payable	38.09	20.81	7.08	6.67	4.76
Interest accrued but not due on borrowings	-	0.24	0.41	2.05	1.81
Other expenses payable	118.71	174.41	63.24	48.34	45.02
	156.80	**195.46**	**73.53**	**59.61**	**53.96**

18. Provisions

	30 September 2021	30 September 2020	31 March 2021	31 March 2020	31 March 2019
Provisions for employee benefits					
Non Current					
Provision for gratuity (refer note 38)	12.13	9.99	8.48	8.03	6.94
	12.13	9.99	8.48	8.03	6.94
Current					
Provision for gratuity (refer note 38)	5.84	4.94	6.24	5.69	3.36
	5.84	4.94	6.24	5.69	3.36
	17.97	**14.93**	**14.72**	**13.72**	**10.30**

(All amounts are Rs. in Millions, unless stated otherwise)

19. Short-term borrowings

	30 September 2021	30 September 2020	31 March 2021	31 March 2020	31 March 2019
Secured					
Working capital loans					
- from banks (refer note (a) & (b))	536.62	272.77	348.39	224.63	293.41
Unsecured					
- from others (refer note (c))	30.00	30.00	30.00	30.00	-
Current maturities of long term borrowings	118.40	66.41	34.91	114.57	111.46
	685.02	**369.18**	**413.30**	**369.20**	**404.87**

Working Capital Loans
From banks
a) Cash credit and packing credit

The short-term borrowings are repayable on demand taken for Working Capital requirement,
1. Facilities from Bank being Cash Credit Facility amounting to Rs. 313.33 million (March 31, 2021: Rs. 208.96 million, September 30, 2020: Rs. 202.69 million, March 31, 2020: Rs. 128.24 million and March 31, 2019: Rs. 179.81 million) carrying a rate of interest of 8.45% p.a. and Export Packing Credit Facility amounting to Rs. 179.22 million (March 31, 2021: Rs. 133.12 million, September 30, 2020: Rs. 17.93 million, March 31, 2020: Rs. 63.94 million and March 31, 2019: Rs. 64.78 million) carrying interest rate of LIBOR+2.5% which are secured on paripassu basis as given below:
a) First paripassu charge and mortgage on Immovable Property being Industrial Property Land (18 acres- 27 guntas) situated at Elikatta village, Admfarooq nagar.
b) First charge on immovable property belonging to Mr. Rajashekar Reddy Seelam being Open Land situated at kondapur village, serilingampally.
c) First charge on immovable property belonging to Mrs. Renuka Seelam, being commercial Property situated at Banjarahills.
d) First charge on the Stocks including Stock for export, Debtors including Export debtors and Fixed deposits.
e) Personal Guarantee by Mr. Rajashekar Reddy Seelam Managing Director, Mrs. Renuka Seelam, Mr. Balasubramanian Narayanan CEO and all the directors of Sresta Natural Bioproducts Limited (formally known as Sresta Natural Bioproducts Private Limited).

b) Agricultural Produce Loan

(i) Secured loan from banks amounting to Rs. 44.07 million (March 31, 2021: Rs. 6.30 million, September 30, 2020: Rs.52.15 million, March 31, 2020: Rs. 32.44 million and March 31, 2019: Rs. 47.28 million) being Line of credit for short term loan against agricultural commodities stored in an approved wareshouse carrying interest rate of 9.4% to 10.5% which is secured by way of:
a) Pledge of Stock in the designated warehouses.
b) Personal Guarantee by Mr. Rajashekar Reddy Seelam Managing director, Mr. Balasubramanian Narayanan CEO.

c) Unsecured loan from Others:
- from Pravesa Holding Private Limited carrying an Interest rate of 16% to meet working capital requirement. Repayable on demand of 60 days.

(All amounts are Rs. in Millions, unless stated otherwise)

20. Trade payables (at amortised cost)

	30 September 2021	30 September 2020	31 March 2021	31 March 2020	31 March 2019
Trade payables					
- Total outstanding dues of micro and small enterprises (refer note 37)	7.60	13.02	14.80	16.25	14.83
- Total outstanding dues of creditors other than micro and small enterprises	258.10	603.00	369.68	335.20	275.20
	265.70	**616.02**	**384.48**	**351.45**	**290.03**

The above includes payable to related party. For details refer note 33
Trade payables are non-interest bearing and are normally settled in 30-90 days terms.

Trade payables ageing schedule

As at 30 September 2021

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	Morethan 3 years	Total
(i) MSME	7.60	-	-	-	7.60
(ii) Others	243.81	9.43	0.66	3.93	257.83
(iii) Disputed Dues - MSME	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	0.27	0.27
(v) Unbilled dues	-	-	-	-	-
Total	**251.41**	**9.43**	**0.66**	**4.19**	**265.70**

As at 30 September 2020

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	Morethan 3 years	Total
(i) MSME	13.02	-	-	-	13.02
(ii) Others	589.79	10.89	0.85	1.21	602.74
(iii) Disputed Dues - MSME	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	0.27	0.27
(v) Unbilled dues	-	-	-	-	-
Total	**602.80**	**10.89**	**0.85**	**1.48**	**616.02**

As at 31 March 2021

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	Morethan 3 years	Total
(i) MSME	14.80	-	-	-	14.80
(ii) Others	360.72	7.76	0.44	0.49	369.41
(iii) Disputed Dues - MSME	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	0.27	0.27
(v) Unbilled dues	-	-	-	-	-
Total	**375.52**	**7.76**	**0.44**	**0.76**	**384.48**

As at 31 March 2020

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	Morethan 3 years	Total
(i) MSME	16.25	-	-	-	16.25
(ii) Others	324.59	3.47	6.42	0.44	334.93
(iii) Disputed Dues - MSME	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	0.27	0.27
(v) Unbilled dues	-	-	-	-	-
Total	**340.84**	**3.47**	**6.42**	**0.71**	**351.45**

As at 31 March 2019

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	Morethan 3 years	Total
(i) MSME	14.59	0.24	-	-	14.83
(ii) Others	267.26	5.34	1.84	0.49	274.93
(iii) Disputed Dues - MSME	-	-	-	-	-
(iv) Disputed Dues - Others	-	-	-	-	-
(v) Unbilled dues	-	-	0.27	-	0.27
Total	**281.85**	**5.58**	**2.11**	**0.49**	**290.03**

21. Other liabilities

	30 September 2021	30 September 2020	31 March 2021	31 March 2020	31 March 2019
Current					
Advance received from customers	19.43	12.40	12.44	10.98	7.70
Deposits received	0.20	0.20	0.20	0.20	0.20
Statutory dues payable	16.32	12.56	9.17	12.59	10.48
	35.95	**25.16**	**21.81**	**23.77**	**18.38**

22. Current tax liabilities (Net)

	30 September 2021	30 September 2020	31 March 2021	31 March 2020	31 March 2019
A. Current					
Provision for tax (net of Advances taxes)	22.78	13.70	0.83	9.39	3.08
	22.78	**13.70**	**0.83**	**9.39**	**3.08**

(All amounts are Rs. in Millions, unless stated otherwise)

23	Revenue from operations	30 September 2021	30 September 2020	31 March 2021	31 March 2020	31 March 2019
A	**Sale of Products**					
	Domestic	869.31	840.54	1,626.67	1,327.67	1,029.44
	Exports	730.74	715.57	1,494.01	1,281.52	1,012.01
	Total	**1,600.05**	**1,556.11**	**3,120.68**	**2,609.19**	**2,041.45**
B	**Service Income**					
	Income from services	-	-	-	13.57	13.69
	Total	**-**	**-**	**-**	**13.57**	**13.69**
	Total revenue from operations (A+B)	**1,600.05**	**1,556.11**	**3,120.68**	**2,622.76**	**2,055.14**

24	Other income	30 September 2021	30 September 2020	31 March 2021	31 March 2020	31 March 2019
	Customs duty credit entitlement	-	-	6.24	5.80	0.22
	Duty drawback claim	0.38	-	1.05	0.68	0.91
	Foreign exchange fluctuation gains	0.42	0.03	-	30.52	18.70
	Interest on deposits	0.69	1.07	2.14	3.31	4.12
	Miscellaneous income	9.70	8.67	13.59	1.17	1.06
	Liabilities no longer required written back	-	-	-	-	1.93
	Total	**11.19**	**9.77**	**23.02**	**41.48**	**26.94**

25	Cost of Material consumed	30 September 2021	30 September 2020	31 March 2021	31 March 2020	31 March 2019
	Opening stock of raw material	315.97	213.96	213.96	192.44	97.64
	Add: Purchase during the period / year	931.40	1,044.59	1,787.69	1,205.07	995.07
	Less: Closing stock of raw material	(424.58)	(357.01)	(315.97)	(213.96)	(192.44)
	Material consumed	**822.79**	**901.54**	**1,685.68**	**1,183.55**	**900.27**
	Other direct costs	102.54	115.54	286.81	211.95	194.78
		925.33	**1,017.08**	**1,972.49**	**1,395.50**	**1,095.05**

26	Changes in inventories of finished goods, work-in-progress and Stock-in-trade	30 September 2021	30 September 2020	31 March 2021	31 March 2020	31 March 2019
	Opening Stock of Finished goods	721.90	453.20	450.32	468.03	478.06
	Less: Closing Stock of Finished Goods	(709.73)	(648.68)	(723.03)	(439.27)	(464.25)
	Increase / (decrease) in inventory	**12.17**	**(195.48)**	**(272.71)**	**28.76**	**13.81**

27	Employee benefit Expenses	30 September 2021	30 September 2020	31 March 2021	31 March 2020	31 March 2019
	Salaries, wages and bonus	172.94	157.67	321.82	308.14	261.32
	Contribution to provident and other funds	12.68	12.03	12.12	12.05	9.35
	Employee stock option plan	0.12	0.21	2.53	0.20	0.09
	Gratuity expenses	1.98	1.65	2.87	2.87	2.34
	Staff welfare expenses	1.22	1.29	2.65	1.92	1.34
		188.94	**172.85**	**341.99**	**325.18**	**274.44**

(All amounts are Rs. in Millions, unless stated otherwise)

28	Other expenses	30 September 2021	30 September 2020	31 March 2021	31 March 2020	31 March 2019
	Certification Fee	7.80	5.14	8.40	7.90	7.30
	Rental Expense	11.61	14.98	28.44	22.08	26.85
	Advertisement Charges	36.40	16.98	35.92	15.68	10.59
	Bad debts	0.93	8.60	8.93	5.43	17.09
	Provision for doubtful debts	-	9.57	31.72	8.75	36.28
	Business Promotion Expenses	25.12	12.64	43.50	52.11	50.37
	C & F charges and secondary freight	76.64	84.19	149.50	113.87	98.76
	Freight, Forwarding & Clearing - Exports	15.74	33.55	49.00	33.60	25.52
	Legal and consultancy charges*	11.49	14.35	35.87	22.70	12.01
	Freight outwards - Domestic	13.97	15.72	25.42	19.83	19.96
	Rates and taxes	10.21	7.04	24.08	19.79	18.23
	Travel Expenses - Domestic	8.16	8.29	18.42	32.71	28.88
	Loss on discard / sale of fixed assets	-	-	2.41	0.18	1.53
	Courier Charges & Postage Charges	0.70	0.53	1.06	1.35	0.94
	Insurance	5.70	6.80	13.37	7.65	7.29
	Communication	1.29	1.17	2.46	1.93	1.83
	Printing & Stationery	0.45	0.78	1.00	1.41	1.32
	Repairs and maintenance					
	Plant and machinery	1.39	2.44	4.80	2.29	1.90
	Others	3.49	2.51	8.56	5.22	4.72
	Security Charges	1.63	1.11	2.46	1.84	1.20
	Testing Charges	2.75	1.61	4.65	3.41	3.52
	Foreign Exchange fluctuation loss	-	15.34	11.56	-	-
	Expenditure on Corporate Social Responsibility [refer note (ii) below]	0.46	-	-	-	-
	Miscellaneous Expenses	16.35	14.40	27.70	34.90	29.06
		252.28	**277.74**	**539.23**	**414.63**	**405.15**

* Note : The following is the break-up of Auditors remuneration (execlusive of indirect taxes)

(i) Payments to auditors	30 September 2021	30 September 2020	31 March 2021	31 March 2020	31 March 2019
As auditor					
- Statutory audit	2.70	1.58	3.16	0.70	0.70
In other capacity					
-Tax audit	-	-	0.65	0.35	0.35
-Other matters	-	-	5.25	0.45	0.45
	2.70	**1.58**	**9.06**	**1.50**	**1.50**

(All amounts are Rs. in Millions, unless stated otherwise)

ii) Details of Corporate social responsibility expenditure	30 September 2021	30 September 2020	31 March 2021	31 March 2020	31 March 2019
(i) Gross amount required to be spent by the Company during the period/year	0.46	-	-	-	-
(ii) Amount approved by the Board to be spent during the period/year	0.46	-	-	-	-
(iii) Amount spent during the period/year (in cash)					
- construction/ acquisition of any asset	-	-	-	-	-
- on purpose other than above	-	-	-	-	-
(iv) (Shortfall) / Excess at the end of the period/year	0.46	-	-	-	-
(v) Total of previous years shortfall	-	-	-	-	-
(vi) Details of related party transactions	-	-	-	-	-
(vii) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the period/year should be shown separately					
Opening provision	-	-	-	-	-
Addition during the year / period	0.46	-	-	-	-
Utilisation	-	-	-	-	-
Closing provision	**0.46**	**-**	**-**	**-**	**-**

(viii) Reason for shortfall:
The Company is in the process of identifying prospective project as per schedule VII of the Companies Act, 2013

29 **Finance cost**	**30 September 2021**	**30 September 2020**	**31 March 2021**	**31 March 2020**	**31 March 2019**
Interest on Loans	29.02	27.20	45.09	58.25	59.74
Interest on Lease laibilities	8.38	6.54	13.23	13.54	11.36
Bank Charges and Processing fees	1.92	8.19	10.23	2.29	2.60
Bank Commisssion	0.35	1.08	0.85	1.11	0.86
	39.67	**43.01**	**69.40**	**75.19**	**74.56**

30 **Depreciation and amortisation expense**	**30 September 2021**	**30 September 2020**	**31 March 2021**	**31 March 2020**	**31 March 2019**
Depreciation of tangible assets	10.00	9.89	23.88	18.41	16.07
Amortisation on ROU Assets	24.23	20.53	41.42	44.09	35.07
	34.23	**30.42**	**65.30**	**62.50**	**51.14**

(All amounts are Rs. in Millions, unless stated otherwise)

31 Additional information as required under Schedule III of the Companies Act, 2013 of entities consolidated as subsidiaries

	30 September 2021		30 September 2020		31 March 2021		31 March 2020		31 March 2019	
	Net Assets, i.e. total assets minus total liabilities		Net Assets, i.e. total assets minus total liabilities		Net Assets, i.e. total assets minus total liabilities		Net Assets, i.e. total assets minus total liabilities		Net Assets, i.e. total assets minus total liabilities	
	As % of Consolidated net assets	Amount	As % of Consolidated net assets	Amount	As % of Consolidated net assets	Amount	As % of Consolidated net assets	Amount	As % of Consolidated net assets	Amount
A. Parent Company										
Sresta Naturals Private Limited	97.61%	755.12	107.07%	786.43	105.98%	809.36	108.13%	719.20	116.72%	662.61
B. Subsidiaries incorporate outside India										
Fyve Elements LLC	18.90%	146.19	4.55%	33.45	5.89%	44.98	3.97%	26.41	3.20%	18.16
Bhumi Foods LLC* (step down subsidiary)	-	-	7.34%	53.95	9.08%	69.31	6.29%	41.83	1.74%	9.86
Sresta America Inc*	-	-	1.92%	14.14	1.84%	14.08	2.00%	13.30	2.34%	13.30
Sresta Global FZE	0.57%	4.40	0.58%	4.29	0.56%	4.31	0.54%	3.61	0.64%	3.61
C. Consolidation adjustments	-17.07%	(132.09)	-21.47%	(157.73)	-23.35%	(178.32)	-20.93%	(139.21)	-24.63%	(139.83)
		773.62		**734.52**		**763.72**		**665.14**		**567.71**

*With effect from July 31, 2021, Sresta America Inc. & Bhumi Foods LLC were merged with Fvye Elements LLC vide Letter of acceptance of Articles of Merger by the Maryland Department of Assessment and Taxation dated July 7, 2021 which was filed by FYVE Elements LLC and also the Certificate of Merger issued by Secretary First State of Delware dated July 14, 2021 which was filed by Sresta America Inc. Fvye Elements LLC is in the process of issuing shares to the Company pending approval from Reserver Bank of India.

	30 September 2021		30 September 2020		31 March 2021		31 March 2020		31 March 2019	
	Share in profit/(loss)		Share in profit/(loss)		Share in profit/(loss)		Share in profit/(loss)		Share in profit/(loss)	
	As % of Consolidated profit	Amount	As % of Consolidated profit	Amount	As % of Consolidated profit	Amount	As % of Consolidated profit	Amount	As % of Consolidated profit	Amount
A. Parent Company										
Sresta Naturals Private Limited	-48.99%	(51.21)	94.30%	69.29	83.79%	87.59	55.53%	52.21	29.54%	(10.50)
B. Subsidiaries incorporate outside India										
Fyve Elements LLC	28.81%	30.11	10.52%	7.73	18.58%	19.42	6.24%	5.87	23.97%	(8.52)
Bhumi Foods LLC* (step down subsidiary)	-	-	18.09%	13.29	27.55%	28.80	30.01%	28.22	24.19%	(8.60)
Sresta America Inc*	-	-	-0.02%	(0.02)	-0.02%	(0.02)	-0.03%	(0.03)	0.06%	(0.02)
Sresta Global FZE	0.00%	-	5.84%	4.29	0.98%	1.02	-0.77%	(0.72)	2.00%	(0.71)
C. Consolidation adjustments	29.86%	31.22	-28.73%	(21.11)	-30.88%	(32.28)	9.01%	8.47	20.25%	(7.20)
		10.12		**73.48**		**104.53**		**94.02**		**(35.55)**

*With effect from July 31, 2021, Sresta America Inc. & Bhumi Foods LLC were merged with Fvye Elements LLC vide Letter of acceptance of Articles of Merger by the Maryland Department of Assessment and Taxation dated July 7, 2021 which was filed by FYVE Elements LLC and also the Certificate of Merger issued by Secretary First State of Delware dated July 14, 2021 which was filed by Sresta America Inc. Fvye Elements LLC is in the process of issuing shares to the Company pending approval from Reserver Bank of India.

32 Contingent liabilities and commitments

(a) Capital and other commitments

Particulars	**30 September 2021**	**30 September 2020**	**31 March 2021**	**31 March 2020**	**31 March 2019**
A.Bank Guarantee					
Guarantee given to Agricultural Produce Market Committee	1.30	1.20	1.30	1.20	0.50
Guarantee given to Assistant commissioner of customs	0.19	0.19	0.19	0.19	0.19
Guarantee given to Krishi Upaj Mandi Samiti	-	0.30	-	0.30	0.30
Guarantee given to Agricultural and processed food	1.10	1.10	1.10	1.10	1.10
Guarantee given to Spices Board	3.63	-	3.63	-	-
B.					
i). Dispute Value Added Tax (Stay petetion filed with commercial taxes	-	0.91	-	0.91	-
ii) Dispute Sales Tax - Rajasthan for FY2015-16 and FY2016-17 (proceedings are in progress)	19.00	-	19.00	-	-
C. Service Tax Refund	-	-	-	-	0.81
D. Corporate guarantees given on behalf of a wholly owned US Subsidiary Responsibility Fair Trade Fund	-	177.11	-	180.93	166.01

The Company based on its legal assessment does not believe that any of the pending claims require a provision as at the balance sheet date, as the likelihood of the probability of an outflow of resources at this point of time is low.

(b) The Company received the Draft Assessment Order under section 143(3) r.w.s 144C of the Incomet Tax Act, proposing for transfer pricing and other adjustments resulting in reduction of the brought froward losses, for AY 2017-18. The Company has filed its objections against the Draft Assessment Order and the assessment is yet to be completed.

(c) Capital Commitments

Particulars	**30 September 2021**	**30 September 2020**	**31 March 2021**	**31 March 2020**	**31 March 2019**
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	-	-	-	-	-

(All amounts are Rs. in Millions, unless stated otherwise)

33 Related party disclosures

(a) Names of related parties and related party relationship

Name of the Related Party	Nature of Relationship
GS2 Retail Ventures Private Limited	Associate Company (is in process of applying for liquidation)
Hita Life Ventures Private Limited	One Person Company (OPC) Owned by director
Hita Farms LLP	LLP In which director is partner
Rajashekar Reddy Seelam	Managing Director
N. Balasubramaniyan	Chief Executive Officer
K. Venkatesan	Chief Financial Officer [w.e.f Oct'2017]
S. Padmasri	Company Secretary [w.e.f Sep'2019]
Renuka Seelam	Relative of key managerial personnel
Gayatri Khatri	Company Secretary [upto Sep'2019]

(b) Transactions with related parties

Particulars	30 September 2021	30 September 2020	31 March 2021	31 March 2020	31 March 2019
Hita Life Ventures Private Limited					
Sale of goods	21.75	33.17	51.41	38.94	36.45
Business Promotion Expenses	3.35	-	-	-	-
Hita Farms LLP					
Sale of Goods	0.62	-	0.14	0.31	0.32
Renuka Seelam					
Office Rent	0.20	0.20	0.40	0.38	0.36
Key management person					
Remuneration	24.39	26.29	35.68	27.92	21.99

(c) Balance receivable/(payable) at year end

	30 September 2021	30 September 2020	31 March 2021	31 March 2020	31 March 2019
Trade Receivables from					
Hita Life Ventures Private Limitded	40.73	34.35	31.12	28.80	19.49
Hita Farms LLP	0.41	0.17	0.14	0.31	0.32
Trade Payable to					
Hita Life Ventures Private Limitded	(3.35)	-	-	-	-
Personnel guarantee provided					
Rajashekar Reddy Seelam	660.37	289.14	444.43	277.83	379.88
Renuka Seelam	-	-	-	192.18	244.72
N.Balasubramaniyan	23.85	-	-	196.06	292.00

(d) Transactions within the Group: (these transactions got eliminated in Restated Consolidated Summary Statements)*

	30 September 2021	30 September 2020	31 March 2021	31 March 2020	31 March 2019
Transactions by the Company with other Group entities:					
Sale of goods					
Fyve Elements LLC	190.25	303.27	553.03	325.07	246.58
Bhumi Foods LLC	26.12	118.53	276.96	196.32	146.03
Transactions by Fyve Elements LLC					
Purchase of goods from Parent Company	190.25	303.27	553.03	325.07	246.58
Purchase of goods from Bhumi Foods LLC	1.62	0.58	40.32	2.67	-
Sales of goods to Bhumi Foods LLC	12.19	11.12	0.57	16.70	30.10
Transactions by Bhumi Foods LLC					
Purchase of goods from Parent Company	26.12	118.53	276.96	196.32	146.03
Purchase of goods from Fyve Elements LLC	12.19	11.12	0.57	16.70	30.10
Sales of goods to Fyve Elements LLC	1.62	0.58	40.32	2.67	-

(e) Amounts due (to)/ from related parties: (these transactions got eliminated in Restated Consolidated Summary Statements)*

	30 September 2021	30 September 2020	31 March 2021	31 March 2020	31 March 2019
In the Books of Parent Company:					
Trade receivables from Fyve Elements LLC	283.07	254.84	294.41	247.21	173.10
Trade payables to Fyve Elements LLC	(3.20)	(3.18)	(3.16)	(3.24)	-
Corporate Gurantee Issued to Responsibility Traded Fund for Fyve Elements LLC	-	177.11	-	180.93	166.01
Trade receivables from Bhumi Foods LLC	NA	70.93	123.65	137.40	140.16
Trade payables to Sresta Global FZE, UAE	(3.57)	(2.66)	(2.65)	(2.72)	(2.50)
In the books of Fyve Elements LLC					
Trade receivables from Bhumi Foods LLC	NA	3.35	9.95	3.37	4.79
Trade payable to Bhumi Foods LLC	NA	-	-	(0.81)	-
Trade payable to Parent Company	(283.07)	(254.84)	(294.41)	(247.21)	(173.10)
Trade receivable from Parent Company	3.20	3.18	3.16	3.24	-
In the books of Bhumi Foods LLC					
Trade payable to Parent Company	NA	(70.93)	(123.65)	(137.40)	(140.16)
Trade receivables from Fyve Elements LLC	NA	-	-	0.81	-
	NA	(3.35)	(9.95)	(3.37)	(4.79)
In the books of Sresta Global FZE, UAE					
Trade receivable from Parent Company	3.57	2.66	2.65	2.72	2.50

* As per Schedule VI (Para 11(I)(A)(i)(g)) of ICDR Regulations

(All amounts are Rs. in Millions, unless stated otherwise)

34 Earnings per share (EPS)

	30 September 2021	30 September 2020	31 March 2021	31 March 2020	31 March 2019
Earnings					
Profit after tax for the year attribuatble to equity shareholders	11.37	73.20	103.93	94.60	(34.69)
Shares					
Number of Shares outstanding at the beginning of the year	1,82,61,380	1,82,56,380	1,82,56,380	1,82,48,380	1,74,87,474
Add : Shares Issued during the year	12,500	-	5,000	8,000	7,60,906
Number of Shares outstanding at the end of the year	1,82,73,880	1,82,56,380	1,82,61,380	1,82,56,380	1,82,48,380
Weighted Average Number of Equity Shares					
For calculating Basic EPS	1,82,61,653	1,82,56,380	1,82,56,503	1,82,53,312	1,79,86,210
Effect of dilution:					
- On account of Outstanding employee share based options	60,402	56,316	64,617	54,770	38,387
Weighted average number of equity shares for Diluted EPS (C)	1,83,22,055	1,83,12,696	1,83,21,120	1,83,08,082	1,80,24,597
Earnings Per Share Before and After Extraordinary Items					
(Face Value Rs. 10 per share)					
Basic (Rs.)	0.62	4.01	5.69	5.18	(1.93)
Diluted (Rs.)	0.62	4.00	5.67	5.17	(1.93)

35 Segment Reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company’s other components, and for which discrete financial information is available. All operating segment's results are reviewed regularly by the Group’s Chairman and CEO to make decisions about resources to be allocated to the segments and assess their performance.

The Chief Operating Decision Maker ("CODM") which is Board of Directors evaluates the Group’s performance and allocates resources based on an analysis of various performance indicators at operational unit level and since there is single operating segment, no segment disclosures of the Group is presented. The Group’s operations fall within a single business segment “Sale of organic products”.

Geographical Segment reporting is as under

The geographic information analyses the Group’s revenues and non-current assets by subsidiary country domicile and other countries. In presenting geographic information, segment revenue has been based on the location of the customer and segment assets are based on geographical location of assets

Revenue from Customers	**Period ended 30 September 2021**	**Period ended 30 September 2020**	**Year ended 31 March 2021**	**Year ended 31 March 2020**	**Year ended 31 March 2019**
Particulars					
India	869.31	840.54	1,626.67	1,341.24	1,043.12
USA	633.72	602.19	1,265.82	1,092.97	863.11
Rest of the World	97.02	113.38	228.19	188.55	148.91
Total	**1,600.05**	**1,556.11**	**3,120.68**	**2,622.76**	**2,055.14**

Non-current assets (other than financial instruments and deferred tax assets)	**As at 30 September 2021**	**As at 30 September 2020**	**As at 31 March 2021**	**As at 31 March 2020**	**As at 1 April 2019**
Particulars					
India	233.23	217.59	201.81	190.49	206.37
USA	90.84	118.17	103.34	100.85	113.02
Rest of the World	-	-	-	-	-
Total	**324.07**	**335.76**	**305.15**	**291.34**	**319.39**

(All amounts are Rs. in Millions, unless stated otherwise)

36 Employee Stock Option's (ESOP's)

The stock option scheme may be called the Sresta Employees Stock Option Scheme - 2008 "Scheme". Pursuant to the scheme, the Employee may be granted an option to purchase Equity Shares of the Group. The vesting schedule in relation to the options and the lock in period with respect to vesting, if any, shall be governed by the terms of the Option Agreement. However, there should be a minimum one year lock-in period for vesting of options from the date of grant unless the committee allows for earlier exercise.

The Plan consists of six schemes with various vesting periods from the grant date subject to satisfaction of vesting conditions. The method of settlement under the Plan is by issue of equity shares of the Group and there are no cash settlement alternatives for the employees.

The fair value of equity share options is estimated at the date of grant using Discounted Cash Flow (DCF) model, taking into account the terms and conditions upon which the share options were granted. Based on the historical trends, 100% of stock options are expected to be vested and exercised, accordingly the total compensation cost recognised in the statement of profit and loss is Rs. 0.12 million (September 30, 2020 Rs. 0.21 million, March 31, 2021 Rs. 2.53 million, March 31, 2020 Rs. 0.20 million and March 31, 2019: Rs. 0.09 million).

(A) Details of options granted under ESOP 2018 are as below

Grant	Grant date	Number of options granted	Number of options outstanding	Exercise Price (in Rs.)	Fair value at grant date (in Rs.)
FY 2016-17 commitments (4 years vesting)	10-Mar-17	1,00,000	1,00,000	10.00	23.83
FY 2019-20 commitments (2 years graded vesting)	09-Dec-19	25,000	12,500	10.00	36.05
FY 2020-21 commitments (1 year vesting)	27-Aug-20	30,000	30,000	10.00	54.39
		1,55,000	**1,42,500**		

(B) The movement of stock options during the year (in No's) :

	Period ended 30 September 2021	Period ended 30 September 2020	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
Balance at the beginning of the period/year	1,55,000	1,30,000	1,30,000	1,13,000	1,54,000
Granted during the period/year	-	30,000	30,000	25,000	-
Vested/exercisable during the period/year	-	-	-	-	-
Forfeited during the period/year	-	-	-	-	(15,000)
Exercised during the period/year	(12,500)	(5,000)	(5,000)	(8,000)	(26,000)
Balance at the end of the period/year	**1,42,500**	**1,55,000**	**1,55,000**	**1,30,000**	**1,13,000**

(c) Disclosures as per IND AS 102 for outstanding options*:

	Period ended 30 September 2021	Period ended 30 September 2020	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
Weighted average exercise price for outstanding options at period / year end (in INR)	10.00	10.00	10.00	10.00	10.00
Weighted average remaining contractual life for outstanding options at period / year end	0.19 Years	0.96 Years	0.59 Years	1.42 Years	2.38 Years
Range of exercise prices for outstanding options at period / year end (in INR)	10.00	10.00	10.00	10.00	10.00

37 Details of dues to micro, small and medium enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006"

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum. Accordingly, the disclosure in respect of the amount payable to such enterprises as at reporting date has been made in the special purpose consolidated financial statements based on information received and available with the Group. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Micro, Small and Medium Enterprises Development Act, 2006 ('The MSMED Act') is not expected to be material. The Group has not received any claim for interest from any supplier.

	As at 30 September 2021	As at 30 September 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
The amounts remaining unpaid to micro and small supplies as at end of the period / year					
- Principal	7.60	13.02	14.80	16.25	14.83
- Interest	-	-	-	-	-
The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year/period;	-	-	-	-	-
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act;	-	-	-	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year / period ; and	-	-	-	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act.	-	-	-	-	-

Dues to micro and small enterprises have been determined to the extent such parties have been identified on the basis of information requested by the management and responded by its vendors to the Group.

38. Employee benefits

a) Defined Contribution Plan

Provident Fund:

The Group makes contributions towards provident fund to a defined contribution retirement benefit plan for qualifying employees. The provident fund plan is operated by the Regional Provident Fund Commissioner. The plan envisages contribution by employer and employees and guarantees interest at the rate notified by the Provident Fund authority. The contribution by employer and employee, together with interest, are payable at the time of separation from service or retirement, whichever is earlier.

b) Defined Benefit Plan

Gratuity:

The Group provides for Gratuity for employees in India 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 the employee's last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service or part thereof in excess of six months, restricted to a sum of Rs. 20 lakhs.

The Group does not fund the liability.

This defined benefit plans expose the Group to actuarial risks, such as longevity risk, interest rate risk and market (investment) risk.

The liability for the Defined Benefit Plan is provided on the basis of a valuation, using the Projected Unit Credit Method, as at the Balance Sheet date, carried out by an independent actuary.

c) Amounts Recognised as Expense:

i) Defined Contribution Plan

Employer's Contribution to Provident Fund amounting to Rs. 5.77 million (30 September 2020 Rs. 5.57 million,March 31 2021 Rs.10.94 Million, March 31, 2020: Rs. 11.16 million and March 31, 2019 Rs.8.33 Million) has been included in Note 27 under Contribution to Provident and Other Funds.

ii) Defined Benefit Plan

Gratuity cost amounting to Rs. 1.98 million (30 September 2020 Rs. 1.65 million, March 31 2021 Rs. 2.87 Million, March 31, 2020: Rs. 2.87 million and March 31, 2019 Rs. 2.34 Million) has been included in Note 27 under Contribution to Provident and Other Funds.

d) Amounts recognised in the Financial statements as at year end for Gratuity provision are as under:

		As at 30 September 2021	As at 30 September 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
i)	**Change in Present Value of Obligation**					
	Present value of the obligation at the beginning of the year/period	14.71	13.73	13.73	10.30	7.33
	Current service cost	1.49	1.20	1.97	2.06	1.78
	Past service cost					
	Interest cost	0.49	0.46	0.90	0.81	0.56
	Actuarial (Gain)/Loss on Obligation- Due to Change in Demographic Assumptions	1.63	0.82	(0.03)	(0.84)	
	Actuarial (Gain) / Loss on Obligation- Due to Change in Financial Assumptions	(0.09)	(0.02)	(0.03)	0.51	(0.61)
	Actuarial (Gain) / Loss on Obligation- Due to Experience	0.13	(1.18)	(0.75)	1.15	1.90
	Benefits paid	(0.40)	(0.08)	(1.08)	(0.26)	(0.66)
	Present value of the obligation at the end of the year/period	**17.97**	**14.93**	**14.71**	**13.73**	**10.30**
ii)	**Change in Plan Assets**					
	Contributions by the Employer	0.40	0.08	1.08	0.26	0.66
	Benefits Paid	(0.40)	(0.08)	(1.08)	(0.26)	(0.66)
	Fair value of Plan Assets at the end of the year	-	-	-	-	-
iii)	**Amounts Recognised in the Balance Sheet:**					
	Present value of Obligation at the end of the year	17.97	14.93	14.72	13.73	10.30
	Fair value of Plan Assets at the end of the year	-	-	-	-	-
	Funded status - Deficit	17.97	14.93	-	-	-
	Net Liability recognised in the Balance Sheet	**17.97**	**14.93**	**14.72**	**13.73**	**10.30**
iv)	**Amounts Recognised in the Statement of Profit and Loss:**					
	Current Service Cost	1.49	1.20	1.97	2.06	1.78
	Interest Cost on Obligation	0.49	0.46	0.90	0.81	0.56
	Net Cost Included in Personnel Expenses	**1.98**	**1.65**	**2.87**	**2.87**	**2.34**

		As at 30 September 2021	As at 30 September 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
v)	**Recognised in other comprehensive income for the year**					
	Actuarial (Gain) / Loss on Obligation	1.67	(0.38)	(0.80)	0.82	1.29
	Return on plan assets excluding interest income			-	-	-
	Recognised in other comprehensive income	**1.67**	**(0.38)**	**(0.80)**	**0.82**	**1.29**
vi)	**Weighted average duration of Present Benefit Obligation**	2.66	2.75	2.66	2.75	3.97
vii)	**Major categories of Plan Assets as a % of total Plan Assets**	NA	NA	NA	NA	NA
viii)	**Actuarial Assumptions**					
	i) Discount Rate	7.03%	6.85%	6.90%	6.79%	8.00%
	ii) Salary Escalation Rate	8.00%	8.00%	8.00%	8.00%	7.00%

(All amounts are in Rs. million, unless stated otherwise)

ix) Maturity Analysis of Projected Benefit Obligation: From the Fund

	As at 30 September 2021	As at 30 September 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
Projected Benefits Payable in Future Years From the Date of Reporting					
Within the next 12 months	6.24	5.69	6.24	5.69	3.36
2nd Following Year	4.13	3.34	4.13	3.34	1.85
3rd Following Year	2.53	2.62	2.53	2.62	1.85
4th Following Year	1.33	1.63	1.33	1.63	1.92
5th Following Year	0.96	0.84	0.96	0.84	1.36
Sum of Years 6 To 10	1.49	1.45	1.49	1.45	2.06

x) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	30 September 2021		30 September 2020		31 March 2021		31 March 2020		31 March 2019	
	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	17.34	18.67	14.56	15.32	14.49	14.96	13.48	13.94	10.05	10.56
Withdrawal rate (1% movement)	17.89	18.06	14.87	14.99	14.68	14.75	13.66	13.74	10.27	10.33
Salary escalation rate (1% movement)	18.64	17.35	15.28	14.59	14.99	14.45	13.96	13.45	10.60	9.98

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

(All amounts are Rs. in Millions, unless stated otherwise)

39 Financial instruments

A. Financial instruments by category	Note No.	Fair value level	30 September 2021	30 September 2020	31 March 2021	31 March 2020	31 March 2019
			Amortized Cost	Amortized Cost	Amortized Cost	Amortized Cost	Amortized Cost
Financial assets							
Non current							
(i) Investments	6	-	-	-	-	-	-
(ii) Other financial assets	8	-	13.97	15.23	13.41	15.89	12.72
Current							
(i) Trade receivables	12	-	365.73	345.69	312.48	432.36	261.26
(ii) Cash and cash equivalents	13	-	105.20	89.27	66.18	61.76	43.86
(iii) Bank balances other than	13	-	44.77	66.87	24.50	45.23	58.86
(iv) Loans	7	-	0.23	0.42	0.68	0.16	0.09
(v) Other financial assets	8	-	1.51	3.44	0.89	2.37	3.90
Total financial assets			**531.41**	**520.92**	**418.14**	**557.77**	**380.69**
Financial liabilities							
Non current							
(i) Borrowings	16	-	98.60	88.52	112.94	76.28	85.17
(ii) Lease liablities	5	-	108.94	124.96	113.74	90.82	119.56
Current							
(i) Borrowings	19	-	685.02	369.18	413.30	369.20	404.87
(ii) Current lease liablities	5	-	45.47	39.90	36.67	35.94	36.22
(iii) Trade payables	20	-	265.70	616.02	384.48	351.45	290.03
(iv) Other financial liabilities	17	-	156.80	195.46	73.53	59.61	53.96
Total financial liabilities			**1,360.53**	**1,434.04**	**1,134.66**	**983.30**	**989.81**

Note: The Group has not disclosed the fair values for financial instruments such as short-term trade receivables or short-term trade payables because their carrying amounts are a reasonable approximation of fair values.

Note 1: For the purpose of above abbreviations, FVTOCI - Fair value through other comprehensive income; amortised cost - fair value through amortized cost.

Note 2: Other financial assets and liabilities relate to level 3 financial instruments where the carrying value reasonably approximates to their fair value.

B. Financial risk management

The Group activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

Risk	Exposure arising from	Measurement	Management
Credit risk	Trade receivables, security deposits, bank deposits and loans.	Ageing analysis. Credit score of customers/ entities.	Monitoring the credit limits of customers and obtaining security deposits
Liquidity risk	Borrowings	Cash flow forecasts managed by finance team under the overview of Senior Management.	Working capital management by Senior Management. The excess liquidity is channelised through bank deposits.

The Group's risk management is carried out by the Senior Management under policies approved by the Board of Directors. The Board of Directors provides guiding principles for overall risk management, as well as policies covering specific areas such as credit risk and liquidity risk.

Risk management framework

The Group's board of directors have overall responsibility for the Group's risk management framework. The board of directors are responsible for developing and monitoring the Group's risk management policies. The board of directors monitors the compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

The Group's risk management policies are to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

A. Credit risk

i. Credit risk management

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The credit risk arises principally from its operating activities (primarily trade receivables) and from its investing activities, including deposits with banks and financial institutions and other financial instruments. The carrying amounts of financial assets represent the maximum credit risk exposure.

Credit risk is controlled by analysing credit limits to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables are monitored on a continuous basis by the receivables team.

(All amounts are Rs. in Millions, unless stated otherwise)

ii. Provision for Expected credit loss

The Group establishes an allowance for credit loss that represents its estimate of expected losses in respect of trade and other receivables based on the past and the recent collection trend. The maximum exposure to credit risk as at reporting date is primarily from trade receivables amounting to Rs. 69.90 million as on 30 September 2021 (Rs. 69.24 million as on 30 September 2020, Rs. 85.96 million as on 31 March 2021, Rs. 60.20 million as on 31 March 2020 and Rs. 49.50 million as on 1 April 2019). The movement in allowance for credit loss in respect of trade receivables during the period was as follows:

Allowance for credit losses	**As at 30 September 2021**	**As at 30 September 2020**	**As at 31 March 2021**	**As at 31 March 2020**	**As at 31 March 2019**
Opening balance	85.96	60.20	60.20	49.50	30.31
Credit loss added / (reversed)	(15.13)	17.64	34.69	16.13	36.28
Written off during the period/year	(0.93)	(8.60)	(8.93)	(5.43)	(17.09)
Closing balance	**69.90**	**69.24**	**85.96**	**60.20**	**49.50**

Credit risk on cash and cash equivalent is limited as the Group generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

B. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group'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 risking damage to the Group's reputation.

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of 30 September 2021

	Carrying value	**Less than 1 year**	**1-5 years**	**More than 5 years**	**Total**
Long-term borrowings (excluding current maturities)	98.60	-	98.60	-	98.60
Lease liabilities	154.41	59.21	120.12	-	179.33
Short-term borrowings	685.02	685.02	-	-	685.02
Trade payables	265.70	265.70	-	-	265.70
Other financial liabilities	156.80	156.80	-	-	156.80
Total	**1,360.53**	**1,166.73**	**218.72**	**-**	**1,385.45**

As at 30 September 2020

	Carrying value	**Less than 1 year**	**1-5 years**	**More than 5 years**	**Total**
Long-term borrowings (excluding current maturities)	88.52	-	88.52	-	88.52
Lease liabilities	164.86	54.59	153.26	-	207.85
Short-term borrowings	369.18	369.18	-	-	369.18
Trade payables	616.02	616.02	-	-	616.02
Other financial liabilities	195.46	195.46	-	-	195.46
Total	**1,434.04**	**1,235.25**	**241.78**	**-**	**1,477.03**

As at 31 March 2021

	Carrying value	**Less than 1 year**	**1-5 years**	**More than 5 years**	**Total**
Long-term borrowings (excluding current maturities)	112.94	-	112.94	-	112.94
Lease liabilities	150.41	50.98	127.32	-	178.30
Short-term borrowings	413.30	413.30	-	-	413.30
Trade payables	384.48	384.48	-	-	384.48
Other financial liabilities	73.53	73.53	-	-	73.53
Total	**1,134.66**	**922.29**	**240.26**	**-**	**1,162.55**

As at 31 March 2020

	Carrying value	**Less than 1 year**	**1-5 years**	**More than 5 years**	**Total**
Long-term borrowings (excluding current maturities)	76.28	-	76.28	-	76.28
Lease liabilities	126.76	42.31	114.72	-	157.03
Short-term borrowings	369.20	369.20	-	-	369.20
Trade payables	351.45	351.45	-	-	351.45
Other financial liabilities	59.61	59.61	-	-	59.61
Total	**983.30**	**822.57**	**191.00**	**-**	**1,013.57**

As at 31 March 2019

	Carrying value	**Less than 1 year**	**1-5 years**	**More than 5 years**	**Total**
Long-term borrowings (excluding current maturities)	85.17	-	85.17	-	85.17
Lease liabilities	155.78	49.47	138.56	11.99	200.02
Short-term borrowings	404.87	404.87	-	-	404.87
Trade payables	290.03	290.03	-	-	290.03
Other financial liabilities	53.96	53.96	-	-	53.96
Total	**989.81**	**798.33**	**223.73**	**11.99**	**1,034.05**

The Group has secured loans from bank that contain loan covenants. A future breach of covenant may require the Group to repay the loan earlier than indicated in the above table.

(All amounts are Rs. in Millions, unless stated otherwise)

C. Market risk

(i) Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

Exposure to interest rate risk

	30 September 2021	30 September 2020	31 March 2021	31 March 2020	31 March 2019
Variable rate borrowings	584.84	314.00	402.62	292.48	393.72
Fixed rate borrowings	198.78	143.70	123.62	153.00	96.32

(ii) Sensitivity

Particulars	Impact on profit and loss				
	For 6 months period ended 30 september 2021	For 6 months period ended 30 september 2020	For the year 31 March 2021	For the year 31 March 2020	For the year 31 March 2019
Sensitivity					
1% increase in MCLR	(5.85)	(3.14)	(4.03)	(2.92)	(3.94)
1% decrease in MCLR	5.85	3.14	4.03	2.92	3.94

D. Currency risk

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the Group. The Group is subject to foreign exchange risk primarily due to its foreign currency revenues, expenses. Considering the countries and economic environment in which the Group operates, its operations are subject to risks arising from the fluctuiations in exchange rates in those countries. The risks primariliy relate to fluctuation in US Dollar against the fluctuational currency of the Group.

	30 September 2021		30 September 2020		31 March 2021		31 March 2020		31 March 2019	
Particulars	**Foreign currency**	**Rs. in million**	**Foreign currency**	**Rs. in million**	**Foreign currency**	**Rs. in million**	**Foreign currency**	**Rs. in million**	**Foreign currency**	**Rs. in million**
Financial Assets										
Trade Receivable	USD 6,09,205	45.24	USD 893,242	65.92	USD 9,59,649	70.54	USD 9,96,805	75.15	USD 7,36,391	50.94
Trade Receivable	GBP 2,956	0.30	GBP 2,956	0.28	GBP 2,956	0.30	GBP 2,956	0.28	GBP 2,956	0.27
Trade Receivable	EURO 43,029	3.71	EURO 28,174	2.44	EURO 5,160	0.44	-	-	-	-
Cash and bank balances	USD 1,285	0.09	USD 1,285	0.09	USD 1,285	0.09	-	-	-	-
Financial liabilities										
Packing credit	USD 23,13,617	179.22	USD 242,879	17.92	USD 18,11,082	133.12	USD 8,48,200	63.94	USD 9,36,581	64.78
Trade payables	USD 1,103	0.08	USD 2,395	0.18	USD 29,248	2.15	-	-	-	-
Net Exposure in financial assets		**(129.96)**		**50.63**		**(63.90)**		**11.49**		**(13.57)**

40 **Capital Management**

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity. The Board of Directors also monitors the level of dividends to equity shareholders.

The Group's debt to adjusted capital ratio at the end of the reporting period was as follows:

	30 September 2021	30 September 2020	31 March 2021	31 March 2020	31 March 2019
Total liabilities	1,437.23	1,487.83	1,172.02	1,030.18	1,021.57
Less : cash and cash equivalents	105.20	89.27	66.18	61.76	43.86
Adjusted net debt	1,332.03	1,398.56	1,105.84	968.42	977.71
Total equity	**773.62**	**734.52**	**763.72**	**665.14**	**567.71**
Adjusted net debt to adjusted	**1.72**	**1.90**	**1.45**	**1.46**	**1.72**

(All amounts are Rs. in Millions, unless stated otherwise)

41 Income Taxes

Components of Income Tax Expense

	6 Months Period ended 30 September 2021	6 Months Period ended 30 September 2020	For the year 31 March 2021	For the year 31 March 2020	For the year 31 March 2019
Tax expense recognised in the Statement of Profit and Loss					
A. Current Tax					
Current year	18.12	8.65	19.90	8.99	2.68
Net adjustments related to previous years	-	-	(5.94)	0.12	0.48
Total	**18.12**	**8.65**	**13.96**	**9.11**	**3.16**
B. Deferred Tax					
Origination and reversal of temporary differences	(3.90)	18.76	19.51	37.08	(5.22)
Total	**(3.90)**	**18.76**	**19.51**	**37.08**	**(5.22)**
Total	**14.22**	**27.41**	**33.47**	**46.19**	**(2.06)**
C. Tax on Other Comprehensive Income					
Deferred tax					
Origination and reversal of temporary differences - OCI	0.42	(0.10)	(0.20)	0.24	0.43
Total	**0.42**	**(0.10)**	**(0.20)**	**0.24**	**0.43**

Current tax assets / liabilities (net)

	As at 30 September 2021	As at 30 September 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
D. Advance tax (net of provision for tax)	0.59	0.31	0.50	0.74	1.07
E. Provision for tax (net of advance payment of taxes)	22.78	13.70	0.83	9.39	3.08
	(22.19)	**(13.39)**	**(0.33)**	**(8.65)**	**(2.01)**

Deferred tax assets / liabilities (net)

	As at 30 September 2021	As at 30 September 2020	As at 31 March 2021	As at 31 March 2020	As at 31 March 2019
F. Deferred tax asset	101.81	98.34	97.49	117.20	154.04
G. Deferred tax liability	-	-	-	-	-
Deferred tax asset (net)	**101.81**	**98.34**	**97.49**	**117.20**	**154.04**

H. Reconciliation of tax expense and the Accounting Profit

The Income tax expense for the period can be reconciled to the accounting profit as follows:

	6 Months Period ended 30 September 2021	6 Months Period ended 30 September 2020	For the year 31 March 2021	For the year 31 March 2020	For the year 31 March 2019
Profit before income taxes	25.60	100.61	137.40	140.79	(36.75)
Indian statutory income tax rate	25.17%	25.17%	25.17%	25.17%	28.60%
Expected Income Tax Expense	6.00	25.00	35.00	35.00	(11.00)
Tax effect of losses incurred by entities in the group on which no deferred tax asset is recognised	-	-	-	0.19	4.00
Taxes effect of differential rate applied to subsidiaries in the group	6.84	0.06	3.63	-	-
Tax effect of losses of earlier years set off against profits	-	-	-	1.00	
Taxes for earlier years	-	-	(5.94)	0.12	0.48
Tax effect of change in the income tax rate	-	-	-	12.20	-
Others	1.38	2.35	0.78	(2.32)	4.46
Total income tax expense	**14.22**	**27.41**	**33.47**	**46.19**	**(2.06)**

I. Movement in Deferred tax Assets and Liabilities

Movement during the year ended 31 March 2020	As at 1 April 2019	Credit/(charge) in the Statement of Profit and Loss	Credit/(charge) in Other Comprehensive Income	As at 31 March 2020
Deferred tax assets/(liabilities)				
Depreciation/amortisation of Property, plant and equipment	(9.22)	3.99	-	(5.23)
Provision for employee benefits	3.91	3.57	0.24	7.72
Provision for doubtful receivables	5.72	3.13	-	8.85
Provision for others	1.60	0.25	-	1.85
Right of use assets (net of lease liability)	1.17	(0.34)	-	0.83
MAT Credit Entitlement	1.81	(1.81)	-	-
Unabsorbed depreciation and business losses	146.17	(43.80)	-	102.37
Others	2.88	(2.07)	-	0.81
Total	**154.04**	**(37.08)**	**0.24**	**117.20**

(All amounts are Rs. in Millions, unless stated otherwise)

Movement during the year ended 31 March 2021	As at 1 April 2020	Credit/(charge) in the Statement of Profit and Loss	Credit/(charge) in Other Comprehensive Income	As at 31 March 2021
Deferred tax assets/(liabilities)				
Depreciation/amortisation of Property, plant and equipment	(5.23)	-	-	**(5.23)**
Provision for employee benefits	7.72	(0.86)	(0.20)	**6.66**
Provision for doubtful receivables	8.85	7.86	-	**16.71**
Provision for others	1.85	0.67	-	**2.52**
Right of use assets (net of lease liability)	0.83	0.13	-	**0.96**
Unabsorbed depreciation and business losses	102.37	(37.53)	-	**64.84**
Others	0.81	10.22	-	**11.03**
Total	**117.20**	**(19.51)**	**(0.20)**	**97.49**

Movement during the year ended 30 September 2020	As at 1 April 2020	Credit/(charge) in the Statement of Profit and Loss	Credit/(charge) in Other Comprehensive Income	As at 30 September 2020
Deferred tax assets/(liabilities)				
Depreciation/amortisation of Property, plant and equipment	(5.23)	0.22	-	**(5.01)**
Provision for employee benefits	7.72	(3.86)	(0.10)	**3.76**
Provision for doubtful receivables	8.85	2.41	-	**11.26**
Provision for others	1.85	0.67	-	**2.52**
Right of use assets (net of lease liability)	0.83	(0.11)	-	**0.72**
Unabsorbed depreciation and business losses	102.37	(22.06)	-	**80.31**
Others	0.81	3.97	-	**4.78**
Total	**117.20**	**(18.76)**	**(0.10)**	**98.34**

Movement during the year ended 30 September 2021	As at 1 April 2021	Credit/(charge) in the Statement of Profit and Loss	Credit/(charge) in Other Comprehensive Income	As at 30 September 2021
Deferred tax assets/(liabilities)				
Depreciation/amortisation of Property, plant and equipment	(5.23)	0.44	-	**(4.79)**
Provision for employee benefits	6.66	2.73	0.42	**9.81**
Provision for doubtful receivables	16.71	(1.41)	-	**15.30**
Provision for others	2.52	-	-	**2.52**
Right of use assets (net of lease liability)	0.96	0.40	-	**1.36**
Unabsorbed depreciation and business losses	64.84	15.36	-	**80.20**
Others	11.03	(13.62)	-	**(2.59)**
Total	**97.49**	**3.90**	**0.42**	**101.81**

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgment is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

42 Revenue from contract with customers

Disaggregated revenue information

Set out below is the disagreegation of the Company's revenue from contract with customers:

Particulars	**6 Months Period ended 30 September 2021**	**6 Months Period ended 30 September 2020**	**For the year 31 March 2021**	**For the year 31 March 2020**	**For the year 31 March 2019**
Income from Sale of products	1,600.05	1,556.11	3,120.68	2,609.19	2,041.45
Income from sale of services	-	-	-	13.57	13.69
	1,600.05	**1,556.11**	**3,120.68**	**2,622.76**	**2,055.14**
India	869.31	840.54	1,626.67	1,341.24	1,043.13
Outside India	730.74	715.57	1,494.01	1,281.52	1,012.01
	1,600.05	**1,556.11**	**3,120.68**	**2,622.76**	**2,055.14**
Timing of revenue recognition					
Services transferred over time	-	-	-	13.57	13.69
Goods transferred at a point of time	1,600.05	1,556.11	3,120.68	2,609.19	2,041.45
Total revenue from contracts with customers	**1,600.05**	**1,556.11**	**3,120.68**	**2,622.76**	**2,055.14**
Reconciliation of revenue recognised with the contracted price is as follows:					
Contract price	1,642.10	1,571.46	3,318.61	2,775.79	2,226.65
Less: Discounts and disallowances	42.05	15.35	197.93	153.03	171.51
Total revenue from contracts with customers	**1,600.05**	**1,556.11**	**3,120.68**	**2,622.76**	**2,055.14**

(All amounts are Rs. in Millions, unless stated otherwise)

Contract balances

Particulars	**As at 30 September 2021**	**As at 30 September 2020**	**As at 31 March 2021**	**As at 31 March 2020**	**As at 31 March 2019**
Trade receivables	365.73	345.69	312.48	432.36	261.26
Contract assets	-	-	-	-	-
Contract liabilities	-	-	-	-	-

43 The Group did not have any long term contracts including derivative contracts for which there were any material foreseeble losses. The Group does not have any unhedged foreign currency exposure as at 30 September 2021.

44 Subsequent to the peiod ended September 30, 2021, the Company vide its Board meeting dated November 15, 2021 approved Right's issue of equity shares for all existing shareholders in the ratio of 10.13603 for every 100 shares. On December 1, 2021, pursuant to the Offer, 3,65,478 shares are alloted to the shareholders who have exercised their entitlement. Earnings per share for the period ended September 30, 2021 is not adjusted for the share issued pursuant to this Offer in accordance with Ind AS 33.

45 Impact of COVID-19

In March 2020, The World Health Organisation declared COVID-19 to be a pandemic. The threats posed by the coronavirus outbreak are multifold. In many countries, businesses are being forced to cease or limit their operations for long or indefinite period of time. The Company has adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption.

The Government of India imposed lockdown from 25 March 2020 to curb the spread of virus. The nationwide lockdown temporarily impacted the operations of various industries due to non-availability of labour, transportation and supply chain disruptions.

However, the Government classified food business as "Essential Commodity" and granted certain relaxations and guidelines to so that procurement, processing and distribution of food products will not be effected. The Company’s procurement, processing and supply chain facilities remain operational during lockdown period, following safety measures as per guidelines issued by government. Thus, the impact of COVID-19 on the company is minimal at this point of time. The Company has assessed the recoverability of receivables, inventories, certain investments and other financial assets considering the available internal and external information upto the date of approval of financial statements and there has been no adjustments. Considering the nature of these assets, the Company expects to recover carrying amount of these assets.

The actual impact of global health pandemic may be different from that which has been estimated, as the COVID-19 situation evolves in India and globally. The Company will continue to closely monitor any material changes to future economic conditions.

The management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at and for the period ended 30 September 2021 and has concluded that there is no impact which is required to be recognised in the financial statements as the business of the company is into essential services. Accordingly, no adjustments have been made to the financial statements.

Sresta Natural Bioproducts Limited (formerly known as Sresta Natural Bioproducts Private Limited)
(CIN: U01122TG2004PLC042837)

Annexure VII Notes to Restated Consolidated Financial Information (Continued)
(All amounts are Rs. in Millions, unless stated otherwise)

46 Ratios as per the Schedule III requirements

a) Current Ratio = Current Assets divided by Current Liabilities

Particulars	30 September 2021	30 September 2020	31 March 2021	31 March 2020	31 March 2019
Current Assets	1,784.98	1,788.16	1,517.81	1,278.92	1,104.21
Current Liabilities	1,217.56	1,264.36	936.86	855.05	809.90
Ratio	**1.47**	**1.41**	**1.62**	**1.50**	**1.36**
% Change from previous period / year	**-10%**	**-5%**	**8%**	**10%**	

% Changes for the six months period are not annualised.

Reason for change more than 25%: NA

b) Debt Equity ratio = Total debt divided by Total equity where total debt refers to sum of current & non current borrowings

Particulars	30 September 2021	30 September 2020	31 March 2021	31 March 2020	31 March 2019
Total debt	783.62	457.70	526.24	445.48	490.04
Total equity	773.62	734.52	763.72	665.14	567.71
Ratio	**1.01**	**0.62**	**0.69**	**0.67**	**0.86**
% Change from previous period / year	**47%**	**-7%**	**3%**	**-22%**	

% Changes for the six months period are not annualised.

Reason for change more than 25%:

The ratio has increased from 0.69 to 1.01 due to increase in total debt from Rs. 526.24 million in March 2021 to Rs. 783.62 million in September 2021, due to additional working capital borrowed from banks and financial institutions during the period ended September 30, 2021.

c) Debt Service Coverage Ratio = Earnings available for debt services divided by Total interest and principal repayments

Particulars	30 September 2021	30 September 2020	31 March 2021	31 March 2020	31 March 2019
Profit before tax#	**25.60**	**100.61**	**137.40**	**140.79**	**-36.75**
Add: Non cash operating expenses and finance cost	**41.29**	**46.36**	**80.05**	**80.06**	**79.27**
-Depreciation and amortizations	10.00	9.89	23.88	18.41	16.07
-Finance cost	31.29	36.47	56.17	61.65	63.20
Earnings available for debt services	**66.89**	**146.97**	**217.45**	**220.85**	**42.52**
Interest cost on borrowings	29.02	27.20	45.09	58.25	59.74
Principal repayments (including certain prepayments during year ended March 31, 2021)	26.05	35.92	114.57	111.46	63.86
Total Intrest and principal repayments	**55.07**	**63.12**	**159.66**	**169.71**	**123.60**
Ratio	**1.21**	**2.33**	**1.36**	**1.30**	**0.34**
% Change from previous period / year	**-48%**		**5%**	**278%**	

% Changes for the six months period are not annualised.

#Profit before tax for the six months period ended September 30, 2021 and September 30, 2020 were not annualized.

Reasons for change more than 25%:

This ratio has increased from 0.34 in March 2019 to 1.30 in March 2020 mainly due to increase in earnings available for debt services, which was due to increase in export business, increase in business volumes in terms of products mix and new customers resulting into increase in profit before tax from Rs. -36.75 million in March 2019 to Rs. 140.79 million in March 2020.

This ratio has decreased from 2.33 in September 2020 to 1.21 in September 2021 mainly due to decrease in earning available for debt services which was due to moderate sales volume and increase in prices of procurements and direct costs.

d) Return on Equity Ratio / Return on Investment Ratio = Net profit after tax divided by Equity

Particulars	30 September 2021	30 September 2020	31 March 2021	31 March 2020	31 March 2019
Net profit after tax#	11.37	73.20	103.93	94.60	-34.69
Total equity	773.62	734.52	763.72	665.14	567.71
Ratio	**1.47%**	**9.97%**	**13.61%**	**14.22%**	**-6.11%**
Change in basis points (bps) from previous period / year	**-850**		**-61**	**2,033**	
% Change from previous period / year	**-85%**		**-4%**	**333%**	

% Changes for the six months period are not annualised.

*Profit after tax for the three months period ended September 30, 2021 and September 30, 2020 were not annualized.

Reason for change more than 25%:

The return on equity has increased by 2033 bps in March 2020 as compared to March 2019 mainly due to increase in export business resulting into profit after tax which was due to increase in business volumes in terms of products mix and new customers.

The return on equity has decreased by 850 bps in September 2021 as compared to September 2020 mainly due to increase in prices of procuments, export shipments charges and other direct costs and moderate volume of sales during beginning of first quarter of Sep 2021.

Sresta Natural Bioproducts Limited (formerly known as Sresta Natural Bioproducts Private Limited)
(CIN: U01122TG2004PLC042837)

Annexure VII Notes to Restated Consolidated Financial Information (Continued)
(All amounts are Rs. in Millions, unless stated otherwise)

e) Inventory Turnover Ratio = Cost of materials consumed divided by closing inventory

Particulars	30 September 2021	30 September 2020	31 March 2021	31 March 2020	31 March 2019
Cost of materials consumed*	925.33	1,017.08	1,972.49	1,395.50	1,095.05
Closing Inventory	1,174.88	1,209.45	1,062.75	668.22	653.69
Inventory Turnover Ratio	**0.79**	**0.84**	**1.86**	**2.09**	**1.68**
% Change from previous period / year	**-6%**		**-11%**	**25%**	

% Changes for the six months period are not annualised.

*Cost of materials consumed for the three months period ended September 30, 2021 and September 30, 2020 were not annualized.

Reason for change more than 25%:

The ratio has increased from 1.68 in March 2019 to 2.09 in March 2020, due to increase in sales with corresponding increase in procurement and direct costs and due to better working capital management.

f) Trade Receivables turnover ratio = Credit Sales divided by Closing trade receivables

Particulars	30 September 2021	30 September 2020	31 March 2021	31 March 2020	31 March 2019
Credit Sales*	1,600.05	1,556.11	3,120.68	2,609.19	2,041.45
Closing Trade Receivables	365.73	345.69	312.48	432.36	261.26
Ratio	**4.37**	**4.50**	**9.99**	**6.03**	**7.81**
% Change from previous period / year	**-3%**		**65%**	**-23%**	

% Changes for the six months period are not annualised.

* Credit sales for the three months period ended September 30, 2021 and September 30, 2020 were not annualized.

Reason for change more than 25%:

This ratio has increased from 6.03 in March 2020 to 9.99 in March 2021 mainly due to better collection efficiency and better working capital management.

g) Trade payables turnover ratio = Credit purchases divided by closing trade payables

Particulars	30 September 2021	30 September 2020	31 March 2021	31 March 2020	31 March 2019
Credit Purchases*	1,458.47	1,767.19	2,927.81	2,053.34	1,799.68
Closing Trade Payables	384.41	790.43	447.72	399.79	335.05
Ratio	**3.79**	**2.24**	**6.54**	**5.14**	**5.37**
% Change from previous period / year	**70%**		**27%**	**-4%**	

% Changes for the six months period are not annualised.

* Credit purchase for the three months period ended September 30, 2021 and September 30, 2020 were not annualized.

Reason for change more than 25%:

This ratio has increased from 5.14 in March 2020 to 6.54 in March 2021 mainly due to leveraging on our cashflows for payment to vendors to secure supplies at lower cost.
This ratio has increased from 2.24 in September 2020 to 3.79 in September 2021, mainly due to leveraging on our cashflows for payment to vendors to secure supplies at lower cost.

h) Net capital Turnover Ratio = Sales divided by Net Working capital whereas net working capital= current assets - current liabilities

Particulars	30 September 2021	30 September 2020	31 March 2021	31 March 2020	31 March 2019
Sales*	1,600.05	1,556.11	3,120.68	2,609.19	2,041.45
Net Working Capital	567.42	523.80	580.95	423.87	294.31
Ratio	2.82	2.97	5.37	6.16	6.94
% Change from previous period / year	**-5%**		**-13%**	**-11%**	

% Changes for the six months period are not annualised.

* Sales for the three months period ended September 30, 2021 and September 30, 2020 were not annualized.

Reason for change more than 25%: NA

i) Net profit ratio = Net profit after tax divided by Sales

Particulars	30 September 2021	30 September 2020	31 March 2021	31 March 2020	31 March 2019
Net profit after tax*	11.37	73.20	103.93	94.60	-34.69
Sales	1,600.05	1,556.11	3,120.68	2,609.19	2,041.45
Ratio	0.71%	4.70%	3.33%	3.63%	-1.70%
Change in basis points (bps) from previous period / year	**-399**		**-30**	**532**	
% Change from previous period / year	**-85%**		**-8%**	**313%**	

% Changes for the six months period are not annualised.

* Net profit after tax for the three months period ended September 30, 2021 and September 30, 2020 were not annualized.

Reason for change more than 25%:

This ratio has increased by 532 bps, from -1.70% in March 2019 to 3.63% in March 2020 mainly due to increase in Net profit after tax resulting from increase in sales which was due to increase in the business volumes in terms of products mix, and new customers & markets and improved profitability margins.

This ratio has decreased by 399 bps, from 4.70% in September 2020 to 0.71% in September 2021 mainly due to decrease in Net profit after tax resulting from decrease in sales volumes during the first quarter of Sep 2021 and increase in prices of procurements and direct costs during the period Sep 2021.

Sresta Natural Bioproducts Limited (formerly known as Sresta Natural Bioproducts Private Limited)
(CIN: U01122TG2004PLC042837)

Annexure VII Notes to Restated Consolidated Financial Information (Continued)
(All amounts are Rs. in Millions, unless stated otherwise)

j) Return on Capital employed (pre cash)=Earnings before interest and taxes(EBIT) divided by Capital Employed(pre cash)

Particulars	30 September 2021	30 September 2020	31 March 2021	31 March 2020	31 March 2019
Porfit before tax* (A)	25.60	100.61	137.40	140.79	-36.75
Finance Costs* (B)	39.67	43.01	69.40	75.19	74.56
Other Income* (C)	11.19	9.77	23.02	41.48	26.94
EBIT (D) = (A)+(B)-(C)	**54.08**	**133.85**	**183.78**	**174.50**	**10.87**
Capital Employed (Pre Cash) (J)=(E)-(F)-(G)-(H)-(I)	**741.51**	**703.51**	**810.71**	**616.08**	**522.62**
Total Assets (E)	2,109.04	2,124.01	1,838.25	1,578.12	1,435.24
Current Liabilities (F)	1,217.56	1,264.36	936.86	855.05	809.90
Current Investments (G)	-	-	-	-	-
Cash and Cash equivalents (H)	105.20	89.27	66.18	61.76	43.86
Bank balances other than cash and cash equivalents (I)	44.77	66.87	24.50	45.23	58.86
Ratio (D)/(J)	7.29%	19.03%	22.67%	28.32%	2.08%
Change in basis points (bps) from previous period / year	**-1,173**		**-566**	**2,624**	
% Change from previous period / year	**-62%**		**-20%**	**1262%**	

% Changes for the six months period are not annualised.

* Amount for the three months period ended September 30, 2021 and September 30, 2020 were not annualized.

Reason for change more than 25%:

The return on capital employed has increased by 2624 bps in March 2020 as compared to March 2019 mainly due to increase in Earnings before interest and taxes (EBIT) which is due to higher business volumes and improved profitability margins.

The return on capital employed has decreased by 1173 bps in September 2021 as compared to September 2020 mainly due to decrease in Earnings before interest and taxes (EBIT) which is due to moderate sales volume during first quarter of September 2021 and increase in prices of procurments and direct costs.

As per our report attached

For MSKA & Associates
Chartered Accountants
ICAI Firm Registration No.:105047W

For and on behalf of the Board of
Sresta Natural Bioproducts Limited
CIN: U01122TG2004PLC042837

Ananthakrishnan G
Partner
Membership No: 205226

Rajashekar Reddy Seelam
Managing Director
DIN: 00278954

Balasubramanian Narayanan
Director
DIN : 03070468

Karaiyalan Venkatesan
Chief Financial Officer
PAN : AAWPV3209Q

Padmasri Samaleti
Company Secretary
PAN : DXMPS7406G

Place: Hyderabad
Date: January 3, 2022

Place: Hyderabad
Date: January 3, 2022

OTHER FINANCIAL INFORMATION

The audited standalone financial statements of our Company as at and for the year ended March 31, 2021, March 31, 2020, and March 31, 2019 ("**Standalone Financial Statements**") are available at www.sresta.com. Further, the audited financials of our Company's material Subsidiary, Fyve, as at and for the year ended December 31, 2021, December 31, 2020, and December 31, 2019 are available at www.sresta.com. Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Standalone 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 to purchase or sell any securities under the Companies Act, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere in the world. The Standalone Financial Statements should not be considered as part of information that any investor should consider to subscribe 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.

The accounting ratios required under Clause 11 of Part A of Schedule VI of the SEBI ICDR Regulations are given below:

(In ₹ million, unless otherwise stated)

Particulars	**For the three months ended September 30, 2021**	**For the three months ended September 30, 2020**	**For the year ended March 31, 2021**	**For the year ended March 31, 2020**	**For the year ended March 31, 2019**
Profit/(Loss) after tax (PAT) (A)	11.37	73.20	103.93	94.60	(34.69)
Weighted average number of shares outstanding during the period for basic EPS (B)	18,261,653	18,256,380	18,256,503	18,253,312	17,986,210
Weighted average number of shares outstanding during the period for diluted EPS (C)	18,322,055	18,312,696	18,321,120	18,308,082	18,024,597
Basic Earnings per share (in ₹) (D = A/B)	**0.62**	**4.01**	**5.69**	**5.18**	**(1.93)**
Diluted Earnings per share (in ₹) (E = A/C)	**0.62**	**4.00**	**5.67**	**5.17**	**(1.93)**
Net worth attributable to owners of the Company (A)	773.62	734.52	763.72	665.14	567.71
Profit/(Loss) after tax (PAT) (B) (₹ in million)	11.37	73.20	103.93	94.60	(34.69)
Return on net worth (C = B/A*100) (%)	**1.47%**	**9.97%**	**13.61%**	**14.22%**	**(6.11%)**
Net worth attributable to owners of the Company (A)	773.62	734.52	763.72	665.14	567.71
Number of equity shares outstanding during the year (B)	18,273,880	18,256,380	18,261,380	18,256,380	18,248,380
Net asset value per equity share (in ₹) **(C = A/B)** (in ₹)	42.33	40.23	41.82	36.43	31.11
EBITDA	**88.31**	**164.27**	**249.08**	**237.00**	**62.01**
Revenues from operations	1,600.05	1,556.11	3,120.68	2,622.76	2,055.14
EBITDA / Revenues from Operations (%)	**5.52%**	**10.56%**	**7.98%**	**9.04%**	**3.02%**

Reconciliation of EBITDA and EBITDA Margin to Restated Profit for the Year/ Period

The table below reconciles restated profit for the year/ period to EBITDA and EBITDA Margin.

EBITDA is calculated as sum of (i) restated profit/(loss) for the period/year, (ii) total tax expense, (iii) finance costs, and (iv) depreciation and amortization expense as reduced by other income. EBITDA Margin is defined as EBITDA divided by revenues from operations.

(in ₹ million)

Particulars	For the three months ended September 30, 2021	For the three months ended September 30, 2020	Fiscal 2021	Fiscal 2020	Fiscal 2019
Profit/(Loss) after tax (PAT) (A)	11.37	73.20	103.93	94.60	(34.69)
Tax expense (B) (₹ in million)	14.22	27.41	33.47	46.19	(2.06)
Finance costs (C) (₹ in million)	39.67	43.01	69.40	75.19	74.56
Depreciation and amortisation and Impairment (D) (₹ in million)	34.23	30.42	65.30	62.50	51.14
Other income (E)	11.19	9.77	23.02	41.48	26.94
EBITDA (A+B+C+D-E) (₹ in million)	**88.31**	**164.27**	**249.08**	**237.00**	**62.01**

RELATED PARTY TRANSACTIONS

For details of the related party transactions, as per the requirements under applicable Accounting Standards *i.e.* Ind AS 18 'Related Party Disclosures' for the six month period ended September 30, 2021 and September 30, 2020 and Fiscals 2021, 2020 and 2019 as reported in the Restated Consolidated Financial Information, see "*Financial Statements – Note 33 – Related Party Disclosures*" beginning on page 221.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our Restated Consolidated Financial Information, which is included in this Draft Red Herring Prospectus. The following discussion and analysis of our financial condition and results of operations are based on our Restated Consolidated Financial Information, including the related notes and reports, which are prepared under Ind AS, in accordance with requirements of the Companies Act, and restated in accordance with the SEBI ICDR Regulations, which differ in certain material respects from IFRS, U.S. GAAP and GAAP in other countries, and our assessment of the factors that may affect our prospects and performance in future periods. Our Restated Consolidated Financial Information has been derived from our audited financial statements. Accordingly, the degree to which our Restated Consolidated Financial Information will provide meaningful information to a prospective investor in countries other than India is entirely dependent on the reader's level of familiarity with Ind AS. Unless the context otherwise requires, all financial information included herein is based on our Restated Consolidated Financial Information included in "Financial Statements" beginning on page 185.

Some of the information in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read the section "Forward-Looking Statements" beginning on page 20 for a discussion of the risks and uncertainties related to those statements and also the section "Risk Factors" beginning on page 22 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 are to the twelve-month period ended March 31 of that year.

Unless the context otherwise requires, any references to "our Company" refers to Sresta Natural Bioproducts Limited on an unconsolidated basis, while any references to "we", "us" or "our" refers to our Company together with its Subsidiaries on a consolidated basis.

*Unless stated otherwise, industry and market data used in this section has been obtained or derived from the report titled "Organic Food Market in India" dated January 3, 2022 (the "**Company Commissioned Industry Report**") prepared and issued by Technopak. Unless otherwise indicated, all financial, operational, industry and other related information derived from the Company Commissioned Industry Report and included herein with respect to any particular year refers to such information for the relevant calendar year.*

Overview

Our brand, '24 Mantra', is the largest brand in the packaged organic food segment (excluding organic packaged food market beverage and packaged tea and coffee) by market share with approximately 29% market share in Fiscal 2020 (*Source: Company Commissioned Industry Report*). We were incorporated in 2004 by one of our Promoters, Rajashekar Reddy Seelam. We are engaged in the business of procuring, processing, manufacturing, marketing and research and development of organic food products. We are also one of the leading Indian organic food brands in the USA with presence in 39 states across Indian Ethnic Stores and Mainstream Stores (*Source: Company Commissioned Industry Report*) and have a presence in a total of 34 countries as of September 30, 2021.

As one of the pioneers in the organic food industry in India (*Source: Company Commissioned Industry Report*) our mission is to promote sustainable livelihood for the farmers along with a healthy lifestyle for the consumers and contribute to a better ecology as a whole. We believe that we also play a key role in establishing a healthy ecosystem for organic farming and trade by working in collaboration with the Government of India and certain state governments and other institutions.

We have the highest acreage under organic cultivation among the B2C organic food companies in India (*Source: Company Commissioned Industry Report*) and have an extensive sourcing relationship with farmers across 12 states in India. As of September 30, 2021, our procurement network included 34,516 farmers, 190,610 acres (includes land under organic conversion) of certified organic land across 12 states in India, 65 vendors/ companies (including certain organic certified vendors/ companies) and various aggregators.

Among the key players in the organic products market with presence in the packaged food segment, we are present across most of the segments (*Source: Company Commissioned Industry Report*). We offer all types of grocery staples, spices and condiments, edible oils, packaged food, beverages, meal accompaniments, etc. Some of our key 'centre-of-plate' products (*i.e.* products having usage spread across different occasions in a day) all of which are sold under our '24 Mantra' brand include the following:

Sr. No.	Product Segment	Product
1.	Basic staples	Rice, atta (flour), dals and pulses
2.	Speciality staples	Expeller-pressed oils, sweeteners, speciality flours, cereals and millets
3.	Spices and condiments	Masalas (blended spices), whole and powdered spices like chilli, turmeric, coriander, mustard and black pepper powder
4.	Processed food, beverages and value added products	Ready to cook products (quick meals), culinary pastes, honey, malted drinks, vermicelli, pasta, teas and other beverages, snacks, confectionary and breakfast spreads

Through our diversified portfolio, we endeavour to be able to provide consumers with an organic alternative to cater to their food product requirements.

'24 Mantra' has a strong domestic as well as international presence with an omni-channel distribution network. As of Fiscal 2021, our domestic sales accounted for 52.13% (*i.e.* ₹1,626.67 million) of our revenue from operations whereas export sales accounted for 47.87% (*i.e.* ₹ 1,494.01 million) of our revenue from operations. Our products were available across 1,791 Modern Trade Stores and 5,764 General Trade Stores and leading e-commerce channels like Bigbasket in India as of September 30, 2021 and also present overseas in a total of 958 Mainstream Stores and 964 Indian Ethnic Stores in the USA and we were also present in 33 other countries. We have also leveraged the growth and ease of operations of e-commerce platforms and currently sell our products on leading e-commerce platforms in India including Bigbasket. Our presence across varied channels and geographies helps us cater to the organic food products needs of a host of customers.

We function under an 'asset light' model under which we own three secondary processing units in India of which two are in Telangana and one in Karnataka and undertake our primary processing at third party facilities located across the country under the supervision and monitoring of our employees which provides us the flexibility to focus on marketing, distribution and sourcing quality produce.

Organic food is expected to grow at a CAGR of approximately 24% between Fiscal 2020 and Fiscal 2025 and is expected to further increase its share to 4% of the overall health and wellness market in India. The global organic food market is expected to grow at 9.4% between CY 2020 and CY 2025 reaching a value of USD 210 billion and contributing a 2.6% share to the total food market. (*Source: Company Commissioned Industry Report)*

Our Promoter and Managing Director, Rajashekar Reddy Seelam, is one of the forerunners in the organic food industry in India and has been felicitated in recognition of his contribution in the category of Best Millet Entrepreneur (organic foods) from the Telangana state for the year 2016-2017 by the Society for Millets Research and ICAR-Indian Institute of Millet Research. Additionally, our Promoter and Whole-time Director and Chief Executive Officer, Balasubramanian Narayanan, has experience with F&B companies such as Godrej Agrovet Limited, Tropicana Beverages Company and Effem India Private Limited. Both these personnel have been involved with our Company since several years and have comprehensive experience in this business.

Our total income aggregated to ₹2,082.08 million, ₹2,664.24 million and ₹3,143.70 million and our profit/(loss) after tax aggregated to ₹(34.69) million, ₹94.60 million and ₹103.93 million for the Fiscals 2019, 2020 and 2021, respectively

a) Our total income increased at a CAGR of 22.88% from ₹2,082.08 million in Fiscal 2019 to ₹3,143.70 million in Fiscal 2021.

b) Our gross margin increased at a CAGR of 25.70% from ₹774.31 million in Fiscal 2019 to ₹1,223.38 million in Fiscal 2021.

c) Our EBITDA margin increased at a CAGR of 100.42% from ₹62.01 million in Fiscal 2019 to ₹249.08 million in Fiscal 2021.

For details of our offerings, market opportunities and key business and financial metrics, see "*Our Business*" beginning on page 129.

Significant Factors Affecting our Results of Operations and Financial Condition

Our results of operations and financial condition are affected by numerous factors, including those discussed in the section titled *"Risk Factors"* beginning on page 22. In particular, we believe that the following specific factors have had a significant effect on our results of operations and financial condition during the period under review, and may continue to affect our results of operations and financial condition in the future.

Availability and price of organic agricultural produce and production costs

Our business operations are primarily dependent on continuous and stable supply of organic agricultural produce including rice, wheat, cereals, spices, pulses, oil seeds and sweeteners and our ability to procure sufficient amounts of quality raw materials and organic agricultural produce at commercially viable prices. The price and availability of our key organic agricultural produce and overall cost of production affects our results of operations. The cost of raw materials consumed was ₹1,972.49 million, ₹1,395.50 million, ₹1,095.05 million and ₹925.33 million, respectively, which constituted 63.21%, 53.21%, 53.28% and 57.83% of our revenue from operations in the Fiscal 2021, 2020 and 2019 and the six month period ended September 30, 2021, respectively.

As of September 30, 2021, we procured 80% (*i.e.* 14,566,037 kgs) of our raw materials from farmers within our network either directly or through aggregators and the remaining 20% (*i.e.* 3,638,706 kgs) of the raw materials are procured from vendors/ companies (including certain organic certified vendors/ companies). The availability and price of organic agricultural produce is subject to supply disruptions and price volatility caused by various external factors beyond our control such as market fluctuations, production and transportation costs, weather conditions, seasonality of raw materials, crop failure, reduced harvests, government agricultural programs and policies along with farmer protests against such government policies, labour unrest, inflation, pandemics, changes in government policies and regulatory measures, global inventory levels and demand for similar or competing substitutes. The availability of raw materials for our products depend on various factors, such as weather conditions, natural disasters, seasonality etc. which could impact our results of operations. Due to these factors, comparisons of sales and operating results between the same periods within a single year, or between different periods in different financial years, are not necessarily meaningful and should not be relied on as indicators of our performance. We attempt to forecast the demand for our products to ensure we procure the proper amount of raw materials for our production process.

Additionally, supply of raw materials also have a direct bearing on our ability to operate primary processing at third party facilities and our secondary processing facilities at optimal capacities which in turn affect our production and sales volumes. Further, our profitability also depends on our ability to pass on increases in raw material prices.

We rely on third party facilities for the primary processing of our raw materials, *i.e.*, conversion of raw materials into semi-finished/ finished goods, and have formal arrangements with 18 third party facilities, as on September 30, 2021 for undertaking the same. We undertake continuous upgradation of our production facilities to increase the throughput and reduce costs in an energy efficient manner. Efficient operations of such arrangements with these third party contract manufacturing facilities impacts our sales, revenue, profitability and operations.

Market penetration, distribution network and geographical expansion

Organic farming and food processing is in nascent stage in India. There is a lack of awareness among Indian consumer and farmers about organic farming, making them susceptible to negative publicity. Further, majority of the Indian farmers are accustomed to conventional farming and use of fertilisers and pesticides. We attempt to educate and create awareness among the consumers and Indian farmers about the benefits of organic food and organic farming. Further, through our promotions, digital and in-store and out-store marketing initiatives such as organizing neighbourhood events, stories in the social-media platforms, food bloggers, nutritionists and through advertisements in print, radio and digital we aim to educate our consumers about the benefits of organic food products.

24 Mantra is one of the key organic food brands having high digital presence with an active social media presence and providing constant blogs and recipes on their website making D2C as a major channel for revenue. The upwardly mobile users of social media, who are seeking premium, organic, naturally healthy food and grocery brands coincide with 24 Mantra's target customer segment. (*Source: Company Commissioned Industry Report*)

Our extensive nationwide sales and distribution network enables us to reach a wide range of consumers and ensure effective market penetration. Our distribution presence spans across 7,555 stores as of September 30, 2021. Points of sale for our products include Modern Trade Stores, General Trade Stores and e-commerce as well. As of Fiscal 2021, 52.13% (*i.e.* ₹1,626.67 million) of our total revenue from operations was from domestic markets of which 73% was from the tier I cities in India and 27% was from tier II and tier III cities in India.

24 Mantra is the only national player having wide presence in across 550+ cities and towns of India. (*Source:*

Company Commissioned Industry Report) Also, currently we have tie-ups with retailers for sale of our products on several leading e-commerce platforms in India such as Bigbasket and intend to build on our relationship with these major platforms to reach millions of potential consumers through marketing campaigns on these platforms and alternative consumer promotions. The contribution of e-commerce platforms to our revenue from operations increased from 11.91% in Fiscal 2019 (*i.e.* ₹122.59 million) to 28.62% in Fiscal 2021 (*i.e.* ₹465.59 million). We believe that our online sales channel is a strategic avenue to increase the scale of our business and at the same time optimize our profit margins. The increase in revenue share of e-commerce platforms in our business will help in increasing manpower efficiency and put us on the road to market efficiency.

We engage third party transportation service providers for the transportation of our raw materials and products domestically. We typically engage third party transportation service providers for the transportation of our raw materials and products. We undertake majority of our export activities from Maharashtra and Tamil Nadu, Kerala and Andhra Pradesh, where international ports are located. Loss or damage from spoilage and contamination due to improper handling, negligence, transport strike or for any other reason may adversely affect our profitability.

We have expanded our business into international markets like North America, GCC Region, certain European countries, certain South-East Asian countries, Australia and Singapore among others and our products were present in over 2,762 stores internationally comprising a presence in 958 Mainstream Stores and 964 Indian Ethnic Stores in the USA alone, as of September 30, 2021. Our revenue from our 24 Mantra brand, by region of operations, has grown from 32.33% in USA (*i.e.* ₹660.04 million) and 5.36% in other countries (*i.e.* ₹109.45 million) in Fiscal 2019 to 34.85% in USA (*i.e.* ₹1,087.42 million) and 6.53% in other countries (*i.e.* ₹203.76 million) in Fiscal 2021, respectively. We aim to continue to grow our reach in the current markets globally and expand in the South-East Asian markets to improve our margins by leveraging our presence in the mainstream channel and entering into arrangements with e-commerce platforms which is expected to result in market penetration and increase our brand presence globally. Further, we plan to further strengthen our own omni-channel reach by developing our own D2C platform with the aim to increase our online and D2C sales revenue contribution to our total revenue from operations and in this regard have made an application with the Department for Promotion of Industry and Internal Trade for setting up our own e-commerce platform. For details on the application, see "*Government and Other Approvals*" beginning on page 275.

The robustness of our sales and distribution network and effectiveness of our marketing activities and our strategy on domestic and international expansion and is key to our future growth and expansion and result of operations.

Product mix and ability to introduce new products through our research and development efforts and cater to evolving consumer requirements

Our revenue and profit margins are significantly impacted by the mix of products we sell. We have a diversified product portfolio wherein we offer products in the categories of basic staples, speciality staples, spices and condiments, processed foods and beverages and value added products. We are the largest brand in the packaged organic food segment (excluding organic packaged food market beverage and packaged tea and coffee) with a market share of approximately 29% and the other key players together contributing to 49% and other small players and private labels together contributing to 22% of the packaged organic food segment in India. (*Source: Company Commissioned Industry Report*) We believe the growth is primarily attributable to our product mix and our pan-India presence. We have over the years sought to diversify our product portfolio by innovating and launching new products that cater to various consumer preferences. Over the course of 16 years since our incorporation, we have ventured into various organic food categories such as staples, packaged food, spices and condiments, edible oils, ready to eat/ ready to cook, dry fruits and organic beverages such as tea. Among the key players in the organic products market with presence in the packaged food segment, we are present across most of the segments. (*Source: Company Commissioned Industry Report*)

The success of our business depends upon our ability to anticipate and identify changes in consumers' needs and offer products that our end use consumers' require. Organic products (both food and non-food categories) are expected to benefit from the growth of the health and wellness industry. (*Source: Company Commissioned Industry Report*) As the COVID-19 situation subsides, customers may increasingly substitute organic foods, including staples and other grocery items, in place of non-organic foods. (*Source: Company Commissioned Industry Report*) As a result, we intend to foray into a range of organic spice blend masalas such as fish masala, chickpea masala and meat masala and speciality nutrition products comprising millets and herbs for different age groups that help to improve immunity, provide wholesome nutrition and increases gut microbiota, developed by the R&D team, under our to be launched sub-brand called '24 Mantra Living Food' to target several age groups. We have incurred costs to expand our range of products with the aim to increase consumer base and basket size and continue to do so. Such constant evolution in the food industry requires significant resources, including capital investment.

Competition

We operate in a competitive industry and face competition from various domestic and multinational companies operating in the food processing industry, including organic food items. Competitive factors in our industry segment include product quality, nutritional content, taste, price, brand awareness amongst consumers, advertising and promotion, variety, access to supermarket shelf space, brand recognition and loyalty for our products and product packaging.

The domestic market is largely branded and marked by large players like 24 Mantra and Organic India and a long tail of mid/small sized players. We are one of the pioneers for organic food in India. Other key brands launched in the last two decades in the organic food segment are Pronature, NatureLand, Organic Tattva, etc. The category also has a long tail of brands sold largely through modern brick chains, specialty stores, online channel, etc. (*Source: Company Commissioned Industry Report*)

Amidst the various organic food and grocery brands, we are one of the most widely distributed brands. We were also one of the first organic consumer brands which had our products exported out of India in countries such as USA, UK, and many other European countries. We have a deep presence in the USA, which also happens to the largest market of organic food in the world and hosts the largest Indian diasporic population. (*Source: Company Commissioned Industry Report*) We will be required to continue to invest resources to compete effectively with our existing and potential competitors, to maintain and grow our market share.

Regulatory developments

Our results of operations and financial condition are affected by Indian government policies and policies of the governments of our export countries, 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 organic food products in India and the export countries. Changes in government policy, legislation, regulatory interpretation or enforcement applicable to us may lead to a significant increase in compliance obligations and costs.

Our operations are subject to a range of foreign, national and local health and safety laws and regulations, including laws and regulations governing the imposition of taxes or standards on imports of certain products or from certain geographies. Regulations in the food industry may also affect our operations with respect to our customers in the food sector. These laws and regulations are subject to change based on new legislation and regulatory initiatives, which could affect the economics of the organic food manufacturing and processing industry. See "*Key Regulations and Policies*" beginning on page 155 for further information.

Revenue from export and foreign currency fluctuation

24 Mantra has carved for itself a unique position in the international markets for organic food and grocery including organic packaged food. We have a deep presence in the USA, which also happens to the largest market of organic food in the world and hosts the largest Indian diasporic population. (*Source: Company Commissioned Industry Report*) We also have presence in the GCC Region, Australia, Singapore, and Europe, etc.

In Fiscal 2021, 2020 and 2019 and for the six month period ended September 30, 2021, export sales were ₹1,494.01 million, ₹1,281.52 million, ₹1,012.01 million and ₹730.74 million which accounted for 47.87%, 49.12%, 49.57% and 45.67%, respectively, of our revenue from product sales. Further, a significant portion of our export sales and revenue is dependent on our exports to USA. In Fiscal 2021, 2020 and 2019 and the six month period ended September 30, 2021, our revenue from export sales to USA were ₹1,265.82 million, ₹1,092.97 million, ₹863.10 million and ₹633.72 million which accounted for 84.73%, 85.29%, 85.29%, and 86.72%, respectively, of our revenue from export sales. As a result, our operations are impacted by various factors such as regional economic or political uncertainty, Governmental restrictions, differing domestic and foreign customs, tariffs and taxes and risks related to the enforceability of legal agreements and judgments in foreign countries.

Further, changes in the relevant exchange rates could also affect sales, operating results and assets and liabilities reported in Indian Rupees as part of our financial statements. We are affected by fluctuations in exchange rates among the U.S. dollar and the Indian Rupee and foreign currency fluctuations relating to sale of our products to our international customers may require us to revise the prices. An appreciation in the value of the Rupee will also make our export products less competitive.

We also avail benefits such as duty free imports under the Export Promotion Capital Goods Scheme, the Merchandise Exports from India Scheme and duty drawback claims of 0.15% and from Fiscal 2022 onwards are entitled to duty drawback claims of 0.15% and remission of duties in the range of 1% to 4% on eligible products under the Remissions of Duties and Taxes on Exported Products Scheme.

Basis of preparation of financial statements

The Restated Consolidated Financial Information have been prepared and presented in accordance with Ind AS, in each case restated in accordance with the requirements of Section 26 of the Companies Act, 2013 read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules 2014, as amended, the SEBI ICDR Regulations and the Guidance Note of the ICAI.

Principles of Consolidation

Subsidiaries

Our Company owns two wholly owned subsidiaries, namely Fyve and Sresta FZE. Since 2012, Fyve has been engaged in the business of acquiring, owning, operating, and managing a distribution business in the USA. As on date, Sresta FZE is not engaged in any business. The financial statements of our Subsidiaries are included in Restated Consolidated Financial Information based on a 'Going Concern Concept' by doing appropriate eliminations of inter-company transactions.

Transactions eliminated on consolidation

Intra-group assets and liabilities, equity, income and expenses in relation to intra-group transactions, are eliminated in full. Further, profits or losses resulting from intra-group transactions that are recognized in assets, such as inventory and property, plant and equipment and intangible assets are also eliminated in full.

Significant Accounting Policies

Our significant accounting policies are those that we believe are the most important to the portrayal of our financial condition and results of operations, and that require our management's most difficult, subjective or complex judgements. In many cases, the accounting treatment of a particular transaction is specifically dictated by applicable accounting policies with no need for the application of our judgement. In certain circumstances, however, the preparation of financial statements in conformity with applicable accounting policies requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent assets and liabilities at the end of the reporting period. Actual results could differ from those estimates. We base our estimates on historical experience and on various other assumptions that our management believes is reasonable under the circumstances. However, significant accounting estimates are reflective of significant judgements and uncertainties and are sufficiently sensitive to result in materially different results under different assumptions and conditions. We believe that our significant accounting estimates are those described below.

A. Revenue Recognition

Income from sale of organic products

Revenue from sale of goods is recognised on the basis of customer contracts and performance obligations contained therein. Revenue is recognised at a point in time when the control of goods is transferred to customer, this is generally when the goods are delivered to the customer's location. Control lies with the customer if the customer can independently determine the use of and consume the benefit derived from goods or services. Revenue from delivery of goods is recognised at a point in time based on an overall assessment of the existence of right to payment, the transfer of physical possession, the transfer of risks and rewards, and acceptance by customer.

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of actual and expected sales deductions resulting from sales returns, trade discounts, cash discounts, allowances and volume rebates, taxes and amounts collected on behalf of third parties.

Our products are mainly essential organic grocery products consumed by general public and our customers are domestic and international distributors, e-commerce and modern trade retailers and we invoice the sale of products to them. As per the commercial practices in the market in which we operate, generally require the companies to accept the return of the goods unsold by the distributors upon expiry of the products.

Therefore, a refund liability is recognised for the products to be returned. Accruals for estimated product returns are made based on historical experience of annual returns where we consider those to be reliable estimates of future returns. These estimates are further reviewed based on the actual product returns (pertaining to products sold during the reporting period) in the subsequent period until the financial statements are approved by the board. Any material differences in the estimates and the actual product returns are adjusted accordingly.

B. Borrowing cost

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

C. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

Initial recognition and measurement

Financial assets and financial liabilities are initially recognised when we become a party to the contractual provisions of the instrument. A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

Classification and subsequent measurement

Financial assets

All financial assets except trade receivables are initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

Subsequent measurement

For the purpose of subsequent measurement, financial assets are categorised as under:

- Amortised cost;
- Fair Value through Other Comprehensive Income (FVOCI) – equity investment; or
- Fair Value through Profit or Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period we change our business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, we may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis. All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, we may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost: These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Equity investments at FVOCI: These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in statement of profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in statement of profit or loss.

Derecognition

Financial assets

A financial asset is primarily derecognised when the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which we neither transfer nor retain substantially all of the risks and rewards of ownership and do not retain control of the financial asset. If we enter into transactions whereby we transfer assets recognised on our balance sheet, but retain either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

We derecognise a financial liability when its contractual obligations are discharged or cancelled, or expired. We also derecognise a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if there is a currently and legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

D. Property, plant and equipment

Recognition and measurement

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment loss, if any. Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to us and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to statement of profit or loss during the reporting period in which they are incurred. If an item of property, plant and equipment is purchased with deferred credit period from supplier, such asset is recorded at its cash price equivalent value.

Depreciation

Depreciation is provided using the straight-line method over the useful lives of the assets as estimated by our management. Depreciation on additions and deletions are restricted to the period of use. Depreciation is charged to statement of profit and loss.

We, based on technical assessment and management estimate, depreciate certain items of property, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Act. Our management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. We have estimated the following useful lives to provide depreciation on its property, plant and equipment:

Asset category	Management estimate of useful life & useful life as per Schedule II (in years)
Factory buildings	30
Plant and equipment	15
Furniture and fixtures	10
Office equipment	5
Computers	
- Servers and networks	6
- End user devises such as laptops, etc.	3
Vehicles	8

In case of building on leasehold land, the depreciation is charged based on useful life of the building or the lease period whichever is lower. In the case of leased hold building improvements, the depreciation is charged based on useful life of the improvements which is 10 years or lease period including expected renewal period whichever is lower. Residual value is considered to be 5% on all the assets, as technically estimated by the management.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains or losses arising from disposal of property, plant and equipment which are carried at cost are recognised in the statement of profit and loss.

E. Inventories

Inventories are valued at lower of cost and net realizable value. Cost of inventories comprises of all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition after adjusting for recoverable taxes, if any. Raw materials are valued on a first in, first out (FIFO) basis. Work-in-progress and finished goods are valued on weighted average basis. Cost of work-in-progress and finished goods include direct materials and labour and a portion of manufacturing overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

The net realisable value of work-in-progress is determined with reference to the selling prices related finished products. Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of finished products will exceed their net realisable value. The comparison of cost and net realisable value is made on an item-by-item basis.

F. Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured on an undiscounted basis at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. We make specified monthly contributions towards Government administered provident fund scheme and other funds. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in statement of profit and loss in the periods during which the related services are rendered by employees.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The liability or asset recognised in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by a qualified actuary using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

G. Leases

Lease contracts entered by us majorly pertain to warehouses and buildings taken on lease to conduct our business in the ordinary course.

Company as a Lessee:

We apply a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. We recognise lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

We determine the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if we are reasonably certain to exercise that option; and periods covered by an option to terminate the lease if we are reasonably certain not to exercise that option. In assessing whether we are reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, we consider all relevant facts and circumstances that create an economic incentive for us to exercise the option to extend the lease, or not to exercise the option to terminate the lease. We revise the lease term if there is a change in the non-cancellable period of a lease.

We used the following practical expedients when applying Ind AS 116:

- Applied a single discount rate to a portfolio of leases with similar characteristics.
- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term and leases of low value.
- Excluded initial direct costs from measuring the right-of-use asset at the date of initial application.

- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

Right of use asset: We recognise right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any re-measurement of the lease liability. The right-of- use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

Lease Liability: We measure the lease liability at present value of the future lease payments at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, we use incremental borrowing rate as at the commencement of lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. We recognise the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, we recognise any remaining amount of the re-measurement in statement of profit and loss.

H. Income tax

Income-tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to an item 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. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction; and

- temporary differences related to investments in subsidiaries to the extent that the we are able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, we recognise a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets –

unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which we expect, at the reporting date, to recover or settle the carrying amount of our assets and liabilities.

Minimum alternative tax

Minimum Alternative Tax ("**MAT**") under the provisions of the Income-tax Act, 1961 (the **"IT Act**") is recognised as current tax in the statement of profit and loss. The credit availed under the IT Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that we will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

The Taxation Laws (Amendment) Ordinance, 2019 ('**Ordinance'**) was promulgated on September 20, 2019. The Ordinance has amended the Income Tax Act, 1961 and Finance Act, 2019 to *inter-alia* provide an option to domestic companies to pay income tax at a reduced tax of 22 percent plus applicable surcharge and cess with certain conditions to be met. We have opted to apply the provisions of section 115BAA from the Assessment year 2020-21 (year ended March 31, 2020) and accordingly, we have charged off the balance of MAT credit during the year ended March 31, 2020.

I. Provision, contingent liabilities and contingent assets

A provision is recognised if, as a result of a past event, we have a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised under finance costs. Expected future operating losses are not provided for. Provision in respect of loss contingencies relating to claims, litigations, assessments, fines and penalties are recognised when it is probable that a liability has been incurred and the amount can be estimated reliably.

Contingent liabilities and contingent assets:

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote.

Contingent assets have to be recognised in the financial statements in the period in which if it is virtually certain that an inflow of economic benefits will arise. Contingent assets are assessed continually and no such benefits were found for the current financial year.

J. Cash flow statement

Cash flows are reported using the indirect method, whereby net profit/ (loss) before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flows. Our cash flows from regular revenue generating (operating activities), investing and financing activities are segregated.

Statement of restatement adjustments

For periods up to and including the year ended March 31, 2020, we prepared our financial statements in accordance with accounting standards notified under Section 133 of the Companies Act 2013, read together with relevant rules made thereunder ("**Previous GAAP**").

The Restated Consolidated Financial Information have been compiled from our audited special purpose interim consolidated Ind AS financial statements as at and for the six months period ended September 30, 2021 and

September 30, 2020, our audited consolidated Ind AS financial statements as at and for the year ended March 31, 2021, our audited special purpose consolidated Ind AS financial statements as at and for the year ended March 31, 2020 and our audited special purpose consolidated financial statements as at and for the year ended March 31, 2019.

In pursuance to general directions received from SEBI *vide* their e-mail dated October 28, 2021 by the BRLMs through the Association of Investment Bankers of India (AIBI), as shared with us, the audited special purpose consolidated financial statements for the year ended March 31, 2019 have been prepared solely for the purpose of preparation of Restated Consolidated Financial Information for inclusion in this Draft Red Herring Prospectus in relation to the proposed Offer. As such these audited special purpose consolidated financial statements are not suitable for any other purpose other than for the purpose of preparation of Restated Consolidated Financial Information and are also not financial statements prepared pursuant to any requirements under Section 129 of the Companies Act, 2013.

An explanation of how the transition from Previous GAAP to Ind AS framework has affected our financial position, financial performance and cash flows is set out in the "*Financial Statements - Annexure VI - Statement of Adjustments to Restated Consolidated Financial Information*" on page 204.

Optional exemptions availed under Ind AS 101 – First time adoption of Indian accounting standard

Our application of Ind AS principle for measurement of recognised assets and liabilities is subject to certain optional exemptions, apart from mandatory exceptions, availed by us as detailed below:

a) Deemed cost for property, plant and equipment; and

b) Fair value measurement of financial assets or financial liabilities at initial recognition.

Deemed cost for property, plant and equipment

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. Accordingly, we have elected to measure all of our property, plant and equipment at their Previous GAAP carrying value as on the transition date as prescribed under para D7AA of Ind AS 101.

Leases

We have elected to recognize right of use assets and lease liabilities as at opening date balance sheet using the modified retrospective method.

Mandatory exemptions

The mandatory exceptions applicable to us are given below:

a) Estimates;

b) Derecognition of assets and liabilities;

c) Classification and measurement of financial assets and liabilities; and

d) Impairment of financial assets.

Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP.

Ind AS estimates as at April 1, 2019 are consistent with the estimates as at the same date made in conformity with previous GAAP.

Derecognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the derecognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

Classification and measurement of Financial assets

We measure and classify all financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS prescribed by Ind AS 101.

Impairment of financial assets

We have applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date.

Results of Operations

The following table sets forth our statement of profit and loss for the period indicated below:

(*in ₹ million, except %*)

Particulars	For the six months period ended September 30, 2021	(% of total income) as of September 30, 2021	For the six months period ended September 30, 2020	(% of total income) as of September 30, 2020	Fiscal 2021	(% of total income) for Fiscal 2021	Fiscal 2020	(% of total income) for Fiscal 2020	Fiscal 2019	(% of total income) Fiscal 2019
Revenues										
Revenue from operations	1,600.05	99.31	1,556.11	99.38	3,120.68	99.27	2,622.76	98.44	2,055.14	98.71
Other income	11.19	0.69	9.77	0.62	23.02	0.73	41.48	1.56	26.94	1.29
Total income	**1,611.24**	**100**	**1,565.88**	**100**	**3,143.70**	**100**	**2,664.24**	**100**	**2,082.08**	**100**
Expenses										
Cost of material consumed	925.33	57.43	1,017.08	64.95	1,972.49	62.74	1,395.50	52.38	1,095.05	52.59
Purchase of stock-in-trade	133.02	8.26	119.65	7.64	290.60	9.24	221.69	8.32	204.68	9.83
Changes in inventories of finished goods, stock-in-trade and work-in-progress	12.17	0.76	(195.48)	(12.48)	(272.71)	(8.67)	28.76	1.08	13.81	0.66
Employee benefits expense	188.94	11.73	172.85	11.04	341.99	10.88	325.18	12.21	274.44	13.18
Finance costs	39.67	2.46	43.01	2.75	69.40	2.21	75.19	2.82	74.56	3.58
Depreciation and amortization	34.23	2.12	30.42	1.94	65.30	2.08	62.50	2.35	51.14	2.46
Other expenses	252.28	15.66	277.74	17.74	539.23	17.15	414.63	15.56	405.15	19.46
Total expenses	**1,585.64**	**98.41**	**1,465.27**	**93.57**	**3,006.30**	**95.63**	**2,523.45**	**94.72**	**2,118.83**	**101.77**
Profit before tax	**25.60**	**1.59**	**100.61**	**6.43**	**137.40**	**4.37**	**140.79**	**5.28**	**(36.75)**	**(1.77)**
Tax expenses	**14.22**	**0.88**	**27.41**	**1.75**	**33.47**	**1.06**	**46.19**	**1.73**	**(2.06)**	**(0.10)**
Current tax	18.12	1.12	8.65	0.55	19.90	0.63	8.99	0.34	2.68	0.13
MAT credit utilized	0	0	0	0	0	0	1.81	0.07	0	0
Deferred tax	(3.90)	(0.24)	18.76	1.20	19.51	0.62	35.27	1.32	(5.22)	(0.25)
Tax pertaining to earlier years	0	0	0	0	(5.94)	(0.19)	0.12	0	0.48	0.02
Total tax expense	**14.22**	**0.88**	**27.41**	**1.75**	**33.47**	**1.06**	**46.19**	**1.73**	**(2.06)**	**(0.10)**
Profit after tax (PAT)	**11.37**	**0.71**	**73.20**	**4.67**	**103.93**	**3.31**	**94.60**	**3.55**	**(34.69)**	**(1.67)**

Principal Components of Income and Expenditure

Income

Revenue from Operations

Our revenue from operations is generated from the sale of our products in the domestic and international markets as well as income from services which relates to services provided to the Government of Sikkim for managing their organic farming internal control system. We generate a majority of our revenue from the sale of our products in the domestic market. In total, our revenue from operations accounted for ₹1,600.05 million, ₹1,556.11 million, ₹3,120.68 million, ₹2,622.76 million and ₹2,055.14 million, for the six months ended September 30, 2021, the six months ended September 30, 2020, Fiscal 2021, Fiscal 2020 and Fiscal 2019, respectively.

Our revenue includes the following:

Revenue from sale of products

Our revenue from product sales comprises both domestic sales and exports which for the six months ended September 30, 2021, the six months ended September 30, 2020, Fiscal 2021, Fiscal 2020 and Fiscal 2019, accounted for ₹1,600.05, ₹1,556.11 million, ₹3,120.68 million, ₹2,609.19 million and ₹2,041.45 million, respectively.

Service Income

Our revenue from services relates to the fee paid to us by the Government of Sikkim for managing their organic farming internal control system. This service income accounted for ₹13.57 million and ₹13.69 million for Fiscal 2020 and Fiscal 2019, respectively. We did not have any service income in the six months ended September 30, 2021, the six months ended September 30, 2020 and Fiscal 2021.

Other Income

Our other income primarily comprises customs duty credit entitlement, duty drawback claim, foreign exchange fluctuation gains, interest on deposits and miscellaneous income derived primarily from sale of scrap and spare parts. which accounted for ₹11.19 million, ₹9.77 million, ₹23.02 million, ₹41.48 million and ₹26.94 million for the six months ended September 30, 2021, the six months ended September 30, 2020, Fiscal 2021, Fiscal 2020 and Fiscal 2019, respectively.

Expenditure

Cost of material consumed

Cost of material consumed primarily includes the net of raw materials consumed, *i.e.*, the difference between opening stock, purchase during the year and closing stock of raw materials and well as other direct costs such as fuel and power costs and processing and packing charges. For the six months ended September 30, 2021, the six months ended September 30, 2020, Fiscal 2021, Fiscal 2020 and Fiscal 2019, respectively, the cost of raw material consumed was ₹925.33 million, ₹1,017.08 million, ₹1,972.49 million, ₹1,395.50 million and ₹1,095.05 million, respectively.

Changes in inventories of finished goods, work-in-progress and stock-in-trade

Changes in inventories of finished goods, work-in-progress and stock-in-trade reflects the difference between our finished goods at the start of the year and the end of the year. For the six months ended September 30, 2021, the six months ended September 30, 2020, Fiscal 2021, Fiscal 2020 and Fiscal 2019, respectively, this difference amounted to ₹12.17 million, ₹(195.48) million, ₹(272.71) million, ₹28.76 million and ₹13.81 million, respectively.

Employee benefits expense

Employee benefits expense primarily consists of salaries, wages, bonus, contribution to provident fund and other funds such as contribution towards employee state insurance in India and social security fund in the USA, employee stock option plan, gratuity expenses and staff welfare expenses. For the six months ended September 30, 2021, the six months ended September 30, 2020, Fiscal 2021, Fiscal 2020 and Fiscal 2019, respectively, the cost of employee benefit expenses was ₹188.94 million, ₹172.85 million, ₹341.99 million, ₹325.18 million and ₹274.44 million, respectively.

Finance costs

Finance costs primarily comprise interest expenses on loans and lease liabilities, processing fees, bank charges and bank commission. For the six months ended September 30, 2021, the six months ended September 30, 2020, Fiscal 2021, Fiscal 2020 and Fiscal 2019, respectively, the cost of finance was ₹39.67 million, ₹43.01 million, ₹69.40 million, ₹75.19 million and ₹74.56 million, respectively.

Depreciation and amortisation

Depreciation and amortization expense primarily relates to depreciation of our tangible assets like plant and machinery, electrical equipment and furniture and fixtures and amortization of right-of-use assets. For the six months ended September 30, 2021, the six months ended September 30, 2020, Fiscal 2021, Fiscal 2020 and Fiscal 2019, respectively, the cost of depreciation and amortisation was ₹34.23 million, ₹30.42 million, ₹65.30 million, ₹62.50 million and ₹51.14 million, respectively.

Other expenses

Other expenses primarily consists of rents, residuary operation expenses such as equipment hire charges, and warehouse maintenance expenses, insurance, advertisement charges, certification fee, clearing and forwarding charges and secondary freight, freight, forwarding and clearing – exports, rates and taxes such as statutory license fees and renewal fees and value added tax assessment taxes legal and consultancy charges and miscellaneous expenses such as staff recruitment charges and staff training and induction expenses. For the six months ended September 30, 2021, the six months ended September 30, 2020, Fiscal 2021, Fiscal 2020 and Fiscal 2019, respectively, other expenses amounted to ₹252.28 million, ₹277.74 million, ₹539.23million, ₹414.63 million and ₹405.15 million, respectively.

Tax expenses

Tax expenses primarily comprise current tax, MAT credit, tax pertaining to earlier years and deferred tax. For the six months ended September 30, 2021, the six months ended September 30, 2020, Fiscal 2021, Fiscal 2020 and Fiscal 2019, respectively, tax expenses amounted to ₹14.22 million, ₹27.41 million, ₹33.47 million, ₹46.19 million and ₹(2.06) million, respectively

Six months ended September 30, 2021 compared to six months ended September 30, 2020

Revenue

The table below sets forth details in relation to our revenue for the six months ended September 30, 2021 and six months ended September 30, 2020.

Particulars	Six months ended September 30, 2021	Six months ended September 30, 2020	Percentage Change (%)
	Amount (in ₹ million)	Amount (in ₹ million)	
Revenue			
Revenue from operations	1,600.05	1,556.11	2.82%
Other income	11.19	9.77	14.53
Total income	**1,611.24**	**1,565.88**	**2.90%**

Our total income increased by ₹45.36 million, or 2.90%, from ₹1,565.88 million in the six months ended September 30, 2020 to ₹1,611.24 million in the six months ended September 30, 2021. This was primarily due to the increase in sale of our products in the domestic markets.

Revenue from operations

Our revenue from operations increased by ₹43.94 million, or 2.82%, from ₹1,556.11 million in the six months ended September 30, 2020 to ₹1,600.05 million in the six months ended September 30, 2021. The increase in our revenue from operations during this period was primarily due to an increase in the domestic sale of our products by ₹28.77 million, or 3.42% from ₹840.54 million in the six months ended September 30, 2020 to ₹869.31 million in the six months ended September 30, 2021 attributable to the revival of footfall in the Modern Trade Stores after the lock-downs on account of the second wave of the COVID-19 pandemic. Further, our revenue from operations during the first six months of Fiscal 2022 decreased primarily due to reduction in demand on account of the second wave of the COVID-19 pandemic and reduced exports attributable to reduced sailing, shortage of availability of containers for export and a steep increase in the overseas freight expenses.

Other income

Our other income increased by ₹1.42 million, or 14.53%, from ₹9.77 million in the six months ended September 30, 2020 to ₹11.19 million in the six months ended September 30, 2021, primarily due increase in foreign exchange fluctuation gains attributable to the difference in timing between the billing rate (*i.e.* shipping invoice) and the realisation rate and miscellaneous income derived primarily from sale of scrap.

Expenses

Our total expenses increased by ₹120.37 million, or 8.22%, from ₹1,465.27 million in the six months ended September 30, 2020 to ₹1,585.64 million for the six months ended September 30, 2021.

Expenses	**Six months ended September 30, 2021**	**Six months ended September 30, 2020**	**Percentage change (%)**
	Amount (in ₹ million)	**Amount (in ₹ million)**	
Cost of material consumed	925.33	1,017.08	(9.02)
Purchase of stock-in-trade	133.02	119.65	11.17
Change in inventories of finished goods, stock-in-trade and work-in-progress	12.17	(195.48)	(106.23)
Employee benefits expense	188.94	172.85	9.31
Finance cost	39.67	43.01	(7.77)
Depreciation and amortisation	34.23	30.42	12.52
Other expenses	252.28	277.74	(9.17)
Total expenses	**1,585.64**	**1,465.27**	**8.22**
Profit before tax	**25.60**	**100.61**	**(74.56)**
Tax expenses			
Current tax	18.12	8.65	109.48
MAT credit utilised	-	-	-
Deferred tax	(3.90)	18.76	(120.76)
Tax pertaining to earlier years	-	-	-
Total tax expense	14.22	27.41	(48.10)
Profit after tax (PAT)	**11.37**	**73.20**	**(84.46)**

Cost of material consumed

Our cost of material consumed decreased by ₹91.75 million, or 9.02% from ₹1,017.08 million in the six months ended September 30, 2020 to ₹925.33 million in the six months ended September 30, 2021, primarily on account of efficient utilisation of closing stock carried forward from Fiscal 2021.

Purchase of stock-in-trade

Our purchase of stock-in-trade increased by ₹13.37 million, or 11.17% from ₹119.65 million in the six months ended September 30, 2020 to ₹133.02 million in the six months ended September 30, 2021, primarily on account of increase in purchase of stock by Fyve in line with our sales volumes and increase in the overseas freight charges.

Change in inventories of finished goods, stock-in-trade and work-in-progress

Change in inventories of finished goods, stock-in-trade and work-in-progress increased by ₹207.65 million, or 106.23% from ₹(195.48) million for the six months ended September 30, 2020 as compared to ₹12.17 million for the six months ended September 30, 2021, primarily on account of increase in our revenue due to increased sales resulting in decrease in inventories of finished goods and inability to furnish optimum inventory to our Subsidiary, Fyve on account of reduced sailing, shortage of availability of containers for export and a steep increase in the overseas freight expenses.

Employee benefits expense

Our employee benefits expense increased by ₹16.09 million, or 9.31%, from ₹172.85 million in the six months ended September 30, 2020 to ₹188.94 million in the six months ended September 30, 2021, primarily due to an increase in the gratuity provisions and salaries, wages and bonus paid by us including on account of increase in the number of employees both in India and the USA.

Finance costs

Our finance costs decreased by ₹3.34 million, or 7.77%, from ₹43.01 million in the six months ended September 30, 2020 to ₹39.67 million in the six months ended September 30, 2021, primarily due to a reduction in bank charges and commission.

Depreciation and amortization expense

Depreciation and amortization expenses increased by ₹3.81 million, or 12.52%, from ₹30.42 million in the six months ended September 30, 2020 to ₹34.23 million in the six months ended September 30, 2021 primarily due to an increase in amortisation on account of increase in the number of assets leased by us and purchase of new office equipment and machinery by 18.02%.

Other expenses

Other expenses decreased by ₹25.46 million, or 9.17%, from ₹277.74 million in the six months ended September 30, 2020 to ₹252.28 million in the six months ended September 30, 2021, primarily due to a decrease in the bad debts, provision for doubtful debts, legal and consultancy charges, clearing and forwarding charges and secondary freight and freight, forwarding and clearing – exports on account of shortage of availability of containers for export.

Profit before tax

As a result of the above, our profit before tax decreased by ₹75.01 million or 74.56% from ₹100.61 million in the six months ended September 30, 2020 to ₹25.60 million in the six months ended September 30, 2021.

Tax expenses

Our tax expenses decreased by ₹13.19 million, or 48.10%, from ₹27.41 million in the six months ended September 30, 2020 to ₹14.22 million in the six months ended September 30, 2021, due a decrease in the deferred tax liability on account of Ind AS adjustment against deferred revenue.

Profit/loss after tax

As a result of the foregoing, our profit after tax decreased by ₹61.83 million or 84.46% from ₹73.20 million in the six months ended September 30, 2020 to ₹11.37 million in the six months ended September 30, 2021.

Fiscal 2021 compared to Fiscal 2020

Revenue

The table below sets forth details in relation to our revenue for Fiscals 2021 and 2020.

Particulars	Fiscal 2021	Fiscal 2020	Percentage change (%)
	Amount (in ₹ million)	Amount (in ₹ million)	
Revenue			
Revenue from operations	3,120.68	2,622.76	18.98
Other income	23.02	41.48	(44.50)
Total income	**3,143.70**	**2,664.24**	**18**

Our total income increased by ₹479.46 million, or 18%, from ₹2,664.24 million in Fiscal 2020 to ₹3,143.70 million in Fiscal 2021. This was primarily due to the increase in sale of our products in the domestic and international markets.

Revenue from operations

Our revenue from operations increased by ₹497.92 million, or 18.98%, from ₹2,622.76 million in Fiscal 2020 to ₹3,120.68 million in Fiscal 2021. The increase in our revenue from operations during this period was primarily due to:

- Domestic sale of our products which increased by ₹299 million, or 22.52% from ₹1,327.67 million in Fiscal 2020 to ₹1,626.67 million in Fiscal 2021 on account of increase in sale of our products on various e-commerce platforms owing to the COVID-19 pandemic and closure of physical stores.

- Export sale of our products which increased by ₹212.49 million, or 16.58% from ₹1,281.52 million in Fiscal 2020 to ₹1,494.01 million in Fiscal 2021 on account of increase in sale in the Mainstream Stores in the USA and the GCC Region.

Other income

Our other income decreased by ₹18.46 million, or 44.50%, from ₹41.48 million in Fiscal 2020 to ₹23.02 million in Fiscal 2021, primarily due decrease in foreign exchange fluctuation gains attributable to a depreciation of the Rupee owing to the COVID-19 pandemic. This decrease was partially offset by an increase in the miscellaneous income on account of waiver of the pay check protection program loan granted by the US Senate to Fyve by ₹12.42 million, or 1,061.54%, from ₹1.17 million in Fiscal 2020 to ₹13.59 million in Fiscal 2021.

Expenses

Our total expenses increased by ₹482.85 million, or 19.13%, from ₹2,523.45 million in Fiscal 2020 to ₹3,006.30 million in Fiscal 2021.

Expenses	**Fiscal 2021**	**Fiscal 2020**	**Percentage change (%)**
	Amount (in ₹ million)	**Amount (in ₹ million)**	
Cost of material consumed	1,972.49	1,395.50	41.35
Purchase of stock-in-trade	290.60	221.69	31.08
Change in inventories of finished goods, stock-in-trade and work-in-progress	(272.71)	28.76	(1,048.23)
Employee benefits expense	341.99	325.18	5.17
Finance cost	69.40	75.19	(7.70)
Depreciation and amortisation	65.30	62.50	4.48
Other expenses	539.23	414.63	30.05
Total expenses	**3,006.30**	**2,523.45**	**19.13**
Profit before tax	**137.40**	**140.79**	**(2.41)**
Tax expenses			
Current tax	19.90	8.99	(121.36)
MAT credit utilised	-	1.81	(100)
Deferred tax	19.51	35.27	(44.68)
Tax pertaining to earlier years	(5.94)	0.12	(5,050)
Total tax expense	33.47	46.19	(27.54)
Profit after tax (PAT)	**103.93**	**94.60**	**9.86**

Cost of material consumed

Our cost of materials consumed increased by ₹576.99 million, or 41.35% from ₹1,395.50 million in Fiscal 2020 to ₹1,972.49 million in Fiscal 2021, primarily on account of increase in our sales due to panic buying by consumers on account of the COVID-19 pandemic and reduction in the inventory on account of the same.

Purchase of stock-in-trade

Our purchase of stock-in-trade increased by ₹68.91 million, or 31.08% from ₹221.69 million in Fiscal 2020 to ₹290.60 million in Fiscal 2021, primarily on account of increase in purchase of stock by Fyve in line with our sales volume and increase in overseas freight charges and introduction of new products such as paneer.

Change in inventories of finished goods, stock-in-trade and work-in-progress

Change in inventories of finished goods, stock-in-trade and work-in-progress decreased by ₹301.47 million, 1,048.23 from ₹28.76 million in the Fiscal 2020 to ₹(272.71) million in the Fiscal 2021 primarily on account of increased production of finished goods to ensure seamless supply of our products in the market in anticipation of the second wave of the COVID-19 pandemic.

Employee benefits expense

Our employee benefits expense increased by ₹16.81 million, or 5.17%, from ₹325.18 million in Fiscal 2020 to ₹341.99 million in Fiscal 2021, primarily due to an increase in the salaries, wages and bonus paid by us on account of COVID related incentive and business performance incentive, grant of options under the ESOP Scheme, 2008 and staff welfare expenses such as COVID insurance and expenses towards spreading COVID awareness.

Finance costs

Our finance costs decreased by ₹5.79 million, or 7.70%, from ₹75.19 million in Fiscal 2020 to ₹69.40 million in Fiscal 2021, primarily due to a decrease in our interest expenses on loans by 22.59% attributable to better interest rates from our new lender.

Depreciation and amortization expense

Depreciation and amortization expenses increased by ₹2.80 million, or 4.48%, from ₹62.50 million in Fiscal 2020 to ₹65.30 million in Fiscal 2021 primarily due to purchase of new office equipment and machinery by 29.71%.

Other expenses

Other expenses increased by ₹124.60 million, or 30.05%, from ₹414.63 million in Fiscal 2020 to ₹539.23 million in Fiscal 2021, primarily due to an in the residuary operating expenses such as expenses towards office supplies, warehouse expenses, etc., advertisement charges, clearing and forwarding charges and secondary freight, freight, forwarding and clearing – exports, foreign exchange fluctuation loss and other repairs and maintenance of plant and machinery and vehicles undertaken by us.

Profit before tax

As a result of the above, our profit before tax decreased by ₹3.39 million or 2.41% from ₹140.79 million in Fiscal 2020 to ₹137.40 million in Fiscal 2021.

Tax expenses

Our tax expenses decreased by ₹12.72 million, or 27.54%, from ₹46.19 million in Fiscal 2020 to ₹33.47 million in Fiscal 2021, due a decrease in the deferred tax liability on account of Ind AS adjustment against deferred revenue.

Profit/loss after tax

As a result of the foregoing, our profit after tax increased by ₹9.33 million or 9.86% from ₹94.60 million in Fiscal 2020 to ₹103.93 million in Fiscal 2021.

Fiscal 2020 compared to Fiscal 2019

Revenue

The table below sets forth details in relation to our revenue for Fiscals 2020 and 2019.

Particulars	Fiscal 2020 Amount (in ₹ million)	Fiscal 2019 Amount (in ₹ million)	Percentage change (%)
Revenue			
Revenue from operations	2,622.76	2,055.14	27.62
Other income	41.48	26.94	53.97
Total income	**2,664.24**	**2,082.08**	**27.96**

Our total income increased by ₹582.16 million, or 27.96%, from ₹2,082.08 million in Fiscal 2019 to ₹2,664.24 million in Fiscal 2020. This was primarily due to the increase in sale of our products in the domestic and international markets.

Revenue from operations

Our revenue from operations increased by ₹567.62 million, or 27.62%, from ₹2,055.14million in Fiscal 2019 to ₹2,622.76 million in Fiscal 2020. The increase in our revenue from operations during this period was primarily due to:

- Domestic sale of our products which increased by ₹298.23 million, or 28.97% from ₹1,029.44 million in Fiscal 2019 to ₹1,327.67 million in Fiscal 2020 on account of increase in sales on various e-commerce platforms.

- Export sale of our products which increased by ₹269.51 million, or 26.63% from ₹1,012.01 million in Fiscal 2019 to ₹1,281.52 million in Fiscal 2020 on account of better acceptance of our brand in the GCC Region and South-East Asia and steady growth in the USA.

Other income

Our other income increased by ₹14.54 million, or 53.97%, from ₹26.94 million in Fiscal 2019 to ₹41.48 million in Fiscal 2020, primarily due increase in credit entitlement of customs duty and foreign exchange fluctuation gains attributable to a depreciation in the Rupee.

Expenses

Our total expenses increased by ₹404.62 million, or 19.10%, from ₹2,118.83 million in Fiscal 2019 to ₹2,523.45 million in Fiscal 2020.

Expenses	Fiscal 2020	Fiscal 2019	Percentage change (%)
	Amount (in ₹ million)	Amount (in ₹ million)	
Cost of material consumed	1,395.50	1,095.05	27.43
Purchase of stock-in-trade	221.69	204.68	8.31
Change in inventories of finished goods, stock-in-trade and work-in-progress	28.76	13.81	108.25
Employee benefits expense	325.18	274.44	18.49
Finance cost	75.19	74.56	0.84
Depreciation and amortisation	62.50	51.14	22.21
Other expenses	414.63	405.15	2.34
Total expenses	**2,523.45**	**2,118.83**	**19.10**
Profit before tax	**140.79**	**(36.75)**	**(483.10)**
Tax expenses			
Current tax	8.99	2.68	235.45
MAT credit utilised	1.81	-	100
Deferred tax	35.27	(5.22)	(775.67)
Tax pertaining to earlier years	0.12	0.48	(75)
Total tax expense	46.19	(2.06)	(2,342.23)
Profit after tax (PAT)	**94.60**	**(34.69)**	**(372.70)**

Cost of material consumed

Our cost of material consumed increased by ₹300.45 million, or 27.44% from ₹1,095.05 million in Fiscal 2019 to ₹1,395.50 million in Fiscal 2020, primarily on account of higher production of our products in line with our increase in sales which increased by ₹283.28 million or 31.47% from ₹900.27 million to ₹1,183.55 million.

Purchase of stock-in-trade

Our purchase of stock-in-trade increased by ₹17.01 million, or 8.31% from ₹204.68 million in Fiscal 2019 to ₹221.69 million in Fiscal 2020, primarily on account of increase in purchase of stock by Fyve in line with our sales volumes.

Change in inventories of finished goods, stock-in-trade and work-in-progress

Change in inventories of finished goods, stock-in-trade and work-in-progress increased by ₹14.95 million, or 108.25% from ₹13.81 million in Fiscal 2019 to ₹28.76 million in Fiscal 2020, primarily on account of increase in our revenue due to increased sales, both in the domestic and international markets, resulting in decrease in inventories of finished goods.

Employee benefits expense

Our employee benefits expense increased by ₹50.74 million, or 18.49%, from ₹274.44 million in Fiscal 2019 to ₹325.18 million in Fiscal 2020, primarily due to an increase in the salaries, wages and bonus paid by us on account of annual increments and reclassification of expenses met towards our in-store promoters into sales and marketing and contribution to provident and other funds.

Finance costs

Our finance costs increased by ₹0.63 million, or 0.84%, from ₹74.56 million in Fiscal 2019 to ₹75.19 million in Fiscal 2020, primarily due to an increase in the bank charges and commissions and our interest expenses on lease liabilities attributable to increase in the total number of leased assets used by us.

Depreciation and amortization expense

Depreciation and amortization expenses increased by ₹11.36 million, or 22.21%, from ₹51.14 million in Fiscal 2019 to ₹62.50 million in Fiscal 2020 primarily due to an increase in the amortisation on right-of-use of the assets leased by us by 25.72% on account of increase in the total number of assets leased and used by us.

Other expenses

Other expenses increased by ₹9.48 million, or 2.34%, from ₹405.15 million in Fiscal 2019 to ₹414.63 million in Fiscal 2020, primarily due to an increase in the residuary operation expenses such expenses towards office supplies and warehouse expenses, advertisement charges and clearing and forwarding charges and secondary freight.

Profit before tax

As a result of the above, our profit before tax increased by ₹177.54 million or 483.10% from ₹(36.75) million in Fiscal 2019 to ₹140.79 million in Fiscal 2020.

Tax expenses

Our tax expenses increased by ₹48.25 million, or 2,342.23%, from ₹(2.06) million in Fiscal 2019 to ₹46.19 million in Fiscal 2020, due an increase in the deferred tax liability.

Profit/loss after tax

As a result of the foregoing, our profit after tax increased by ₹129.29 million or 372.70% from ₹(34.69) million in Fiscal 2019 to ₹94.60 million in Fiscal 2020.

Liquidity and Capital Resources

As of September 30, 2021, our cash and cash equivalents were ₹105.20 million. We fund our operations and capital requirements primarily through cash flows from operations. We expect that cash flow from operations will continue to be our principal source of cash in the long term. Further, our business is asset light in nature and requires lesser amount of capital expenditure on a yearly basis. We evaluate our funding requirements periodically in light of our net cash flow from operating activities.

Cash Flows

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

(in ₹ million)

Particulars	For the six months ended September 30, 2021	For the six months ended September 30, 2020	For the year ended March 31, 2021	For the year ended March 31, 2020	For the year ended March 31, 2019
Net cash inflow from operating activities	(126.90)	100.71	20.49	164.85	113.99
Net cash used in investing activities	(34.04)	(28.24)	(1.29)	5.87	(67.06)
Net cash used in financing activities	199.96	(44.96)	(14.78)	(152.82)	(80.15)
Cash and cash equivalents at the end of the period/ year	**105.20**	**89.27**	**66.18**	**61.76**	**43.86**

Operating Activities

Net cash inflow from operating activities for the six months ended September 30, 2021 was ₹(126.90) million and our operating profit before working capital changes for that period was ₹99.73 million on account of adjustments to profit before tax such as depreciation, interest expense and foreign exchange fluctuation. The difference between net cash inflow from operating activities and our operating profit was primarily attributable to working capital changes such as increase in trade receivables, inventory and other current assets of ₹210.60 million. This was partially offset by a decrease in current liabilities of ₹16.02 million.

Net cash inflow from operating activities for the six months ended September 30, 2020 was ₹100.71 million and our operating profit before working capital changes for that period was ₹179.62 million on account of adjustments to profit before tax such as depreciation, interest expense and provision for doubtful receivables. The difference between net cash inflow from operating activities and our operating profit was primarily attributable to working capital changes such as increase in inventory and trade payables and other financial liabilities of ₹541.23 million and ₹404.04 million, respectively.

Net cash inflow from operating activities in Fiscal 2021 was ₹20.49 million and our operating profit before working capital changes for that period was ₹295.84 million on account of adjustments to profit before tax such as depreciation and amortization expense, interest expense, provision for doubtful receivables and write off of bad debts. The difference between net cash inflow from operating activities and our operating profit was primarily attributable to working capital changes such as increase in inventories of ₹394.53 million. This was partially offset by a decrease in trade receivables of ₹79.23 million and decrease in other assets such as customer advances and security deposits placed with government authorities of ₹17.73 million and an increase in trade payables and other financial liabilities of ₹42.94 million.

Net cash inflow from operating activities in Fiscal 2020 was ₹164.85 million and our operating profit before working capital changes for that period was ₹283.79 million on account of adjustments to profit before tax such as depreciation and amortization expense, interest expense, interest expense on lease liabilities and provision for doubtful receivables. The difference between net cash inflow from operating activities and our operating profit was primarily attributable to working capital changes such as increase in trade receivables of ₹185.28 million and increase of trade payables and other financial liabilities of ₹65.40 million

Net cash inflow from operating activities in Fiscal 2019 was ₹113.99 million and our operating profit before working capital changes for that period was ₹108.90 million on account of adjustments to profit before tax such as depreciation and amortization expense, interest expense, write off of bad debts and provision for doubtful receivables. The difference between net cash inflow from operating activities and our operating profit was primarily attributable to working capital changes such as increase in inventories of ₹70.75 million and increase in loans and other financial assets of ₹32.07 million. This was partially offset by a decrease of ₹61.90 million in trade receivables.

Investing Activities

We operate in a working capital intensive industry and our purchase and sale of investments is driven by our cash flow requirements. As part of our business requirement, we keep margin money deposit with bankers to provide bank guarantees to various government bodies having original maturity of more than 12 months. Year-to-year changes in cash from investing activities are primarily driven by placement of margin money deposits and capital expenditure spends. Net cash used in investing activities amounted to ₹(34.04) million in the six months period ended September 30, 2021, ₹(28.24) million in the six months period ended September 30, 2020, ₹(1.29) million in Fiscal 2021 and ₹(67.06) million in Fiscal 2019, while net cash generated from investing activities for Fiscal

2020 was ₹5.87 million. The Fiscal 2020 inflow was primarily driven by maturity of margin money deposits of ₹13.63 million and ₹4.84 million derived from the interest received upon maturity of the margin money deposits. The outflow for Fiscal 2021 resulted from capital expenditures aggregating to ₹25.66 million whereas the outflow for the six months period ended September 30, 2021 and September 30, 2020 and Fiscal 2019 resulted from investing free cash flows into margin money deposits investments aggregating to ₹20.27 million, ₹21.64 million and ₹58.86 million, respectively.

Financing Activities

For the six month period ended September 30, 2021 and September 30, 2020 and in Fiscal 2021, Fiscal 2020 and Fiscal 2019, our net cash used in financing activities was ₹199.96 million, ₹(44.96) million, ₹(14.78) million, ₹(152.82) million and ₹(80.15) million, respectively. The net cash used in financing activities for the six month period ended September 30, 2021 was primarily on account of proceeds from long term and short term borrowings of ₹69.15 million and ₹188.23 million, for the six month period ended September 30, 2020 was attributable to repayment of long term borrowings and payment of interest of ₹(35.92) million and ₹29.01 million, in Fiscal 2021 was attributable to net repayment of long term borrowings of ₹43 million, payment of interest of ₹46.73 million and payment of lease liabilities of ₹48.86 million, to payment of interest of ₹58.02 million and payment of lease liabilities of ₹50.32 million in Fiscal 2020 and to net repayment of long term borrowings of ₹63.86 million, payment of interest of ₹57.93 million and payment of lease liabilities of ₹41 million in Fiscal 2019.

Indebtedness

As of September 30, 2021, our total outstanding debt was ₹783.62 million. For further information, see "*Financial Indebtedness*" and "*Financial Statements"* beginning on pages 266 and 185, respectively. The following table sets forth the summary of total outstanding indebtedness:

Category of borrowing	Sanctioned amount (in ₹ million) as on September 30, 2021	Outstanding amount (in ₹ million) as on September 30, 2021
A. Long Term Borrowings (including current maturities)		
1. Secured		
a. Term Loans		
- From banks	47.50	47.50
b. Working capital facilities		
- From financial institutions	187.90	126.20
- From others	10	3.30
2. Unsecured		
a. Working capital facilities		
- From others	40	40
B. Short Term Borrowings		
1. Secured		
a. Working capital facilities		
- From banks	700	536.62
2. Unsecured		
a. Working capital facilities		
- From others	30	30
Total	**1,015.40**	**783.62**

Note: As certified by Gandhi & Gandhi, Chartered Accountants, by way of their certificate dated January 7, 2022

Contingent Liabilities and Commitments

For details of our contingent liabilities and commitments as of September 30, 2021, see "*Offer Document Summary — Summary of Contingent Liabilities*" and "*Financial Statements – Note 32 (Contingent Liabilities and Commitments)*" beginning on pages 14 and 220, respectively.

Off-balance Sheet Arrangements

As of September 30, 2021, there are no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that we believe are material to investors.

Related Party Transactions

For details of related party transactions that we entered into, please see "*Financial Statements – Note 33*" on beginning page 221.

Quantitative and Qualitative Disclosure about Market Risks

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. We are exposed to various types of market risks during the normal course of business as set forth below:

a) Credit risk

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The credit risk arises principally from its operating activities (primarily trade receivables) and from its investing activities, including deposits with banks and financial institutions and other financial instruments. The carrying amounts of financial assets represent the maximum credit risk exposure. Credit risk is controlled by analysing credit limits to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables are monitored on a continuous basis by our receivables team.

b) Liquidity risk

Liquidity risk is the risk that we will encounter difficulty in meeting the obligations associated with our financial liabilities that are settled by delivering cash or another financial asset. Our approach to managing liquidity is to ensure, as far as possible, that we have sufficient liquidity to meet our liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to our reputation.

c) Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

Exposure to interest rate risk

	September30, 2021	September30, 2020	Fiscal 2021	Fiscal 2020	Fiscal 2019
Variable rate borrowings	584.84	314.00	402.62	292.48	393.72
Fixed rate borrowings	198.78	143.70	123.62	153.00	96.32

Sensitivity

	Impact on profit and loss				
Particulars	**For 6 months period ended September 30, 2021**	**For 6 months period ended September 30, 2020**	**Fiscal 2021**	**Fiscal 2020**	**Fiscal 2019**
Sensitivity					
1% increase in MCLR	(5.85)	(3.14)	(4.03)	(2.92)	(3.94)
1% decrease in MCLR	5.85	3.14	4.03	2.92	3.94

d) Currency risk

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit or loss, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than our functional currency. We are subject to foreign exchange risk primarily due to our foreign currency revenues, expenses. Considering the countries and economic environment in which we operate, our operations are subject to risks arising from the fluctuations in exchange rates in those countries. The risks primarily relate to fluctuation in US Dollar against our fluctuation currency.

For further details, see '*Financial Statements*' beginning on page 185.

Unusual or infrequent events or transactions

Except as discussed 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".

Significant economic changes

Except as discussed in this Draft Red Herring Prospectus, to our knowledge, there have been no significant economic changes that are likely to have a material adverse impact on our income from continuing operations.

Known trends or uncertainties

Our business has been subject, and we expect it to continue to be subject, to significant economic changes arising from the trends identified above in "*– Significant Factors affecting our Results of Operations and Financial Condition"* beginning on page 239 and the uncertainties described in "*Risk Factors"* beginning on page 22. 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 our sales, revenue or income from continuing operations.

Extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices

The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices is discussed in this section above.

Significant regulatory changes that materially affected or are likely to affect income from continuing operations

Except as described in "*Key Regulations and Policies*" beginning on page 155, there have been no significant regulatory changes that have materially affected or are likely to affect our income from continuing operations.

The extent to which our business is seasonal

We are largely dependent on the agricultural industry for our raw materials including, rice, wheat, grams, etc. Agricultural industry is largely dependent on various factors including monsoon and weather conditions. Meteorologically, our country has diversified and different weather conditions that prevail at different places. Any vagaries of weather and abnormal monsoon may ruin crops, and subsequently increase the prices of our raw materials which can have an adverse effect on our results of operations. For further details, see "*Risk Factors – The supply of organic agricultural produce is subject to seasonal factors, weather conditions, disease, or pests can, and does not necessarily match the seasonal change or weather conditions in demand for our products, which may have an adverse effect on our business, financial condition, results of operations and prospects.*" beginning on page 28.

Competitive conditions

We operate in a competitive environment. See sections, "*Our Business*", "*Industry Overview*" and "*Risk Factors*" beginning on pages 129, 98 and 22, respectively.

Dependence on a Few Customers or Suppliers

Given the nature of our business operations, our business is not dependent on any single or a few customers or suppliers.

Future changes in relationship between costs and revenues

Other than as described in "*Risk Factors*", "*Our Business"* and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on pages 22, 129 and 238, respectively, to our knowledge, there are no known factors that may affect the future relationship between cost and revenue that will have a material adverse impact on our operations and finances.

New Products or Business Segments

Other than as disclosed in "*Our Business*" beginning on page 129, there are no new products or business segments that are publicly announced as proposed to be developed or launched.

Qualifications, reservations, and adverse remarks in the Restated Consolidated Financial Information

There are no qualifications, reservations and adverse remarks by our Statutory Auditor for the previous three Fiscals and for the six month period ended September 30, 2021.

Segment reporting

The entire operations of our Company has been considered as representing a single segment as our Company is primarily engaged in the productions and sale of organic food products.

Significant Developments since September 30, 2021

Except as set out below and in the Draft Red Herring Prospectus, to our knowledge, no circumstances have arisen since September 30, 2021, which materially and adversely affect or are likely to affect our trading or profitability, or the value of our assets or our ability to pay our liabilities within the next 12 months:

a) Our Company has availed an additional credit of ₹55 million from Axis Bank Limited under the existing Emergency Credit Line Guarantee Scheme (ECLGS);

b) Our Company has raised ₹15.35 million pursuant to a rights issuance of 365,478 Equity Shares at an issue price of ₹42 per Equity Share undertaken by it on December 1, 2021. For further details, see "*Capital Structure – Notes to Capital Structure - Share Capital History of our Company - Equity share capital*" beginning on page 69;

c) Revision in the variable pay formula of Rajashekar Reddy Seelam, our Managing Director, with effect from December 1, 2021 *vide* the resolution passed by our Board on November 15, 2021; and

d) Approval of issue of corporate guarantee in relation to a credit facility for an amount not exceeding USD 2 million by Fyve as approved by our Board vide its resolution dated November 15, 2021.

CAPITALISATION STATEMENT

The following table sets forth our Company's capitalization as at September 30, 2021, on the basis of our Restated Consolidated Financial Information, and as adjusted for the Offer. This table should be read in conjunction with "*Risk Factors*", "*Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", beginning on pages 22, 185 and 238, respectively:

(in ₹ million)

Particulars	Pre-Offer as at September 30, 2021	Post-Offer (Refer Note 2)
Debt (Refer Note1)		
Short term debt (A)	566.62	[•]
Long term debt (including current maturities of long term nature) (B)	217.00	[•]
Total debt (C = A+B)	**783.62**	[•]
Shareholders' Funds		
Share Capital **(Refer Note 3)**	182.74	**[•]**
Other Equity **(E)**	**590.88**	**[•]**
Total Shareholder's Funds (F = D+E)	**773.62**	**[•]**
Long Term Debt (including current maturities of long term nature)/ Total Shareholders' Fund (G = B/F)	0.28	**[•]**
Total debt / Total Shareholders' Fund (H = C/F)	1.01	

__Note 1)__ *Borrowings with original contractual maturity of more than 1 year are classified as Long Term as per guidance of Schedule III of the Companies Act, 2013. All other borrowings have been classified as Short Term.*

__Note 2)__ *The corresponding post IPO capitalization data for each of the amounts given in the above table is not determinable at this stage pending the completion of the Book Building process and hence the same have not been provided in the above statement.*

__Note 3)__ *Subsequent to period ended September 30, 2021, the Company has issued and allotted Rights issue shares in the ratio of 10.13 shares for every 100 shares held (of FV of Rs 10 each). The impact of such allotment has not been taken into account for the above disclosure of information.*

FINANCIAL INDEBTEDNESS

Our Company has availed loans in the ordinary course of its business typically for the purposes of meeting its working capital requirements.

Set forth below is a brief summary of the aggregate borrowings of our Company as of September 30, 2021:

Category of borrowing	Sanctioned amount (in ₹ million) as on September 30, 2021	Outstanding amount (in ₹ million) as on September 30, 2021
A. Long Term Borrowings (including current maturities)		
1. Secured		
a. Term Loans		
- From banks	47.50	47.50
b. Working capital facilities		
- From financial institutions	187.90	126.20
- From others	10	3.30
2. Unsecured		
a. Working capital facilities		
- From others	40	40
B. Short Term Borrowings		
1. Secured		
a. Working capital facilities		
- From banks	700	536.62
2. Unsecured		
a. Working capital facilities		
- From others	30	30
Total	**1,015.40**	**783.62**

Note: As certified by Gandhi & Gandhi, Chartered Accountants, by way of their certificate dated January 7, 2022

Principal terms of the borrowings availed by our Company:

1. ***Interest:*** The interest rate for our borrowings typically ranges between 4.25% and 18% per annum and in certain instances the interest rate is linked to the base rate/ MCLR as specified by the lenders. Further, we have also availed a zero interest loan from the Spices Board of India.

2. ***Tenor:*** The tenor of our borrowings typically ranges from nine months to four years.

3. ***Security:*** Our borrowings are typically secured by way of an exclusive, first or second charge, as applicable, on the current assets (including movable assets) of our Company and the immoveable properties owned by our Company and/ or our Promoter and Managing Director, Rajashekar Reddy Seelam, and also by way of a personal guarantee by our Promoter and Managing Director, Rajashekar Reddy Seelam and our Whole-time Director and Chief Executive Officer and Promoter, Balasubramanian Narayanan and pledge of our warehouse stocks.

4. ***Pre-payment:*** We have the option to pre-pay the lenders in majority of our borrowings, subject to prior notice of a minimum 30 business days being provided and payment of pre-payment charges at such rate as may be stipulated by the lenders which is 2%. Further, certain of our loans may be pre-paid without any pre-payment charges, subject to discretion of the lenders.

5. ***Repayment:*** Other than certain of our secured and unsecured borrowings which are repayable on demand, we are typically required to repay our borrowings in monthly instalments.

6. ***Restrictive Covenants:***

   The borrowing arrangements entered into by us require the relevant lender's prior written consent or require us to make intimations to the relevant lender, as applicable, for carrying out certain actions, including:

   - any change in shareholding/ constitution/ directorship/ appointment or removal of key managerial personnel;

   - enter into any scheme of merger, amalgamation or undertake a buyback;

- place our proportionate banking business with a particular lender;
- availing of any additional facilities or borrowings;
- any change in the corporate name, registered office or similar changes;
- undertake any expansion or invest in any other entity;
- permitting creation of security interest on the assets secured with the existing lenders;
- declaration of dividend for any year; and
- repay any loans or credit facility to any related party including but not limited to its employees, directors and shareholders.

7. ***Events of Default:***

The terms of our borrowings contain standard events of default, including:

- failure and inability to pay amounts on the due date;
- failure in performance of any covenant, condition or agreement;
- misrepresentation or provision of incorrect or misleading information;
- cessation/ insolvency or change in business;
- any litigation in relation to the borrowing;
- upon occurrence of any event that may have a material adverse effect;
- downgrade in credit rating by two or more notches; and
- any event of default which occurs under any agreement or document relating to the Company's indebtedness

8. ***Consequences of Events of Default:***

Upon the occurrence of an event of default, the lenders are entitled to, amongst other things:

- withdraw or cancel all the sanctioned facilities by the lender to our Company;
- enforce their security over the hypothecated / mortgaged assets/ invoke guarantees;
- seek immediate repayment of all or part of the outstanding amounts under the respective facilities;
- to review management structure and board and review the conditions for appointment or re-appointment of the managing director or any other person holding substantial powers of management;
- to convert outstanding loan obligations into equity or other securities;
- appoint a nominee director/observer on the Board of our Company;
- cancel all unutilized amount(s) of the facility;
- initiate legal proceedings for recovery of their dues; and
- exercise such other right, power or remedy as permitted under applicable law.

The lists above are indicative in nature and there may be further additional terms under the various borrowing arrangements entered into by us.

Further, for the purpose of the Offer, our Company has obtained the necessary consents from its lenders, as required under the relevant facility documentations for undertaking activities relating to the Offer including consequent actions, such as changes / amendments to, including but not limited to, the constitutional documents (memorandum of association and/or articles of association) of our Company in accordance; the corporate name of the Company on account of conversion from private limited company to public limited company; the composition of its management set-up (including appointment/removal of key managerial personnel); the capital structure of the Company; change in shareholding, etc.

As on the date of this Draft Red Herring Prospectus, our Subsidiaries do not have any outstanding borrowings.

Further, for details of financial and other covenants required to be complied with, by our Company, in relation to our loan obligations, see "*Risk Factors - We are subject to restrictive covenants under our financing agreements and the Amendment and Termination Agreement that could limit our flexibility in managing our business or to use cash or other assets.*" beginning on page 36.

SECTION VI: LEGAL AND OTHER INFORAMTION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

*Except as disclosed in this section, there are no outstanding (i) criminal proceedings, (ii) actions taken by regulatory or statutory authorities, (iii) claims related to direct and indirect taxes, and (iv) other pending litigation as determined to be material pursuant to the Materiality Policy in each case involving our Company, its Subsidiaries, the Promoters, and the Directors ("**Relevant Parties**"). Further, there are no disciplinary actions including penalties imposed by the SEBI or the stock exchanges against the Promoters in the last five Financial Years including any outstanding action.*

Further, there is no pending litigation involving the Group Company, which has a material impact on our Company.

For the purpose of (iv) above, our Board in its meeting held on December 15, 2021 has considered and adopted the Materiality Policy for identification of material litigation to be disclosed by our Company in this Draft Red Herring Prospectus.

In terms of the Materiality Policy, all pending litigation involving the Relevant Parties, other than criminal proceedings, actions by regulatory authorities and statutory authorities, disciplinary action including penalty imposed by SEBI or stock exchanges against the Promoters in the last five Financial Years including outstanding action, and outstanding claims related to direct and indirect tax matters, would be considered "material" if:

a) *the monetary amount of claim by or against the entity or person in any such pending proceeding is individually in excess of 1% of the profit after tax of our Company (being ₹1.04 million) as per the Restated Consolidated Financial Information; or*

b) *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 1% of the profit after tax of our Company (being ₹1.04 million) as per the Restated Consolidated Financial Information; or*

c) *which may not meet the monetary threshold stated above or where monetary liability is not quantifiable or any other outstanding litigation the outcome of which may have a material bearing on the business, operations, performance, prospects, financial position or reputation of the Company.*

*Except as stated in this section, there are no outstanding material dues to creditors of our Company. In terms of the Materiality Policy, outstanding dues to any creditor of our Company exceeding ₹13.28 million, i.e., 5 % of the total trade payables of the Company as on the latest date of the Restated Consolidated Financial Information (i.e. September 30, 2021) shall be considered as "material". Accordingly, as of September 30, 2021, any outstanding dues exceeding ₹13.28 million have been considered as material outstanding dues for the purposes of disclosure in this section. Further, for outstanding dues to any party which is a micro, small or a medium enterprise ("**MSME**"), 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.*

It is clarified that 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.

I. **Litigation involving our Company**

A. *Litigation filed against our Company*

a. **Criminal proceedings**

Nil

b. **Actions by regulatory and statutory authorities**

1. Our Company was issued a letter dated April 19, 2021 from the FSSAI in relation to misleading claims made by our Company in newspaper advertisements and e-commerce platforms regarding certain of our product (*i.e.* turmeric powder, chilli powder and cumin powder). Subsequently, the FSSAI issued a show

cause notice dated June 2, 2021 ("**FSSAI SCN**") to our Company requiring it to provide a response in relation to the misleading claims made by our Company in newspaper advertisements and e-commerce platforms regarding certain of our product (such as turmeric powder, chilli powder and cumin powder) in contravention of Regulations 6(3)(c) and 2(m) of FSS (Advertising and Claims) Regulations, 2018. Additionally, the FSSAI SCN alleged that the licence number mentioned on the label of the product does not authorise the Company to 'manufacture organic food products' as claimed in aforesaid advertisements and accordingly the Company is in contravention of Sections 31(1) and 31(2) of the FSS Act. Further, the FSSAI directed us to modify appropriately or to withdraw the advertisement in electronic media and in the labels or issue corrective advertisement within 30 days along with complete clarification to the Central Licensing Authority under FSS Act. Our Company has *vide* its letter dated July 28, 2021 ("**Reply**"), clarified to the FSSAI that the claims in the advertisements regarding our products being gluten-free and grown without synthetic pesticides were true and requested the authority to drop/ revoke the FSSAI SCN. Subsequently, the FSSAI issued a response dated August 23, 2021 to the Reply stating that the claims made by our Company are not permissible and submit revised labels to the FSSAI within 14 days. Our Company responded to the said letter on September 3, 2021 assuring the authority that all the claims made by it in the advertisement were true and requested the authority to drop/revoke the FSSAI SCN and permit use of the printed inventory for a further period of five months.

2. Our Company had received a show cause notice ("**SCN**") dated August 23, 2021 by FSSAI in relation to misleading claims made by us in a newspaper advertisement regarding our organic jaggery powder in violation of the FSS Act and regulations made thereunder. Our Company was directed to modify appropriately or withdraw the advertisement and in the labels or issue a corrective advertisement within 30 days. Our Company responded to the SCN on September 21, 2021 stating that all the claims made in the advertisement were true and requested the authority to drop/revoke the SCN.

3. Our Company was issued a letter dated April 19, 2021 from the FSSAI in relation to misleading claims made by our Company in newspaper advertisements and e-commerce platforms regarding our organic mustard oil, sunflower oil and groundnut oil in violation of the FSS Act and regulations made thereunder. Subsequently, the FSSAI issued a notice dated June 2, 2021 ("**FSSAI SCN**") to our Company requiring it to provide a response in relation to the misleading claims made by our Company in newspaper advertisements regarding the products mentioned herein above in contravention of FSS (Advertising and Claims) Regulations, 2018. Our Company was directed to modify appropriately or withdraw the advertisement and in the labels or issue a corrective advertisement within 30 days. Our Company responded to the Letter on July 30, 2021 ("**Reply**") stating that all claims made in the advertisement were true and requested the authority to drop/revoke the Letter. The FSSAI subsequently issued a response dated August 23, 2021 to the Reply stating that the claims made by our Company are not permissible. Our Company responded to the said letter on September 2, 2021 assuring the authority that all the claims made by it in the advertisement were after thorough review of literature and based on scientific findings only and requested the authority to drop/revoke the FSSAI SCN.

4. Our Company received a notice dated November 11, 2021 from the Food Safety and Drug Administration ("**FDA**") alleging that there was a minor labelling defect in our product, *i.e.* 24 Mantra urad split dal, in non-compliance with the provisions of the FSS (Labelling and Display) Regulations, 2020 thereby resulting in the product being misbranded.

5. Our Company received a notice dated July 13, 2021 from the FDA alleging that our product, 24 Mantra honey, does not conform to the standards laid down under the FSS (Food Products Standards and Food Additives) Regulations, 2011. Our Company has appealed before the FDA on August 18, 2021 against the report of the FDA appointed food analyst dated June 28, 2021 which stated that honey does not conform to the standards under the FSS (Food Products Standards and Food Additives) Regulations, 2011.

6. Based on their inspection report dated July 20, 2021, the FSSAI issued an improvement notice to our Company dated July 26, 2021 ("**Notice**") alleging non-compliance by our Company with the provisions of the FSS Act and regulations framed thereunder on account of unauthorised manufacturing and storage of organic products, exporting of food products without a FSSAI export license, improper cleaning of equipments and premises, and the food handlers not being equipped with aprons and also failure on part of our Company to display the FSSAI license at a prominent location. As per the inspection report, our Company is liable for payment of a penalty amount subject to a maximum of ₹0.50 million. In accordance with the terms of the Notice, our Company was required to obtain immediate authorisation from the FSSAI for manufacturing, relabelling and repacking organic products. Our Company by way of its

response to the Notice *vide* its letter dated July 28, 2021 ("**Reply 1**") confirmed compliance with all necessary provisions of FSS Act and regulations and requested revocation of the Notice.

Subsequently, the FSSAI issued a reply *via* letter dated July 29, 2021 seeking further clarification on our Reply 1. Our Company responded to the FSSAI by way of its letter dated July 30, 2021 ("**Reply 2**") and requested approval of the clarifications provided in relation to the unauthorised manufacturing and storage of organic products, prohibition and restriction of manufacturing of honey infused with spices and exporting of food products without FSSAI license. The FSSAI in its response dated August 5, 2021 to Reply 2 issued a suspension notice of license no. 10014047000217 ("**License**") on account of contravention of the FSS Act and regulations made thereunder and directed our Company to stop the manufacturing of products under the License and recall the products that were marketed and sold namely, honey infused with neem, honey infused with ginger, honey infused with tulsi, moringa powder, gingelly oil and corn dahlia on the basis that the clarifications which were submitted by the Company under Reply 2 were not satisfactory. Thereafter, our Company replied to the suspension notice of the License by way of its letter dated August 10, 2021, clarifying the reason for non-compliance, acknowledging the unauthorised manufacturing of infused honey, gingelly oil and corn dahlia, consenting to recall the products and requesting condonation for filing of application of fresh license of export and revocation of the suspension notice and permission for resuming manufacturing operations under the revoked License. Further, by way of its letter dated August 17, 2021, our Company requested the FSSAI to revoke the suspension of the said License which was eventually revoked by the FSSAI on August 23, 2021. Further, our Company has received a notice dated December 23, 2021 from the Additional Collector and Adjudicating Officer requiring our Company to appear in person regarding the imposition of charges under Section 50 of the FSS Act and provisions of the FSS (Licensing and Registration of Food Business) Regulation, 2011 in connection with manufacturing of certain products out of the scope of the license no. 10014047000217 by our Company. In its representation made by our Company before the Additional Collector and Adjudicating Officer, we clarified that the said products were manufactured on a test run basis to conduct various studies and were not intended for sales and marketing purposes. Subsequently, on January 5, 2022, the Adjudicating Officer imposed a penalty of ₹0.05 million on us.

7. One of the retailers of our Company received an improvement notice dated August 2, 2021 from Office of the Designated Officer, Kolkata Municipal Corporation alleging non-compliance with the provisions of the FSS (Labelling and Display) Regulations, 2020 on account of failure of the 24 Mantra organic poha product containing the nutritional information therefore resulting in a minor labelling defect. The said notice was forwarded to us by the retailer. Our Company has *vide* its letter dated August 28, 2021 responded to the authority stating that under the FSS Packaging Regulations, single ingredient products are exempt from the nutritional labelling requirements and the food business operators have been allowed time up to one year (*i.e.* November 16, 2021) to implement the provisions of the new regulations, *i.e.* the FSS (Labelling and Display) Regulations, 2020.

8. Our Company received a notice dated December 7, 2021 from the FDA alleging that there was a minor labelling defect in our product, *i.e.* 24 Mantra wheat dalia, in non-compliance with the provisions of the FSS Packaging Regulations thereby resulting in the product being misbranded. Our Company has *vide* its letter dated January 5, 2022 responded to the FDA clarifying that it has included the mandatory information required under the respective provisions of the said regulations on a label and securely affixed the same on the package which is not a detachable sticker. Therefore, our Company is in compliance with the provisions of the FSS Packaging Regulations.

c. Material civil proceedings

1. Our Company received a notice dated May 22, 2017 from the Additional District Magistrate alleging that the sample of our product, 24 Mantra organic honey, was found to be false and substandard, in violation of the provisions of the FSS Act and directed our Company to appear before the court and show reasons for such non-compliance. Our Company responded to the notice *vide* its affidavit dated July 10, 2017 stating that the show-cause notice dated May 3, 2016 issued to our Company on the subject matter is erroneous in nature and is against the FSS Rules, 2011.

2. Our Company, among others, received a notice under the FSS Act dated June 24, 2020 filed before the Additional District Magistrate by the State alleging usage of detachable stickers for pasting the expiry date and net weight on our product, *i.e.* '24 Mantra Idly Rava' and absence of any nutritional information about our product on such stickers, resulting in misbranding in violation of the provisions of the FSS Act.

3. In the matter of Government vs. Atul Kumar Yadav and others, our Company received a show cause notice dated October 4, 2021 from the Court of the District Magistrate alleging usage of detachable stickers on our product, *i.e.* '24 Mantra Poha' in violation of FSS Packaging Regulations therefore resulting in misbranding.

B. Litigation filed by our Company

a. Criminal proceedings

1. Our Company has filed a criminal complaint before the Additional Chief Metropolitan Magistrate, Hyderabad under Section 138 of the Negotiable Instruments Act, 1886 ("**NI Act**") against M/s Sri Sai Srinivasa Enterprises and P. Rani ("**Accused**"), distributor of our Company, on account of dishonour of cheque for an amount of ₹0.62 million ("**Disputed Amount**") issued by the Accused towards dues payable under outstanding invoices. Our Company, among other things, has sought a relief by way of compensation of twice the Disputed Amount from the Accused under the provisions of the NI Act.

2. Our Company has filed a criminal complaint before the Additional Chief Metropolitan Magistrate, Hyderabad under Section 138 of the NI Act against M/s Olive Enterprises and S. Prakash ("**Accused**"), distributor of our Company, on account of dishonour of cheque for an amount of ₹0.83 million ("**Disputed Amount**") issued by the Accused towards dues payable under outstanding invoices. Our Company, among other things, has sought a relief by way of compensation of twice the Disputed Amount from the Accused under the provisions of NI Act.

b. Material civil proceedings

Arbitration Proceedings

Our Company has initiated an arbitration proceeding against M/s Global Farm Fresh Private Limited ("**Respondent**") before the arbitral tribunal on account of alleged failure on part of the Respondent to pay ₹4.13 million due for purchase of white guava pulp from it by our Company.

c. Other matters involving our Company

Our Company has filed an application dated December 4, 2020 with the RBI for regularisation of contravention of Rule 6(2)(vi) of Foreign Exchange Management (Transfer or Issue of Any Foreign Security) (Amendment) Regulations, 2004 on account of non-submission of the Form ODI with respect to its overseas investments, for the period December 1, 2014 to August 31, 2017. The application is currently pending with the RBI.

II. Litigation involving the Promoters

A. Litigation filed against the Promoters

a. Criminal proceedings

Nil

b. Actions by regulatory and statutory authorities

Nil

c. Disciplinary actions including penalty imposed by SEBI or the Stock Exchanges against the Promoters in the last five Financial Years

Nil

d. Material civil proceedings

Nil

B. Litigation filed by the Promoters

a. Criminal proceedings

Nil

b. Material civil proceedings

Nil

III. Litigation involving our Directors

A. Litigation filed against our Directors

a. Criminal proceedings

Nil

b. Actions by regulatory and statutory authorities

Nil

c. Material civil proceedings

Nil

B. Litigation filed by our Directors

a. Criminal proceedings

Nil

b. Material civil proceedings

Nil

IV. Litigation involving our Subsidiaries

A. Litigation filed against our Subsidiaries

a. Criminal proceedings

Nil

b. Actions by regulatory and statutory authorities

Nil

c. Material civil proceedings

Nil

B. Litigation filed by our Subsidiaries

a. Criminal proceedings

Nil

b. Material civil proceedings

Nil

Tax Proceedings involving our Company, Subsidiaries, Promoters and Directors

Except as disclosed below, there are no outstanding tax proceedings involving our Company, Subsidiaries, Promoters and Directors as of the date of this Draft Red Herring Prospectus:

Nature of Proceedings	Number of Proceedings	Amount involved* (in ₹ million)
Direct Tax		
Company	1	176.76
Indirect Tax		
Company	1	19.17
Total (A+B)	**2**	**195.93**

**Such amount excludes any interest or penalty in relation to such tax proceedings*

Outstanding dues to creditors

In terms of the Materiality Policy, the creditors to whom the amount due by our Company exceeds ₹13.28 million, *i.e.,* 5% of the total trade payables of our Company as on September 30, 2021 as provided in the Restated Consolidated Financial Information have been considered as material creditors of our Company for the purposes of disclosure in this Draft Red Herring Prospectus. Details of outstanding dues owed to material creditors, MSME creditors and other creditors of our Company based on such determination are disclosed below:

Type of creditors	Number of creditors	Amount involved *(in ₹ million)*
Material creditors	Nil	Nil
Micro, Small and Medium Enterprises creditors	3	7.60
Other creditors	381	258.10
Total	**384**	**265.70**

As of September 30, 2021, there are no outstanding overdues to material creditors.

Material Developments

Other than as stated in "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on page 238, to our knowledge, no circumstances have arisen since September 30, 2021, which materially and adversely affect or are likely to affect our trading or profitability, or the value of our assets or our ability to pay our liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

*Our business requires various approvals, consents, licenses, registrations and permits issued by relevant governmental and regulatory authorities of the respective jurisdictions under various rules and regulations. Set out below is an indicative list of all material approvals, licenses, registrations and permits obtained by our Company and our material Subsidiary, Fyve, which are necessary for undertaking our business ("**Material Approvals**"). Except as mentioned below, no further material approvals from any governmental or regulatory authority or any other entity are required to undertake the Offer. Additionally, unless otherwise stated herein and in the section "Risk Factors" beginning on page 22, these approvals, consents, licenses, registrations and permits are valid as on the date of this Draft Red Herring Prospectus. Certain approvals, licenses, registrations and permits may expire periodically in the ordinary course and applications for renewal of such expired approvals are submitted in accordance with applicable requirements and procedures.*

For further details in connection with the applicable regulatory and legal framework, see "Key Regulations and Policies" beginning on page 155.

I. Incorporation details

1. Certificate of incorporation dated March 9, 2004 issued to our Company by Assistant Registrar of Companies, Andhra Pradesh at Hyderabad in the name of 'Sresta Natural Bioproducts Private Limited'.

2. Fresh certificate of incorporation dated December 13, 2021 issued by the RoC in the name of 'Sresta Natural Bioproducts Limited'.

   For details of corporate and other approvals obtained in relation to the Offer, see "*Other Regulatory and Statutory Disclosures*" beginning on page 278.

II. Material Approvals in relation to the business and operations of our Company

A. *Approval under Factories Act*

Our Company is required to obtain an approval for setting up and operating the manufacturing facilities under the Factories Act and the State specific rules under the Factories Act. Accordingly, we have obtained separate approvals in respect of the two units situated in Telangana and have made an application (*as detailed below*) for the unit situated in Karnataka.

B. *Approvals under FSS Act*

Our Company is required to obtain licenses from the FSSAI, under the FSS Act for manufacturing, marketing, processing, packaging, re-packaging, storage, transportation, distribution, sale and import of food products. Accordingly, we have obtained separate licenses for each of our three manufacturing facilities.

We currently have contracts with 15 Collecting and Forwarding Agents ("**CFAs**") to distribute our products. We have obtained licenses on behalf of our CFAs under the FSS Act for storage of our food products in their warehouses and all the licenses are currently valid as on the date of this Draft Red Herring Prospectus.

The licenses granted under the FSS Act are subject to periodic renewals.

C. *Certification from India Organic in accordance with the requirements of India's National Programme for Organic Production Standards*

Our Company has obtained certification from India Organic under India's National Programme for Organic Production Standards for farming, handling, processing and trading various organic products at multiple processing centres and all such certificates are currently valid as on date.

D. *Tax related approvals*

1. The permanent account number of our Company is AAHCS9571J.

2. The tax deduction account number of our Company is HYDS0732A.

3. GST registrations issued under the central and state specific GST laws, as applicable to our Company.

E. *Labour and Employee related approvals*

1. Our Company has obtained registrations under the applicable state-level shops and establishments legislations for its manufacturing facilities. The term of such registrations and renewal requirements may differ under various state legislations.

2. Our Company has obtained an employee state insurance code number under the Employee State Insurance Act, 1948.

3. Our Company has obtained employee provident fund code number under Employees' Provident Fund and Miscellaneous Provisions Act, 1952.

4. Our Company has also obtained licenses under Contract Labour Act, 1970 for employing workmen in our manufacturing facilities.

F. *Approvals under environmental laws*

Our Company is required to obtain the consent order for one of its units in Telangana and one unit in Karnataka from the TSPCB and Karnataka State Pollution Control Board, respectively, under the Water (Prevention of Control of Pollution Act), 1974 and Air (Prevention and Control of Pollution Act), 1981, and for all its three units under the Plastic Waste Management Rules, 2016 from the CPCB. As on date, certain of these approvals have lapsed in their normal course and our Company has either made an application to the appropriate authorities for renewal of such registration (*as detailed below*) or is in the process of making such applications.

G. *Other Material Approvals obtained by our Company*

1. Certificate of importer exporter code no. 0904005348 dated May 18, 2015 issued by Additional Director General of Foreign Trade.

2. Certificate of recognition as one-star export house issued by Director General of Foreign Trade.

3. Certificate of registration as exporter of spices issued by the Spices Board of India.

4. Foreign registrations for two of our processing units located at Telangana with the USFDA.

III. Material Approvals obtained in relation to the business and operations of Fyve, our material Subsidiary

1. Business operation license issued by the State of Illinois to carry on the business operations at the unit located in Illinois.

2. Food processing plant license issued by the Department of Health, Environmental Health Bureau for operation of food manufacturing plant.

3. U.S. veterinary permit for importation and transportation of controlled materials and organisms and vectors issued by the US Department of Agriculture, Animal and Plant Health Inspection Service Veterinary Services for import of food products.

IV. Material approvals or renewals applied for but not received

Sr. No.	Description	Date of application	Registration/ License No.	Authority	Date of Expiry
1.	Approval under the Air Act and Water Act for the processing unit situated at Sy. No. 659, Deveryamjal (V), Shameerpet (M), Medchal – Malkajgiri District	November 30, 2021	222/SMP/TSPCB/RO-Medchal/CFO/2017/3231	TSPCB	September 30, 2021

Sr. No.	Description	Date of application	Registration/ License No.	Authority	Date of Expiry
2.	Approval under the Air Act and Water Act for the processing unit situated at Bidar, Karnataka	December 18, 2021	-	Karnataka Pollution Control Board	New License
3.	Approval under Telangana (Agricultural Produce and Live Stock) Markets Act, 1966 for operating as a trader for purchase / sale of notified agricultural produce, livestock and products of livestock	June 17, 2021	TS/TL/AMC/M/7/2018	Department for Agricultural Marketing	March 31, 2021
4.	Approval and registration for factory license under the Factories Act for the unit at Bidar, Karnataka	December 10, 2021	-	Department of Factories, Government of Karnataka	New license
5.	Approval for retail trading and ownership of e-commerce platform under the FDI Policy	May 31, 2021	-	Department for Promotion of Industry and Internal Trade, Ministry of Commerce & Industry	New license
6.	Approval for renewal of registration of rice mill/ processing unit for export of rice to USA under NPOP Standards	October 25, 2021	134/2018	Directorate of Plant Protection, Quarantine and Storage	December 5, 2021

V. Material approvals required but not applied for

Sr. No.	Description	Registration/ License No.	Authority	Date of Expiry
1.	Approval under the Plastic Waste Management Rules, 2016 for all its three units*	-	Central Pollution Control Board	New License

**The Central Pollution Control Board through its notice dated October 20, 2021, has kept the registration process under the Plastic Waste Management Rules, 2016 in abeyance for three months with effect from October 20, 2021, until the new rules for the same are notified by the Ministry of Environment, Forest and Climate Change, hence this application by the Company for all its three units is currently pending.*

VI. Material approvals applied for but not received by Fyve, our material Subsidiary

An application dated January 10, 2021 for a new organic processed product registration has been made to the California Department of Public Health, Food and Drug Branch, Food Program Support Unit.

VII. Intellectual property related approvals

As on the date of this Draft Red Herring Prospectus, we have 30 registered trademarks which are currently operational in India and USA for which we have obtained valid registration certificates under the Trademarks Act and US Trademark Act, 1946. Our main logos, '24 Mantra Organic', 'Sresta' and 'Fyve Elements' are registered under various applicable classes of the Trademarks Act based on the various products we offer and they are currently valid. Further, we have also made applications seeking registration for certain additional trademarks under the Trademarks Act, with the European Union Intellectual Property Office and the Canadian Trademarks Act, which are currently under examination or some of them have been opposed.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

The Offer has been authorized by our Board pursuant to its resolution dated December 15, 2021 and the Fresh Issue has been authorised by our Shareholders pursuant to a special resolution passed at their meeting held on December 17, 2021. Our Board has taken on record the approval for the Offer for Sale by the Selling Shareholders pursuant to a resolution passed at its meeting held on January 7, 2022.

The Selling Shareholders have, severally and not jointly, confirmed and approved their participation in the Offer for Sale in relation to their respective portion of Offered Shares.

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. The Selling Shareholders have, severally and not jointly, confirmed and approved the inclusion of their respective portions of the Offered Shares in the Offer for Sale as set out below:

Sr. No.	Selling Shareholder	Date of board resolution	Date of Selling Shareholder's consent letter	Number of Offered Shares
1.	PCF	December 20, 2021	December 23, 2021	Up to 2,250,000
2.	VLF	December 17, 2021	January 6, 2022	Up to 1,524,251
3.	VTCPL (acting on behalf of the Bio Fund)	December 17, 2021	January 6, 2022	Up to 2,184,010
4.	VTCPL (acting on behalf of VLF III)	December 17, 2021	January 6, 2022	Up to 1,072,701

The Equity Shares proposed to be offered by the Selling Shareholders in the Offer for Sale are fully paid-up and free from any lien, encumbrance, transfer restrictions or third-party rights.

Each of the Selling Shareholders have undertaken to reduce their post – Offer shareholding in our Company to below 25% and ensure that their shareholding, either individually or along with persons acting in concert, in our Company is less than the aggregate shareholding of our Promoters, upon completion of the Offer.

Our Board has approved this Draft Red Herring Prospectus pursuant to a resolution dated January 7, 2022. Subsequently, the IPO Committee has approved the Draft Red Herring Prospectus pursuant to a resolution dated January 10, 2022.

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, Promoters, members of our Promoter Group, the persons in control of our Company, the Selling Shareholders and our Directors 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 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.

Our Company, Promoters or Directors have not been declared as wilful defaulters by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof in accordance with the guidelines on wilful defaulters issued by the RBI.

Our Company, Promoters and Directors have not been declared as 'Fraudulent Borrowers' by the lending banks or financial institution or consortium, in terms of RBI master circular dated July 1, 2016.

Our Promoters and Directors have not been declared as fugitive economic offenders under Section 12 of the Fugitive Economic Offenders Act, 2018.

None of our directors are associated with the securities market any manner and no outstanding action has been initiated against our Directors by SEBI in the five years preceding the date of this Draft Red Herring Prospectus

Confirmation under Companies (Significant Beneficial Owners) Rules, 2018

Our Company, Promoters, members of Promoter Group and each of the Selling Shareholders, 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 the Regulation 6(2) of the SEBI ICDR Regulations which states as follows:

"*An issuer not satisfying the condition stipulated in sub-regulation (1) shall be eligible to make an initial public offer only if the issue is made through the book-building process and the issuer undertakes to allot at least seventy-five per cent. of the net offer to qualified institutional buyers and to refund the full subscription money if it fails to do so*."

We are eligible to undertake the Offer as per Rule 19(2)(b) of the SCRR read with Regulations 6(2) of the SEBI ICDR Regulations. Accordingly, in accordance with Regulation 32(2) of the SEBI ICDR Regulations we are required to allocate not less than 75% of the Offer to QIBs. Further, not more than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 10% of the Offer shall be available for allocation to RIBs in accordance with the SEBI ICDR Regulations, 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 terms of Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Allottees 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, BEING JM FINANCIAL LIMITED AND AXIS CAPITAL 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 THE DRAFT RED HERRING PROSPECTUS IN RELATION TO THEMSELVES FOR THE RESPECTIVE PORTION OF THE EQUITY SHARES BEING 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 RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLMS, BEING JM FINANCIAL LIMITED AND AXIS CAPITAL LIMITED, HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE

DATED JANUARY 10, 2022 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, 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. Anyone placing reliance on any other source of information, including our Company's websites, www.sresta.com/ https://sresta.24mantra.com/ or any website of any affiliates of our Company would be doing so at his or her own risk.

The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement.

All information, to the extent required in relation to the Offer, shall be made available by our Company, the Selling Shareholders 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.

Bidders will be required to confirm and will be deemed to have represented to our Company, 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 issue, 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, 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 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 and their respective directors and officers, affiliates, associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer from the Selling Shareholders

The Selling Shareholders 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 and anyone placing reliance on any other source of information, including our Company's websites www.sresta.com/ https://sresta.24mantra.com/, or the respective websites of any affiliate of our Company or the Selling Shareholders would be doing so at his or her own risk. Each Selling Shareholder, its directors, affiliates, associates, and officers accept no responsibility for any statements made in this Draft Red Herring Prospectus other than those specifically made or confirmed by such Selling Shareholder in relation to itself as a Selling Shareholder or its Offered Shares.

Bidders will be required to confirm and will be deemed to have represented to each Selling Shareholder and its 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. The Selling Shareholders and its 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.

Disclaimer in respect of Jurisdiction

This Offer is being made in India to persons resident in India (who are competent to contract under the Indian Contract Act, 1872), including Indian nationals resident in India, HUFs, companies, other corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, domestic Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in equity shares, state industrial development corporations, insurance companies registered with IRDAI, provident funds (subject to applicable law) and pension funds, National Investment Fund, insurance funds set up and managed by army, navy or air force of Union of India, insurance funds set up and managed by the Department of Posts, GoI, Systemically Important NBFCs registered with the RBI and permitted Non-Residents including FPIs and Eligible NRIs and AIFs that they are eligible under all applicable laws and regulations to purchase the Equity Shares. This Draft Red Herring Prospectus does not constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby, in any jurisdiction 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 comes is required to inform him or herself about, and to observe, any such restrictions. Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) in New Delhi, India only.

Neither the delivery of this Draft Red Herring Prospectus nor the Offer of the Offered Shares shall, under any circumstances, create any implication that there has been no change in the affairs of our Company or any of the Selling Shareholder 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.

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and 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 and in accordance with any applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in "offshore transactions", as defined in, and in reliance on, Regulation S and the applicable laws of the jurisdictions where such offers and sales are made.

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.

Until the expiry of 40 days after the commencement of this Offer, an offer or sale of Equity Shares within the United States by a dealer (whether or not it is participating in this Offer) may violate the registration requirements of the U.S. Securities Act.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or the maximum number of Equity Shares that can be held by them under applicable law. Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than in accordance with applicable laws.

Disclaimer Clause of the BSE

As required, a copy of this Draft Red Herring Prospectus shall be submitted to the BSE. The disclaimer clause as intimated by the 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 the NSE

As required, a copy of this Draft Red Herring Prospectus shall be submitted to the NSE. The disclaimer clause as intimated by the 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

The Equity Shares issued through this Draft Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Application will be made to the Stock Exchanges for obtaining permission for listing and trading of the Equity Shares. [•] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

Consents

Consents in writing of: (a) the Selling Shareholders, the Directors, the Statutory Auditors, the Company Secretary and Compliance Officer, the legal counsel, Technopak, the Book Running Lead Managers and the Registrar to the Offer, to act in their respective capacity have been obtained; and (b) the Syndicate Members, Escrow Bank, Public Offer Account Bank, Refund Bank and Sponsor Bank to act in their respective capacities, will be obtained and will be filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act. Further, such consents shall not be withdrawn up to the time of delivery of this Draft Red Herring Prospectus and the Prospectus with SEBI.

Expert to the Offer

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

Our Company has received a written consent dated January 7, 2022 from M S K A & Associates, to include their name as required under Section 26(5) of the Companies Act, 2013, in this Draft Red Herring Prospectus, and as an "expert" as defined under Section 2(38) of the Companies Act, 2013 in respect of their (i) examination report dated January 3, 2022 on our Restated Consolidated Financial Information; and (ii) their report dated January 7, 2022 on the Statement of Possible Special Tax Benefits issued in their capacity as our Statutory Auditors for inclusion in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus.

However, the term "expert" shall not be construed to mean an "expert" as defined under the U.S. Securities Act.

The chartered engineer, P. Kanaka Rao, has by way of his written consent dated January 10, 2022 consented to include his name as an "expert" as defined under Section 2(38) of the Companies Act, 2013 in this Draft Red Herring Prospectus in his capacity as a chartered engineer.

Technopak has by way of its consent letter dated January 6, 2022 consented to include its name as an "expert", in terms of the provisions of the Companies Act, 2013, in this Draft Red Herring Prospectus.

Particulars regarding public or rights issues by our Company during the last five years and performance vis-à-vis objects

Except as disclosed under "*Capital Structure- Notes to Capital Structure - Share Capital History of our Company – (a) Equity share capital*" beginning on page 69, our Company has not made any public issues or rights issues of Equity Shares during the five years immediately preceding the date of this Draft Red Herring Prospectus. There was no delay in completion of the issuance or non-achievement of object of the issuance by our Company.

Particulars regarding capital issues by our Company and listed group companies, subsidiaries or associate entity during the last three years

Our Company, Subsidiaries and Associate have not made any capital issues during the three years preceding the date of this Draft Red Herring Prospectus. Further, the Group Company is not listed on the Stock Exchanges.

Commission and brokerage paid on previous issues of the Equity Shares in the last five years

Since this is the initial public issue of the Equity Shares, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since our Company's incorporation.

Performance vis-à-vis objects – Public/ rights issue of our Company and listed subsidiary of our Company

Except as disclosed in the section titled "*Capital Structure*" beginning on page 69, our Company has not undertaken any public or rights issue in the five years preceding the date of this Draft Red Herring Prospectus.

None of our Subsidiaries are listed on the Stock Exchanges.

Price information of past issues handled by the BRLMs

A. JM Financial Limited

1. Price information of past issues (during the current Fiscal and two Fiscals preceding the current Fiscal) handled by JM Financial Limited.

Sr. No.	Issue name	Issue Size (₹ million)	Issue price (₹)	Listing Date	Opening price on Listing Date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark] - 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 180th calendar days from listing
1.	CMS Info Systems Limited	11,000.00	216.00	December 31, 2021	220.20	Not Applicable	Not Applicable	Not Applicable
2.	Data Patterns (India) Limited	5,882.24	585.00	December 24, 2021	856.05	Not Applicable	Not Applicable	Not Applicable
3.	C.E. Info Systems Limited	10,396.06	1,033.00	December 21, 2021	1,565.00	Not Applicable	Not Applicable	Not Applicable
4.	Tega Industries Limited	6,192.27	453.00	December 13, 2021	760.00	Not Applicable	Not Applicable	Not Applicable
5.	Go Fashion (India) Limited	10,136.09	690.00	November 30, 2021	1,310.00	59.75% [1.36%]	Not Applicable	Not Applicable
6.	Sapphire Foods India Limited	20,732.53	1,180.00	November 18, 2021	1,350.00	3.69% [-4.39%]	Not Applicable	Not Applicable
7.	FSN – E-Commerce Ventures Limited[7]	53,497.24	1,125.00	November 10, 2021	2018.00	92.31% [-2.78%]	Not Applicable	Not Applicable
8.	Aditya Birla Sun Life AMC Limited	27,682.56	712.00	October 11, 2021	715.00	-11.36% [0.55%]	-23.85% [-0.74%]	Not Applicable
9.	Krsnaa Diagnostics Limited[8]	12,133.35	954.00	August 16, 2021	1,005.55	-9.42% [4.93%]	-27.73% [9.30%]	Not Applicable
10.	Rolex Rings Limited	7,310.00	900.00	August 09, 2021	1,250.00	22.28% [6.79%]	31.50% [10.20%]	Not Applicable

Source: www.nseindia.com for price information and prospectus/basis of allotment for issue details
Notes:
1. *Opening price information as disclosed on the website of NSE.*
2. *Change in closing price over the issue/offer price as disclosed on NSE.*
3. *Change in closing price over the closing price as on the listing date for benchmark index viz. NIFTY 50.*
4. *In case of reporting dates falling on a trading holiday, values for the trading day immediately preceding the trading holiday have been considered.*
5. *30th calendar day has been taken as listing date plus 29 calendar days; 90th calendar day has been taken as listing date plus 89 calendar days; 180th calendar day has been taken a listing date plus 179 calendar days.*
6. *Restricted to last 10 issues.*
7. *A discount of Rs. 100 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion.*
8. *A discount of Rs. 93 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion.*
9. *Not Applicable – Period not completed*

2. *Summary statement of price information of past issues handled by JM Financial Limited*:

Financial Year	Total no. of IPOs	Total funds raised (₹ Millions)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			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	16	2,83,014.06	-	-	2	4	3	3	-	-	-	2	-	2
2020-2021	8	62,102.09	-	-	3	2	1	2	-	-	-	5	2	1
2019-2020	4	36,400.83**	-	-	1	-	1	2	-	1	1	-	1	1

***Spandana Sphoorty Financial Limited raised Rs. 11,898.49 million as against the issue size of Rs. 12,009.36 million*

B. Axis Capital Limited

1. Price information of past public issues (*during the current Fiscal and the two Fiscals immediately preceding the current Fiscal*) handled by Axis Capital Limited:

Sr. No.	Issue name	Issue size (₹ millions)	Issue price (₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1	CMS Info Systems Limited	11,000.00	216.00	31-Dec-21	220.20	-	-	-
2	Supriya Lifescience Limited	7,000.00	274.00	28-Dec-21	421.00	-	-	-

3	Medplus Health Services Limited*	13,982.95	796.00	23-Dec-21	1,040.00	-	-	-
4	Metro Brands Limited	13,675.05	500.00	22-Dec-21	437.00	-	-	-
5	C.E. Info Systems Limited	10,396.06	1,033.00	21-Dec-21	1,565.00	-	-	-
6	Shriram Properties Limited$	6,000.00	118.00	20-Dec-21	90.00	-	-	-
7	Tega Industries Limited	6,192.27	453.00	13-Dec-21	760.00	-	-	-
8	Star Health and Allied Insurance Company Limited^	60,186.84	900.00	10-Dec-21	845.00	-14.78%, [+1.72%]	-	-
9	Latent View Analytics Limited@	6,000.00	197.00	23-Nov-21	512.20	+153.58%, [-4.18%]	-	-
10	One 97 Communications Limited	183,000.00	2,150.00	18-Nov-21	1,950.00	-38.56%, [-4.39%]	-	-

Source: www.nseindia.com
** Offer Price was ₹718.00 per equity share to Eligible Employees*
$ Offer Price was ₹107.00 per equity share to Eligible Employees
^Offer Price was ₹820.00 per equity share to Eligible Employees
@Offer Price was ₹178.00 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 Fiscal and the two Fiscals immediately preceding the current Fiscal*) handled by Axis Capital Limited:

Financial Year	Total no. of IPOs	Total funds raised (₹ in Millions)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			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*	24	578,022.82	-	2	5	3	4	3	-	-	-	3	1	2
2020-2021	11	93,028.90	-	-	6	2	1	2	-	1	1	4	3	2
2019-2020	5	161,776.03	-	1	2	-	-	2	1	1	-	-	-	3

**The information is as on 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.
Website for track record - Axis: http://www.axiscapital.co.in

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.	JM	www.jmfl.com
2.	Axis	www.axiscapital.co.in

Stock Market Data of Equity Shares

This being an initial public offer of our Company, the Equity Shares are 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.

In terms of SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, read with the SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and subject to applicable law, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days. Further, the investors shall be compensated by the SCSBs in accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 in the events of delayed unblock for cancelled/withdrawn/deleted applications, blocking of multiple amounts for the same UPI application, blocking of more amount than the application amount, delayed unblocking of amounts for non-allotted/partially-allotted applications, for the stipulated period. In an event there is a delay in redressal of the investor grievance in relation to unblocking of amounts, the BRLMs shall compensate the investors at the rate higher of ₹100 per day or 15% per annum of the application amount for the period of such delay.

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 and the ASBA Account number (for Bidders other than RIBs using the UPI Mechanism) in which the amount equivalent to the Bid Amount was blocked or the UPI ID in case of RIBs using the UPI Mechanism.

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 BRLMs 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.

Disposal of Investor Grievances by Our Company

Our Company shall post the filing of the Draft Red Herring Prospectus apply for the authentication on the SEBI Complaints Redress System ("**SCORES**") in compliance with the circular no. (CIR/OIAE/1/2014) dated December 18, 2014 and circular no. SEBI/HO/OIAE/IGRD/CIR/P/2021/642 dated October 14, 2021 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 has appointed Padmasri Samaleti, as the Company Secretary and Compliance Officer for the Offer and she may be contacted in case of any pre-Offer or post-Offer related problems. For details, see "*General Information*" beginning on page 61. Further, our Board has constituted a Stakeholders Relationship Committee comprising the Directors, Ramesh Alur (*Chairperson*), Balasubramanian Narayanan; and Pradeep Narendra Poddar, which is responsible for redressal of grievances of the security holders of our Company. For more information, see "*Our Management*" beginning on page 165.

Our Company has not received any investor grievances during the three years preceding the date of this Draft Red Herring Prospectus and as on date, there are no investor complaints pending.

Other confirmations

Any person connected with the Offer shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any person for making an application in the Offer, except for fees or commission for services rendered in relation to the Offer.

SECTION VII: OFFER RELATED INFORMATION

TERMS OF THE OFFER

The Equity Shares being issued, transferred and 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 a Fresh Issue by our Company and an Offer for Sale by the Selling Shareholders. Expenses for the Offer shall be shared amongst our Company and the Selling Shareholders in the manner specified in "*Objects of the Offer - Offer related expenses*" beginning on page 85.

Ranking of the Equity Shares

The Equity Shares being issued, transferred and 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. See "*Main Provisions of the Articles of Association*" beginning on page 315.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to our Shareholders in accordance with the provisions of Companies Act, SEBI ICDR Regulations, SCRA, SCRR, our Memorandum of Association and our Articles of Association and provisions of the SEBI Listing Regulations and other applicable laws including guidelines or directives that may be issued by the GoI in this respect. Dividends, if any, declared by our Company after the date of Allotment (pursuant to the transfer of Equity Shares from the Offer for Sale), will be payable to the Bidders who have been Allotted Equity Shares in the Offer, for the entire year, in accordance with applicable law. For further details in relation to dividends, see "*Dividend Policy*" and "*Main Provisions of the Articles of Association*" beginning on pages 184 and 315, respectively.

Face Value, Offer Price, Floor Price and Price Band

The face value of each Equity Share is ₹10 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 and Selling Shareholder in consultation with the BRLMs and advertised in all editions [•], an English national daily newspaper, all editions of [•], a Hindi national daily newspaper, and [•] edition of [•], a Telugu newspaper (Telugu being the regional language of Hyderabad, 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 and the Selling Shareholder, 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 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 "*Main Provisions of the Articles of Association*" beginning on page 315.

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 8, 2021 among our Company, NSDL and the Registrar to the Offer; and
- tripartite agreement dated September 6, 2021 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 296.

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.

Jurisdiction

Exclusive jurisdiction for the purpose of the Offer is with the competent courts/authorities in Hyderabad, Telangana, India.

The Equity Shares offered in the Offer have not been and will not be registered under the Securities Act or any state securities laws in the United States, and 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 Securities Act and in accordance with any applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in "offshore transactions", as defined in, and in reliance on, Regulation S and the applicable laws of the jurisdictions where such offers and sales are made.

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.

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 moneys 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 mode 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 Programme

BID/OFFER OPENS ON	[•][(1)]
BID/OFFER CLOSES ON	[•][(2)]

(1) *Our Company and Selling Shareholders 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 and the Selling Shareholder 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.*

An indicative timetable in respect of the Offer is disclosed below.

Event	Indicative 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 Account*	On or about [•]
Credit of Equity Shares to dematerialized accounts of Allottees	On or about [•]
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about [•]

* *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 of ₹ 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. For the avoidance of doubt, the provisions of the 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, 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 and the Selling Shareholders, 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. Each of the Selling Shareholders confirms 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 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 the 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.

The BRLMs will be required to submit reports of compliance with listing timelines and activities, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

In terms of the UPI Circulars, in relation to the Offer, the BRLMs will submit reports of compliance with T+6 listing timelines and activities, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

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. (Indian Standard Time (“**IST**”)
Bid/Offer Closing Date	
Submission and Revision in Bids	Only between 10.00 a.m. and 3.00 p.m. IST

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 the 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.

The Registrar to the Offer shall submit the details of cancelled/ withdrawn/ deleted applications to the SCSBs on a 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 SCSBs shall unblock such applications by the closing hours of the Working Day and submit the confirmation to the BRLMs and the RTA on a daily basis.

To avoid duplication, the facility of re-initiation provided to Syndicate Members shall preferably be allowed only once per Bid/batch and as deemed fit by the Stock Exchanges, after closure of the time for uploading Bids.

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). None among our Company, 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 and the Selling Shareholders, in consultation with the BRLMs, reserve the right to revise the Price Band during the Bid/Offer Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. 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. The Floor Price shall not be less than the face value of the Equity Shares

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 a total of 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company and Selling Shareholders 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. In case of revision of Price Band, the Bid Lot shall remain the same.

Minimum Subscription

If our Company does not receive (i) the minimum subscription of 90% of the Fresh Issue on the Bid/Offer Closing Date; (ii) listing or trading permissions; or (iii) minimum subscription in the Offer as specified under Rule 19(2)(b) of the SCRR, including through devolvement of Underwriters, if any, within 60 days from the Bid/Offer Closing Date, our Company and the Selling Shareholders, to the extent applicable 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, our Company, its Directors who are officers in default, and the Selling Shareholders shall pay interest prescribed under the Companies Act, 2013, the SEBI ICDR Regulations and other applicable law.

The requirement for minimum subscription is not applicable to the Offer for Sale. In case of under-subscription in the Offer, the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares in the Offer for Sale.

After achieving the above minimum subscription, if however, there is under-subscription in achieving the total Offer size, the Equity Shares will be allotted in the following order:

(i) such number of Equity Shares will first be Allotted by our Company such that 90% of the Fresh Issue portion is subscribed;

(ii) subscription, as required, to ensure that the post-Offer shareholding of each of the Selling Shareholders (severally, and along with their respective persons acting in concert) shall not exceed the aggregate shareholding of our Promoters;

(iii) upon (i) and (ii), all the Equity Shares held by the Selling Shareholders and offered for sale in the Offer for Sale will be Allotted (in proportion to the Offered Shares being offered by each Selling Shareholder); and

(iv) once Equity Shares have been Allotted as per (i), (ii) and (iii) above, such number of Equity Shares will be Allotted by our Company towards the balance 10% of the Fresh Issue portion.

Further, in accordance with Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted shall be not less than 1,000 failing which the entire application money shall be unblocked in the respective ASBA Accounts of the Bidders.

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 Offer.

Restrictions on Transfer and Transmission of Equity Shares

Except for the lock-in of the pre-Offer Equity Share capital of our Company 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 "*Main Provisions of the Articles of Association*" beginning on page 315.

OFFER STRUCTURE

Initial public offering of up to [•] Equity Shares for cash at a price of ₹[•] per Equity Share (including a share premium of ₹[•] per Equity Share) aggregating up to ₹[•] million, comprising a Fresh Issue of up to [•] Equity Shares aggregating up to ₹500 million by our Company and an Offer for Sale of up to 7,030,962 Equity Shares aggregating up to ₹[•] million by the Selling Shareholders. The Offer will constitute [•]% of the post – Offer paid-up share capital of our Company.

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 less than [•] Equity Shares	Not more than [•] Equity Shares available for allocation or the Offer less allocation to QIB Bidders and Retail Individual Bidders	Not more than [•] Equity Shares available for allocation or Offer less allocation to QIB Bidders and Non-Institutional Bidders
Percentage of Offer Size available for Allotment/allocation	Not less than 75% of the Offer being available for allocation to QIBs. However, 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 more than 15% of the Offer or the Offer less allocation to QIB Bidders and Retail Individual Bidders shall be available for allocation	Not more than 10% 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): (a) Up to [•] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and (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 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 domestic 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 296
Mode of Bidding	ASBA only(3) (excluding the UPI Mechanism)	ASBA only (excluding the UPI Mechanism)	ASBA only (including the UPI Mechanism)
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	[•] Equity Shares

Particulars	QIBs(1)	Non-Institutional Bidders	Retail Individual Bidders
		and in multiples of [•] Equity Shares thereafter	
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
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*).
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 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		
Terms of Payment	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 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 in the Anchor Investor Portion shall be added to the QIB Portion. See "Offer Procedure" beginning on page 296.*

(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(2) 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 and the Selling Shareholders, 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.

Withdrawal of the Offer

Our Company, in consultation with the BRLMs, reserve the right not to proceed with the Offer, after the Bid/ Offer Opening Date but before the Allotment. In such an event, our Company would 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 SEBI, providing reasons for not proceeding with the Offer and shall promptly inform the Stock Exchanges on which the Equity Shares are proposed to be listed. 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. The notice of withdrawal will be issued in the same newspapers where the pre-Offer advertisements have appeared and the Stock Exchanges will also be informed promptly.

If our Company, in consultation with the BRLMs withdraw the Offer after the Bid/ Offer Closing Date and thereafter determines that it will proceed with an initial public offering of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI. Notwithstanding the foregoing, this 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 within six Working Days of the Bid/Offer Closing Date or such other period as per applicable law; and (ii) the final RoC approval of the Prospectus after it is filed with the RoC.

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.*

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 till 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 till 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, except as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and the provisions of this circular are deemed to form part of this Draft Red Herring Prospectus. Additionally, SEBI vide its circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 has reduced the time period for refund of application monies from 15 days to four days.*

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.*

Further, our Company, 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(2) of the SEBI ICDR Regulations wherein not less than 75% 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 QIB Portion. Further, 5% of the QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and spill-over from the remainder of the 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 more than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 10% 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 and the Selling Shareholders, 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 dematerialised 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 to 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 till 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 till 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.

Pursuant to the UPI Circular, 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 Circular 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 finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Additionally, if there is any delay in the redressal of investors' complaints in this regard, the relevant SCSB as well as the post – Offer BRLM will be required to compensate the concerned investor.

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 Hyderabad, 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.

The processing fees for applications made by Retail Individual Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

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 Centers, 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 RIs 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 Centers 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	Colour of Bid cum Application Form*
Resident Indians, including resident QIBs, Non-Institutional Bidders, 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.

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. The Sponsor Bank shall initiate request for blocking of funds through NPCI to RIBs, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. For all pending UPI Mandate Requests, the Sponsor Bank shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 12:00 pm on the first Working Day after the Bid/ Offer Closing Date ("**Cut-Off Time**"). Accordingly, RIBs should accept UPI Mandate Requests for blocking off funds prior to the Cut- Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse. The NPCI shall maintain an audit trail for every bid entered in the Stock Exchanges bidding platform, and the liability to compensate RIBs (using the UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e. the Sponsor Bank, NPCI or the bankers to an issue) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Banks and the bankers to an issue. The BRLMs shall also be required to obtain the audit trail from the Sponsor Banks and the Bankers to the Offer for analysing the same and fixing liability.

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 till 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 till 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, members of the Promoter Group, the BRLMs and the Syndicate Members and persons related to Promoters/ the members of the Promoter Group/ the BRLMs

The BRLMs and the Syndicate Members shall not be allowed to purchase Equity Shares in this 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 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.

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 cannot apply in the Anchor Investor Portion.

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.

Further, the Promoters and members of the Promoter Group shall not participate by applying for Equity Shares in the Offer. Further, persons related to the Promoters and the member of the Promoter Group shall not apply in the Offer under the Anchor Investor Portion.

However, a QIB who has any of the following rights in relation to our Company shall be deemed to be a person related to the Promoters or the members of the Promoter Group of our Company:

(i) rights under a shareholders' agreement or voting agreement entered into with the Promoters or the members of the Promoter Group of our Company;

(ii) veto rights; or

(iii) right to appoint any nominee director on the Board.

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 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 net asset value 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 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).

In accordance with the Consolidated FDI Policy, the total holding by any individual NRI, on a repatriation or non-repatriation basis, shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or shall not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together, on a repatriation or non-repatriation basis, shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company.

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 "*Restrictions on Foreign Ownership of Indian Securities*" beginning on page 314. Participation of eligible NRIs shall be subject to FEMA NDI 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, with effect from April 1, 2020, the aggregate FPI investment limit is the sectoral cap applicable to an Indian company as prescribed in the FEMA NDI Rules with respect to its paid-up equity capital on a fully diluted basis. Currently, the sectoral cap for retail trading of food products manufactured and/ or produced in India is 100% under automatic route.

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.

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 directly or through investment in the units of other AIFs. A Category III AIF cannot invest more than 10% of the investible funds in one investee company directly or through investment in the units of other AIFs. AIFs which are authorized under the fund documents to invest in units of AIFs are prohibited from offering their units for subscription to other AIFs. 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, reserves 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.

In terms of the Master Circular on Basel III Capital Regulations dated July 1, 2014, as amended (i) a bank's investment in the capital instruments issued by banking, financial and insurance entities should not exceed 10% of its capital funds; (ii) banks should not acquire any fresh stake in a bank's equity shares, if by such acquisition, the investing bank's holding exceeds 5% of the investee bank's equity capital; (iii) equity investment by a bank in a subsidiary company, financial services company, financial institution, stock and other exchanges should not exceed 10% of the bank's paid-up share capital and reserves; (iv) equity investment by a bank in companies engaged in non-financial services activities would be subject to a limit of 10% of the investee company's paid-up share capital or 10% of the bank's paid-up share capital and reserves, whichever is less; and (v) a banking company is restricted from holding shares in any company, whether as pledgee, mortgagee or absolute owner, of an amount exceeding 30% of the paid-up share capital of that company or 30% of its own paid-up share capital and reserves, whichever is less. For details in relation to the investment limits under Master Direction – Ownership in Private Sector Banks, Directions, 2016, see "*Key Regulations and Policies*" beginning on page 155.

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, reserves 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, reserves 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 2016, as amended, which are broadly set forth below:

(a) equity shares of a company: the lower of 10%* of the outstanding equity shares (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;

(b) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and

(a) the industry sector in which the investee company operates: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be.

**The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹2,500,000 million or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹500,000 million or more but less than ₹2,500,000 million.*

Insurance companies participating in this Offer shall comply with all applicable regulations, guidelines and circulars issued by 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, reserves 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, in consultation with the BRLMs, reserves 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, reserves 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.

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*:**

1. 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;

2. Ensure that you have Bid within the Price Band;

3. Read all the instructions carefully and complete the Bid cum Application Form, as the case may be, in the prescribed form;

4. Ensure that you (other than in the case of Anchor Investors) have mentioned the correct ASBA Account number if you are not an RIB bidding using the UPI Mechanism in the Bid cum Application Form and if you are an 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;

5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre (except electronic Bids) within the prescribed time;

6. 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;

7. If you are an ASBA Bidder and the first applicant is not the ASBA Account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;

8. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;

9. Ensure that you request for and receive a stamped acknowledgement counterfoil of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;

10. 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 only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. Ensure that the signature of the First Bidder is included in the Bid cum Application Forms;

11. RIBs bidding in the Offer to ensure that they shall 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 Offer and not ASBA Account or bank account linked UPI ID of any third party;

12. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;

13. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB or 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 authorise 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;

14. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular dated June 30, 2008, 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 a 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 IT 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;

15. Investors to ensure that their PAN is linked with Aadhaar and are in compliance with Central Board of Direct Taxes ("**CBDT**") notification dated February 13, 2020 and press release dated June 25, 2021.

16. Ensure that the Demographic Details are updated, true and correct in all respects;

17. 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;

18. Ensure that the category and the investor status is indicated;

19. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents are submitted;

20. Ensure that Bids submitted by any person resident outside India is in compliance with applicable foreign and Indian laws;

21. Ensure that the Bidder's depository account is active, the correct DP ID, Client ID, the PAN, UPI ID, if applicable, are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID, the PAN and UPI ID, if applicable, 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, PAN and UPI ID, if applicable, available in the Depository database;

22. Ensure that when applying in the Offer using UPI, 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;

23. 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 authorise blocking of funds equivalent to the revised Bid Amount in the RIB's ASBA Account;

24. 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;

25. RIBs 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 UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, an 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;

26. Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (other than for Anchor Investors and RIBs bidding using the UPI Mechanism) 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); and

27. FPIs making MIM Bids using the same PAN, and 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.

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:

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid for a Bid Amount exceeding ₹200,000 (for Bids by RIBs);
3. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;
4. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
5. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
6. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
7. Do not submit the Bid for an amount more than funds available in your ASBA account.
8. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of a Bidder;
9. In case of ASBA Bidders, do not submit more than one ASBA Forms per ASBA Account;
10. If you are a RIB and are using UPI mechanism, do not submit more than one ASBA Form for each UPI ID;
11. Anchor Investors should not Bid through the ASBA process;
12. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;
13. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
14. Do not submit the General Index Register (GIR) number instead of the PAN;
15. Do not submit incorrect details of the DP ID, Client ID, 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;
16. 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;
17. 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);
18. Do not submit a Bid/revise a Bid Amount, with a price less than the Floor Price or higher than the Cap Price;
19. Do not submit a Bid using UPI ID, if you are not a RIB;

20. Do not Bid on another ASBA Form or the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries;

21. Do not Bid for Equity Shares in excess of what is specified for each category;

22. 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 applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of the Red Herring Prospectus;

23. 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. RIBs can revise or withdraw their Bids on or before the Bid/Offer Closing Date;

24. Do not submit Bids to a Designated Intermediary at a location other than the Bidding Centres;

25. If you are an RIB which is submitting the ASBA Form with any of the Designated Intermediaries and using your UPI ID for the purpose of blocking of funds, do not use any third party bank account or third party linked bank account UPI ID;

26. Do not Bid if you are an OCB; and

27. If you are a QIB, do not submit your Bid after 3:00 pm on the Bid/Offer Closing Date.

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 can reach out to the Company Secretary and Compliance Officer. For details of Company Secretary and Compliance Officer, please see the section entitled "*General Information*" and "*Our Management*" beginning on pages 61 and 165, respectively.

For helpline details of the BRLMs pursuant to the SEBI/HO.CFD.DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, please see the section entitled "*General Information*" beginning on page 61.

Grounds for Technical Rejection

In addition to the grounds for rejection of Bids on technical grounds as provided in the General Information Document, Bidders are requested to note that Bids maybe rejected on the following additional technical grounds:

1. Bids submitted without instruction to the SCSBs to block the entire Bid Amount;

2. Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form;

3. Bids submitted on a plain paper;

4. Bids submitted by RIBs using the UPI Mechanism through an SCSBs and/or using a mobile application or UPI handle, not listed on the website of SEBI;

5. Bids under the UPI Mechanism submitted by RIBs using third party bank accounts or using a third party linked bank account UPI ID (subject to availability of information regarding third party account from Sponsor Bank);

6. ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;

7. Bids submitted without the signature of the First Bidder or sole Bidder;

8. The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;

9. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are "suspended for credit" in terms of SEBI circular CIR/MRD/DP/ 22 /2010 dated July 29, 2010;

10. GIR number furnished instead of PAN;

11. Bids by RIBs with Bid Amount of a value of more than ₹200,000;

12. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;

13. Bids accompanied by stock invest, money order, postal order or cash; and

14. Bids uploaded by QIBs after 4.00 pm on the QIB Bid/ Offer Closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid/ Offer Closing Date, and Bids by RIBs uploaded after 5.00 p.m. on the Bid/ Offer Closing Date, unless extended by the Stock Exchanges.

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 the Company Secretary and Compliance Officer, see "*General Information*" beginning on page 61.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/ Offer Closing Date, the Bidder shall be compensated at a uniform rate of Rs. 100 per day for the entire duration of delay exceeding four Working Days from the Bid/ Offer Closing Date by the intermediary 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.

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 and 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.

Names of entities responsible for finalising 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 finalised 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 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 one per cent 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 its 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.

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: (all editions [•], an English national daily newspaper, all editions of [•], a Hindi national daily newspaper, and [•] edition of [•], a Telugu newspaper (Telugu being the regional language of Hyderabad, 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.

Post-Offer Advertisement

Our Company, the BRLMs and the Registrar to the Offer shall publish a post-Offer advertisement in terms of regulation 51(1) of SEBI ICDR Regulations on or before the date of commencement of trading, disclosing the date of commencement of trading in all editions of [•], an English national daily newspaper, all editions of [•], a Hindi national daily newspaper, and [•] edition of [•], a Telugu newspaper (Telugu being the regional language of Hyderabad, Telangana where our Registered Office is located), each with wide circulation.

The above information is given for the benefit of the Bidders/applicants. Our Company, the Promoters, 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.

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;
- no further issue of the Equity Shares shall be made until the Equity Shares issued 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.
- our Company, in consultation with the BRLMs, reserves the right not to proceed with the Fresh Issue, in whole or in part thereof, to the extent of the Offered Shares, after the Bid/ Offer Opening Date but before the Allotment. In such an event, our Company would 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 and inform the Stock Exchanges promptly on which the Equity Shares are proposed to be listed; 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

The Selling Shareholders, severally and not jointly, undertake the following:

- 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 Offer Proceeds

Our Board certifies that:

- all monies received out of the Fresh Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013;

- details of all monies utilized out of the Fresh Issue shall be disclosed, and continue to be disclosed till the time any part of the Offer proceeds remains unutilized, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized; and

- details of all unutilized monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilized monies have been invested.

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 Department of Industrial Policy and Promotion) ("**DPIIT**"), issued the Consolidated FDI Policy, which is effect from October 15, 2020, which subsumes and supersedes 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 Consolidated 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 Consolidated 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. For details, see "*Key Regulations and Policies*" beginning on page 155.

Under the current Consolidated FDI Policy,100% foreign direct investment is allowed under the automatic approval route for food products manufactured and/ or produced in India, 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 Consolidated 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 Consolidated 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. For details, see "*Offer Procedure*" beginning on page 296.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the FEMA NDI 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, will require prior approval of the Government of India, as prescribed in the Consolidated FDI Policy and the FEMA NDI 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 of India. 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 Offer Period.

The Equity Shares offered in the Offer have not been and will not be registered under the Securities Act or any state securities laws in the United States, and 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 Securities Act and in accordance with any applicable U.S. state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in "offshore transactions", as defined in, and in reliance on, Regulation S and the applicable laws of the jurisdictions where such offers and sales are made.

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: MAIN PROVISIONS 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 the SEBI ICDR Regulations, the main provisions of the Articles of Association of our Company are detailed below:

The Articles have been adopted by our Board of Directors pursuant to a resolution dated December 6, 2021 and approved by our Shareholders pursuant to a special resolution dated December 8, 2021. The Articles are divided into Part A and B which parts shall, unless the context otherwise requires, co-exist with each other until the listing and commencement of trading of the equity shares of the Company on a recognized stock exchange in India pursuant to an initial public offering of its equity shares. Except with respect to Article 17.1 in Part A, 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, be applicable and prevail. However, Part B shall automatically terminate and cease to be in force and effect immediately from the date of listing of the equity shares of the Company on a recognized stock exchange in India pursuant to an initial public offering of its equity shares and Part A shall continue to be in force and effect, without any further action by the Company or its shareholders.

Part A

Authorised Share Capital

The authorized share capital of the Company shall be as per Clause V of Memorandum of Association. Subject to the provisions of the Act and these Articles, the shares in the capital of the 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 and at such time as they may from time to time think fit and with the sanction of the Company in the General Meeting 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.

The Company may issue (a) equity share capital with (i) voting rights; and/or (ii) with differential rights as to dividend, voting or otherwise in accordance with the Rules; and (b) preference share capital; in accordance with these Articles, the Act, the Rules and other applicable laws. A further issue of shares may be made in any manner whatsoever as the Board may determine including by way of rights issue, preferential offer or private placement or any other mode, subject to and in accordance with the Act and the Rules.

Subject to the provisions of the Act, the Board shall have the power to convert unissued equity shares or issue or re-issue preference shares of one or more classes, which are liable to be redeemed, or converted to equity shares, on such terms and conditions and in such manner as determined by the Board in accordance with the Act. Such preference shares shall be redeemable in accordance with the Act and the Rules made thereunder.

Alteration of Capital

Subject to the provisions of the Act, the Company may –

(a) increase the share capital by such sum, to be divided into shares of such amount as it thinks expedient;

(b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

(c) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;

(d) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the Memorandum so however, that in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced shares shall be the same as it was in the case of the shares from which the reduced share is derived;

(e) cancel any shares which, at the date of the passing of the resolution, 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 shares so cancelled.

Provided that any consolidation and division which results in changes in the voting percentage of members shall require applicable approvals under the Act;

Where shares are converted into stock, 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 and restrict or forbid the transfer of fractions of that minimum, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose;

The Company may reduce in any manner and in accordance with the provisions of the Act and the Rules –

(a) its share capital; and/or

(b) any capital redemption reserve account; and/or

(c) any securities premium account; and/or

(d) any other Reserve as may be available.

Share Certificates

Unless prohibited by any order of Court, Tribunal or other authority, every person whose name is entered as a member in the Register of Members shall be entitled to receive within two (2) months after allotment or within one (1) month from the date of receipt by the Company of the application for the registration of transfer or transmission or split within such other period as the conditions of issue shall provide (a) one certificate for all his shares without payment of any charges; or (b) several certificates, each for one or more of his shares, upon payment of fee of twenty rupees for each certificate after the first. Every certificate issued shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its existing shares, debentures and other securities, re-materialise its existing shares, debentures and other securities held in a Depository and/or offer further shares, debentures and other securities in dematerialized form pursuant to Depositories Act, 1996 and Rules framed there under.

Notwithstanding anything contained elsewhere in these Articles, where any shares/other securities of the Company are either issued or held in dematerialised form, the rights and obligations of all parties concerned and all matters connected therewith or incidental thereto, shall be governed by the provisions of the Depositories Act, 1996 and/or by the provisions of any other applicable law in force from time to time.

If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back 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, a new certificate in lieu thereof shall be given. Every certificate under this Article may be issued on payment of twenty rupees for each certificate or such amount as may be fixed by the Board.

Except as required by law, no person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these Regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

Lien

The Company shall have a first and paramount lien: (a) on all shares/debentures (other than fully paid shares/debentures) standing registered in the name of a member, and (b) on every share/debenture (other than fully paid shares/debentures), upon the proceeds of sale thereof for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect.

Fully paid shares shall be free from all lien and that in the case of partly paid shares the Company’s lien shall be restricted to moneys called or payable at a fixed time in respect of such shares. Provided that the Board may at any time declare any share to be wholly or in part exempt from the provisions of this Article.

The Company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien.

The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien, provided no sale shall be made unless a sum on which the lien exists is presently payable or fourteen days have passed since a notice demanding payment has been made to the registered holder or person entitled to hold the share in case of death or insolvency of holder. Upon any such sale as aforesaid the certificates in respect of the shares sold shall stand cancelled and become null and void and of no effect and the Board shall be entitled to issue a new certificate or certificates in lieu thereof to the purchaser or purchasers concerned. To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares comprised in any such transfer. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings with reference to the sale. The proceeds of the sale after payment of costs shall be applied towards payment of such amount of lien presently payable, and any excess thereof shall be paid to the holder as on the date of sale.

In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by any statute) be bound to recognise any equitable or other claim to, or interest in, such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim.

Transfer of Shares

The instrument of transfer of any share in the Company shall be executed by or on behalf of both the transferor and transferee. The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the Register of Members in respect thereof. Subject to the provisions of these Articles, shares in the Company may be transferred by an instrument in writing in such form and by such procedure as from time to time may be prescribed by law. Nothing in this Article shall apply to a transfer of securities effected by the transferor and transferee both of whom are entered as beneficial owners in the records of a Depository.

An application for the registration of a transfer of the shares in the Company may be made either by the transferor or the transferee. Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.

The Company shall not register a transfer of shares in the Company unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee along with requisite documents as prescribed by law or by the Company at its own discretion, has been delivered to the Company along with the certificate relating to the shares, or if no such certificate is in existence, along with the letter of allotment of securities. Provided that where, on an application in writing made to the Company by the transferee and bearing the stamp required for an instrument of transfer, it is proved to the satisfaction of the Board that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost, the Company may register the transfer on such terms as to indemnity as the Board may think fit, provided further that nothing in this Article shall prejudice any power of the Company to register as shareholder any person to whom the right to any shares in the Company has been transmitted by operation of law.

The Board may, subject to the right of appeal conferred by the Act decline to register

(a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or

(b) any transfer of shares on which the Company has a lien.

Subject to the provisions of the Act and the provisions of these Articles, or any statutory modification thereof for the time being in force, the Board may, at their own absolute and uncontrolled discretion, and by giving reasons, decline to register or acknowledge any transfer of shares and such refusal shall not be affected by the fact that the proposed transferee is already a member. The registration of a transfer shall be conclusive evidence of the approval of the transfer by the Board. Provided that registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other Person or Persons indebted to the Company on any account whatsoever except in a lien on securities.

In case of shares held in physical form, the Board may decline to recognize any instrument of transfer unless:

(a) the instrument of transfer is duly executed and is in the form as prescribed in the Rules made under the Act;

(b) the instrument of transfer is accompanied by the certificate of the 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.

If the Company refuses to register the transfer of any share or of any share right therein, the Company shall within one month from the date on which the instrument of transfer was lodged with the Company send notice of refusal to the transferee and transferor or to the person giving information of the transmission, as the case may be, and thereupon the provision of Section 56 of the Act or any statutory modification thereof for the time being in force shall apply.

On giving of previous notice of at least seven days or such lesser period in accordance with the Act and Rules made thereunder or the SEBI Listing Regulations, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine. Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

The provisions of these Articles relating to maintenance of register of members and transfer of shares shall *mutatis mutandis* apply to any other securities including debentures of the Company.

Transmission of shares

On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees (nominated as per section 72 of the Act) or legal representatives where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares.

Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either -

(a) to be registered himself as holder of the share; or

(b) to make such transfer of the share as the deceased or insolvent member could have made.

The Company shall be fully indemnified by such person from all liability, if any, by actions taken by the Board to give effect to such registration or transfer.

A person becoming entitled to a share by reason of the death or insolvency of the holder shall 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 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 days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

The Company shall incur no liability or responsibility whether in consequence of their registering or giving effect to any transfer of shares made or purporting to be made, by any apparent legal owner thereof (as shown or appearing in the register of members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares notwithstanding that the Company may have had notice of such equitable right or title or interest or notice prohibiting registration of such transfer and may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in the book of the Company; but the Company shall nevertheless be at liberty to have regard and attend to any such notice and give effect thereto, if the Board shall think fit.

The provisions of these Articles relating to transmission by operation of law shall mutatis mutandis apply to any other securities including debentures of the Company.

Calls on Shares

The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times. Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.

Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed.

The joint holders of a share shall be jointly and severally liable to pay all calls or installments due in respect thereof.

If a sum called in respect of a share is not paid before or on the day appointed for payment thereof (the "due date"), the person from whom the sum is due shall pay interest thereon from the due date to the time of actual payment at such rate as may be determined by the Board.

Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

The Board –

(a) may, if it thinks fit, subject to the provisions of the Act, agree to and receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and

(b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate as may be agreed upon between the Board and the member paying the sum in advance.

Nothing contained in this Article shall confer on the member (a) any right to participate in profits or dividends or (b) any voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable by him.

The money, (if any), which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them, shall, immediately on the insertion of the name of the allottee in the Register of Members as the name of the holder of such shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any share nor any part payment or satisfaction thereof nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any share either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any such money shall preclude the forfeiture of such shares as herein provided.

The provisions of these Articles relating to calls shall *mutatis mutandis* apply to any other securities including debentures of the Company.

Capitalisation of Profits

The Company by resolution, as prescribed under the Act, in General Meeting may, upon the recommendation of the Board, resolve —

(a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and

(b) that such sum be accordingly set free for distribution in the manner specified in this Article 24 amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in this Article, either in or towards:

(a) paying up any amounts for the time being unpaid on any shares held by such members respectively;

(b) paying up in full, unissued shares or other securities of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;

(c) partly in the way specified in (a) and partly in that specified in (b).

A securities premium account and a capital redemption reserve account or any other permissible reserve account may, for the purposes of this Article, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.

The Board shall give effect to the resolution passed by the Company in pursuance of this Article.

The Board shall have power—

(a) to make such provisions, by the issue of fractional certificates/coupons or by payment in cash or otherwise as it thinks fit, for the case of shares or other securities becoming distributable in fractions; and

(b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares or other securities to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares.

General Meetings

The Company shall, in addition to any other meetings, hold a General Meeting (herein called as "Annual General Meeting") in accordance with the provisions herein specified and under the Act. The Annual General Meeting of the Company, other than the first Annual General Meeting, shall be held within six months from the date of closing of the financial year. Provided however that if the Registrar of Companies or any other statutory authority as prescribed by the Act, for any special reason, extends the time within which any Annual General Meeting shall be held by a further period not exceeding three months, then the Annual General Meeting may be held within such additional time as fixed by the Registrar or such other authority. Except in cases where the Registrar has given an extension of time as aforesaid for holding any Annual General Meeting, not more than fifteen months shall elapse between the date of one Annual General Meeting and that of the next.

Subject to the provisions of the Act, every Annual General Meeting shall be called during business hours, that is, between 9 a.m. and 6 p.m. on any day not being a National Holiday. The meeting shall be held either at the registered office of the Company or at some other place within the city where the registered office is situated, as the Board may decide.

All General Meetings other than an Annual General Meeting shall be called Extraordinary General Meeting.

The Board of Directors shall, at the requisition made by such number of members and in such manner prescribed under the Act call an Extraordinary General Meeting of the Company. Such requisition from the members shall be provided in writing or electronic mode at least clear twenty-one days prior to the proposed date of such Extraordinary General Meeting.

If the Board of Directors do not, within twenty-one days from the date of the receipt of a valid requisition in regard to any matters, proceed duly to call a meeting for the consideration of those matters on a day not later than forty-five days from the date of the receipt of the requisition, the meeting may be called by the requisitionists themselves within a period of three months from the date of the requisition. A meeting called under this Article by the requisitionists shall be called and held in the same manner in which the meeting is called and held by the Board. A meeting called by the requisitionists shall be held either at the registered office of the Company or at some other place within the city in which the registered office of the Company is situated. All other Extraordinary General Meetings called shall be held at any place within India.

A General Meeting of the Company may be called by giving not less than clear 21 days' notice either in writing or through electronic mode in such manner as prescribed by the Act and the Rules. Provided that a General Meeting may be called after giving shorter notice if consent thereto is given in writing or through electronic mode by not less than 95% of the members entitled to vote at such meeting. Provided that where any members of the Company are entitled to vote only on one or more resolution(s) to be moved at the meeting and not on the others, those members shall be taken into account of the purpose of this Article in respect of the former resolution(s) but not in respect of the latter.

In the case of an Annual General Meeting, all business to be transacted thereat shall be deemed special, other than

(i) the consideration of financial statements and the reports of the Board of Directors and auditors;

(ii) the declaration of any dividend;

(iii) the appointment of directors in the place of those retiring;

(iv) the appointment of, and the fixing of the remuneration of, the auditors;

In the case of any other meeting, all business shall be deemed to be special.

No business shall be transacted at any General Meeting unless a quorum of members is present at the time when the meeting commenced business. The quorum shall be (a) Five members personally present if the number of members as on the date of the meeting is not more than one thousand; (b) Fifteen members personally present if the number of members as on the date of the meeting is more than one thousand but up to five thousand; (c) Thirty members personally present if the number of members as on the date of the meeting exceeds five thousand; or such other number as may be prescribed under the Act from time to time.

If within half an hour from the time appointed for holding the meeting, the requisite quorum is not present, then the meeting, if called upon the requisition of members, shall stand cancelled and in any other case it shall stand adjourned to the same day in the next week at the same time and place, or to such other date and such other time and place as the Board may decide by providing the requisite notice to the meeting as prescribed under Section 103 of the Act. If at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, then the members present shall be a quorum.

The Chairman of the Board shall preside at every General Meeting of the Company. If there is no such Chairman, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as Chairman of the meeting, the Vice-Chairman, if any, shall preside over such General Meeting. If the Vice-Chairman is not present within fifteen minutes after the time appointed for holding such meeting or being present he is unwilling to act as Chairman, then the Directors present shall elect one amongst them to be Chairman of the meeting.

If at any meeting no Director is willing to act as Chairman or if no Director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall, by show of hands unless a poll or electronic voting is demanded, choose one amongst them to be Chairman of the meeting. No business shall be discussed or transacted at any General Meeting except election of Chairman whilst the chair is vacant.

At any General Meeting, a resolution put to the vote at the meeting shall be decided by voting through electronic means (remote e-voting and e-voting at the meeting venue) or such other mode as may be prescribed and applicable to the Company pursuant to the provisions of the Act & Rules referred therein and SEBI Listing Regulations.

On any business at any General Meeting, in case of an equality of votes, whether on a show of hands or electronically or on a poll, the Chairman shall not have a second or casting vote.

The Company shall cause minutes of all proceedings of every General Meeting to be kept in accordance with the provisions of the Act. Any such minutes kept as aforesaid shall be evidence of the proceedings recorded therein.

The Chairman with the consent of members of any meeting at which a quorum is present (and if so directed by the members of such meeting) adjourn the meeting from time to time and from place to place. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

Save as aforesaid, and save as provided in the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

Subject to any rights or restrictions for the time being attached to any class or classes of shares, (a) on a show of hands, every member present in person shall have one vote; and (b) on a poll or in e-voting, the voting rights of members (present in person or proxy) shall be in proportion to his share in the paid-up equity share capital of the Company.

No member shall be entitled to vote at any General Meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid or on the shares in regard to which the Company has exercised any right of lien.

Any member entitled to attend and vote at a General Meeting shall be entitled to appoint another person (whether a member or not) as a proxy to attend and vote at the meeting on his behalf. A proxy so appointed shall not have the right to speak at such meeting and shall not be entitled to vote except on a poll. A person appointed as a proxy shall act on behalf of such member or number of members not exceeding fifty and holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights or such number as may be prescribed.

Board of Directors

Unless otherwise determined by the Company in General Meeting, the number of Directors shall not be less than 6 (six) and shall not be more than 15 (fifteen). The Company may in General Meeting appoint more than fifteen Directors after passing a special resolution.

Subject to receipt of approval of the Shareholders post listing, by way of a special resolution, at the first Shareholders' meeting held by the Company post-listing of its Shares pursuant to an IPO:

(i) Each of Peepul Capital Fund III LLC ("**New Investor**") and collectively, Ventureast Life Fund III, Ventureast Life Fund III LLC and The Biotechnology Venture Fund (the "**Existing Investors**") shall have the right to nominate (a) 1 (one) Director on the Board of Directors so long as each of the Existing Investors and the New Investor (individually or along with their respective affiliates) hold at least 10% of the paid-up share capital of the Company, on a fully diluted basis; and (b) a total of 2 (two) Directors each on the Board of Directors as long as they each (individually or along with their respective affiliates) hold more than 20% of the paid-up share capital of the Company, on a fully diluted basis;

(ii) Rajashekar Reddy Seelam, one of the promoters of the Company, shall have the right to nominate 2 (two) Directors on the Board of Directors, so long as the shareholding of Rajashekar Reddy Seelam and Renuka Seelam (one of the promoters of the Company) is not less than 10% of the paid-up share capital of the Company, on a fully diluted basis.

The rights of the Shareholders to nominate Director(s) on the Board of Director under this Article shall be exercisable by the relevant Shareholder by providing a written notice to the Company. Such notice shall also set out the existing shareholding of such Shareholder and its affiliate(s), if any, in the Company. In the event that any such Shareholder's shareholding in the Company falls below the relevant threshold mentioned in this Article, 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.

Subject to the provisions of the Act, the Board shall have power at any time, and from time to time, to appoint a person as an Additional Director, provided the number of the Directors and Additional Directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.

The Board may appoint an Alternate Director to act for a Director (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.

Notwithstanding anything to the contrary contained in these Articles and pursuant to provisions of the Act and Rules made thereunder, the Board of Directors may from time to time appoint any such person as a "Nominee Director". For the purpose of this Article, "Nominee Director" means a Director nominated by any institution in pursuance of the provisions of any law for the time being in force, or of any agreement, or appointed by any Government, or any other person to represent its interests.

The Company shall have at least one Director who has stayed in India for a total period of not less than one hundred and eighty-two days in the previous calendar year.

The manner of appointment of the Independent Directors to the Board shall be in accordance with the Act or Rules or the SEBI Listing Regulations in force. The Independent Directors so appointed shall hold office for a term up to five consecutive years on the Board of the Company, but shall be eligible for re-appointment on passing of a special resolution by the Company. Notwithstanding anything contained in the above mentioned provision of this Article, no Independent Director shall hold office for more than two consecutive terms of five years each, but such Independent Director shall be eligible for appointment after the expiration of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. The Company shall have such number of Woman Director(s) on the Board as may be prescribed by the Act from time to time.

The Directors, other than those in receipt of any salary from the Company may be paid a sitting fee of such sum as the Board may decide subject to the maximum limits prescribed by the Act or Rules made thereunder from time to time, for every meeting of the Board of Directors or Committee thereof, attended by them. The remuneration payable to the Directors, including any Managing or Whole-time Director or Manager, if any, shall be determined in accordance with and subject to the provisions of the Act. In addition to the remuneration payable to them in pursuance of the Act, the Directors may be paid travelling, hotel and other expenses incurred by them, (a) in attending and returning from meetings of the Board of Directors or any Committee thereof or General Meetings of the Company; or (b) in connection with the business of the Company.

Subject to the provisions of Section 169 and other applicable provisions of the Act and these Articles, the Company may by an ordinary resolution remove any Director before the expiry of his period of office after giving him a reasonable opportunity of being heard.

A vacancy created by the removal of a Director may, if he had been appointed by the Company in General Meeting or by the Board, be filled by the appointment of another Director in his place at the meeting at which he is removed, provided special notice of the intended appointment has been given as mentioned hereinabove.

Not less than two-third of the total number of Directors of the Company shall be persons whose period of office is liable to determination by retirement of directors by rotation.

At every Annual General Meeting of the Company one- third of such of the Directors for the time being as are liable to retire by rotation or if their number is neither three nor a multiple of three, then the number nearest to one-third shall retire by rotation. The Managing Director(s), Whole-time Director(s) and Independent Director(s) shall not, while they continue to hold that office, be subject to retirement by rotation except to the extent necessary to comply with the provisions of the Act.

For the purpose of this Article, 'total number of Directors' shall not include Independent Directors of the Company whether appointed under this Act or any other law for the time being in force. Subject to the provisions of the Act, the Directors to retire by rotation under the foregoing Article at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who became Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot.

Subject to the provisions of the Act, a retiring Director shall be eligible for re-appointment and the Company at the Annual General Meeting at which a Director retires in manner aforesaid may fill up the vacated office by electing a person thereto.

The business of the Company shall be managed by the Board and the Board may exercise all such powers, and do all such acts and things, as the Company is by these Articles or otherwise authorized to exercise and do, and, not hereby or by the statute or otherwise directed or required to be exercised or done by the Company in General Meeting but subject nevertheless to the provisions of the Act and other laws and of the Memorandum and these Articles and to any regulations, not being inconsistent with the Memorandum and these Articles or the Act, from time to time made by the Company in General Meeting provided that no such regulation shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.

Subject to the provisions of Section 179 of the Act, the Board/Committee may appoint at any time and from time to time by a power-of-attorney under the Company's Seal any person to be the attorney of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board in these Articles) and for such period and subject to such conditions as the Board may from time to time think fit, and any such appointment may (if the Board think fit) be made in favour of the members, or any of the members of any firm or Company, or the members, Directors, nominees or Managers of any firm or Company or otherwise in favour of anybody or persons, whether nominated directly or indirectly by the Board and any such power-of-attorney may contain such provision for the protection or convenience of persons dealing with such attorney as the Board may think fit.

The Board may authorize any such delegate or attorney as aforesaid to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them.

Borrowing Powers

The Board of Directors may from time to time, raise any money or any monies or sums of money for the purpose of the Company provided that the monies to be borrowed by the Company, together with the money already borrowed apart from temporary loans obtained from the Company's bankers in the ordinary course or business shall not without the sanction of the Company exceed the aggregate of the paid-up capital of the Company and its free reserves that is to say reserves not set apart for any specific purpose. Subject to the provisions of Section 179 of the Act, the Board may from time to time at their discretion raise or borrow or secure the payment of any sum or sums of money for the purpose of the Company, by the issue of debentures perpetual or otherwise including debentures convertible into shares of this or any other Company or perpetual annuities and security of 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 of the property except uncalled capital and other powers as may be expedient and to purchase, redeem or pay off any securities. Provided that every resolution passed by the Company in relation to the exercise of the power to borrow as stated above shall specify the total amount up to which monies may be borrowed by the Board of Directors.

Proceedings of the Board

The Board of Directors may meet for the conduct of business from time to time and shall so meet at least once in every three months and at least four such meetings shall be held in every year in such a manner that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board and may adjourn and otherwise regulate its meetings, as it deems fit.

The Managing Director may, at any time summon a meeting of the Board, and the Managing Director or Secretary or any person authorised by the Board in this behalf, on the requisition of a Director, shall convene a meeting of the Board in consultation with the Chairman or in his absence, the Managing Director or in his absence, the Whole-time Director, if any. A meeting of the Board shall be called by giving not less than seven days' notice in writing to every Director at his address registered with the Company and such notice shall be sent by hand delivery or by post or by electronic means. Provided that a meeting of the Board may be called at shorter notice to transact urgent business subject to the condition that at least one Independent Director shall be present at the meeting. In case of absence of Independent Directors from such a meeting of the Board, decisions taken at such a meeting shall be circulated to all the Directors and shall be final only on ratification thereof by at least one Independent Director. The participation of Directors in a meeting of the Board may be either in person or through video conferencing or audio visual means, as may be prescribed by the Rules or permitted under law.

The quorum for a Board meeting shall be one-third of its total strength or three Directors, whichever is higher, including atleast 1 (one) independent director and the participation of the Directors by video conferencing or by other audio visual means shall also be counted for the purposes of quorum as provided in the Act.

If within half an hour from the time fixed for holding a meeting of the Board, a quorum as specified above is not present, the meeting shall stand adjourned to the same day, time and place by two weeks unless otherwise agreed upon by the parties concerned, and if at such adjourned meeting of the Board the quorum as stated herein is not present within half an hour from the time fixed for holding the meeting, the Directors present shall constitute a valid quorum.

Where at any time the number of interested Directors as specified under Section 184 of the Act is equal to or exceeds two-thirds of the total strength of the Board, the number of Directors who are not interested Directors and present at the meeting, being not less than two, shall be the quorum during such time. The Directors may from time to time elect a Chairman and a Vice-Chairman of the Board.

All the meetings of the Directors shall be presided over by the Chairman if present, but if at any meeting of Directors, the Chairman be not present at the time appointed for holding the same, the Vice-Chairman, if present, shall preside and if he be not present at such time or is unwilling to act as a Chairman then the Directors shall choose one of the Directors then present to preside at the meeting.

Save as otherwise expressly provided in the Act, a meeting of the Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the Articles of the Company for the time being vested in or exercisable by the Directors generally and all matters arising at any meeting of the Board shall be decided by a majority of votes. In case of an equality of votes, the Chairman of the Board, if any, shall not have a second or casting vote.

The Board may delegate any of their powers to Committees (subject to the provisions of the Act) consisting of such number or numbers of their body as they think fit and they may from time to time revoke or discharge any such Committee either wholly or in part, and either as to persons or purposes.

Subject to the provisions of the Act, a resolution in writing, signed, whether manually or by electronic mode or approved electronically through e-mail or any other permitted mode, by a majority of the members of the Board or of a Committee thereof, for the time being entitled to receive notice of a meeting of the Board or Committee, shall be valid and effective as if it had been passed at a meeting of the Board or Committee, duly convened and held.

The minutes of the meetings of the Board of Directors shall contain a fair and correct summary of the proceedings at the meeting including the (a) the names of the Directors present at the meetings of the Board of Directors or of any Committee of the Board; and (b) in the case of each resolution passed at the meeting, the names of the Directors, if any, dissenting from or not concurring in the resolution.

All such minutes of the meetings of the Directors, or of any Committees shall be signed by the Chairman of such meeting or the Chairman of the next succeeding meeting and all the minutes purported to be so signed shall for all purposes whatsoever be prima facie evidence of the actual passing of the resolutions recorded. The Chairman of the Meeting may exclude at his absolute discretion such of the matters as are or would reasonably be regarded as defamatory of any person, irrelevant, or immaterial to the proceedings or detrimental to the interests of the Company.

Chief Executive Officer, Manager, Company Secretary and Chief Financial Officer

Subject to the provisions of the Act-

A Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer so appointed may be removed by means of a resolution of the Board.

Dividend

The Company in General Meeting may subject to Section 123 of the Act declare dividends to be paid to members, but no dividend so declared shall exceed the amount recommended by the Board. 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.

Dividend shall be declared or paid by a Company for any financial year, (a) out of the profits of the Company for that year arrived at after providing for depreciation in accordance with the provisions of this Act, or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation in accordance with the provisions of that sub-section and remaining undistributed, or out of both; or (b) out of money provided by the Central Government or a State Government for the payment of dividend by the Company in pursuance of a guarantee given by that Government.

No dividend shall be declared or paid by a Company from its reserves other than free reserves.

The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applied for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit. The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid up on the shares. No amount paid or credited as paid on a share in advance of calls shall be treated for the purpose of this Article as paid on the share

The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.

Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or by cheque or warrant sent through the post or such other manner as may be directed by the applicable laws, directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.

Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made. In case of joint holders, dividend paid to the first holder shall be an effective discharge.

No dividend shall bear interest against the Company. The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board.

Unpaid Dividend

Notice of any dividend that may have been declared shall be given in manner hereinafter mentioned to the persons entitled to the shares therein mentioned. No unclaimed or unpaid dividends shall be forfeited by the Board.

Where the Company has declared a Dividend but which has not been paid or claimed within 30 days from the date of declaration to any shareholder entitled to the payment of the Dividend, the Company shall within seven days from the date of expiry of the said period of 30 days, open a special account in that behalf in any scheduled bank and transfer to such account, the total amount of the Dividend which remains unpaid or in relation to which no divided warrant has been posted.

Any money transferred to the Unpaid Dividend Account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company along with interest, if any, thereon to the fund known as “Investor Education and Protection Fund” established under Section 125 of the Act. No unclaimed or unpaid Dividend shall be forfeited by the Board before the claim becomes barred by law and the Company shall comply with the provisions of the applicable laws in respect of such Dividend.

Winding Up

If the Company shall be wound up and the assets available for distribution amongst members as such shall be insufficient to repay the whole of the paid-up capital or capital deemed to be paid-up, such assets shall be distributed so that as nearly as may be the losses shall be borne by the members in proportion to the capital paid-up or deemed to be paid-up at the commencement of the winding up, on the shares held by them respectively; and if in a winding up the assets available for distribution amongst the members shall be more than sufficient to repay the whole of the capital paid-up at the commencement of the winding up, the excess shall be distributed amongst the members in proportion to the capital paid-up or deemed to be paid-up at the commencement of the winding up on the shares held by them respectively. Where capital is paid-up on any shares in advance of calls upon the footing that the same shall carry interest, such capital shall be excluded and shall be repayable in full before any distribution is made on the paid-up capital or capital deemed to be paid-up together with interest at the rate agreed upon. The provisions of this article shall be subject to any special rights or liabilities attached to any special class of shares forming part of the capital of the Company.

If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanctions required under 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.

Indemnity and Insurance

Subject to the provisions of the Act, every Director, Managing Director, Manager, Whole-time Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or any other officer for the time being of the Company shall be indemnified by the Company against any liability and it shall be the duty of the Board to pay out of the funds of the Company, all costs, losses and expenses (including travelling expenses) which any such officer may incur or become liable to by reasons of any contract entered into or act done, concurred in or omitted in or about the execution of his duty or supposed duty in his office and advice except such (if any) as he shall incur through his own wilful neglect or default respectively and no such officer shall be answerable for the acts, receipts, neglects or defaults of the other or others of them or for joining in any receipts for the sake of conformity or for any bankers or other persons with whom any money or assets belonging to the Company shall or may be lodged or deposited for safe custody or for any loss, misfortune or damage which may happen in the execution of his office or advice or in relation thereto unless the same shall happen by or through his own wilful neglect or default.

Subject as aforesaid, every Director, Managing Director, Manager, Whole-time Director, Chief Executive Officer, Chief Financial Officer, Company Secretary, or other officer of the Company shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal in which judgement is given in his favour or in which he is acquitted or discharged or in connection with any application under Section 463 of the Act in which relief is given to him by the Court.

The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former Directors and Officers for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.

Part B

Part B of the Articles of Association of the Company provides for, among other things, the rights and obligations of certain Shareholders pursuant to the Investment Agreement as amended by the Amendment and Termination Agreement. For more details on the Investment Agreement, see "*History and Certain Corporate Matters – Shareholders' agreements and other agreements*" beginning on page 162.

If the Equity Shares do not get listed and commence trading on the Stock Exchanges, the Company shall take all steps to amend the Articles of Association to reflect the terms of the Investment Agreement.

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following documents and contracts (not being contracts entered into in the ordinary course of business carried on by our Company) which are, or may be deemed material, have been entered or to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Red Herring Prospectus to be filed with the RoC, and also the documents for inspection referred to hereunder (i) may be inspected at the Corporate Office, from 10.00 a.m. to 5.00 p.m. on Working Days; and (ii) will also be available for inspection on the website of our Company at www.sresta.com from the date of the Red Herring Prospectus until the Bid/Offer Closing Date (except for such agreements executed after the Bid/Offer Closing Date).

Material contracts to the Offer

1. Offer Agreement dated January 10, 2022 entered into among our Company, the Selling Shareholders and the Book Running Lead Managers.

2. Registrar Agreement dated January 7, 2022 entered into among our Company, the Selling Shareholders and the Registrar to the Offer.

3. Escrow and Sponsor Bank Agreement dated [•] entered into among our Company, the Selling Shareholders, the Book Running Lead Managers, the Banker(s) to the Offer, and the Registrar to the Offer.

4. Share Escrow Agreement dated [•] entered into among our Company, the Selling Shareholders, and the Share Escrow Agent.

5. Syndicate Agreement dated [•] entered into among our Company, the Selling Shareholders, the Book Running Lead Managers and Syndicate Members.

6. Underwriting Agreement dated [•] entered into among our Company, the Selling Shareholders, the Book Running Lead Managers, Registrar to the Offer and Syndicate Members.

Material documents

1. Certified copies of the Memorandum of Association and the Articles of Association, as amended until date.

2. Certificate of incorporation of the Company dated March 9, 2004 issued by Assistant Registrar of Companies, Andhra Pradesh at Hyderabad.

3. Fresh certificate of incorporation dated December 13, 2021 issued by the RoC, consequent to the change of name from ‘Sresta Natural Bioproducts Private Limited’ to ‘Sresta Natural Bioproducts Limited’, pursuant to conversion into a public limited company.

4. Copies of the annual reports of the Company as of and for Fiscals 2021, 2020 and 2019.

5. Resolution dated December 15, 2021 passed by our Board for determining the working capital with respect to the Objects of the Offer.

6. Resolution dated December 15, 2021 passed by our Board authorising the Offer and other related matters.

7. Resolution dated December 17, 2021 passed by our Shareholders authorising the Fresh Issue and other related matters.

8. Consent letters issued by and resolutions passed by the respective board of directors of PCF, VLF and VTCPL (acting on behalf of each of, the Bio Fund and VLF III) for participation in the Offer for Sale.

9. Resolution dated January 7, 2022 passed by our Board approving this Draft Red Herring Prospectus.

10. Resolution dated January 10, 2022 passed by the IPO Committee approving this Draft Red Herring Prospectus.

11. Report titled "*Organic Food Market in India*" dated January 3, 2022, issued by Technopak.

12. Consent letter dated January 6, 2022 issued by Technopak with respect to the report titled "*Organic Food Market in India*" dated January 3, 2022 including for it being named as an "expert" in this Draft Red Herring Prospectus.

13. The examination report dated January 3, 2022 of the Statutory Auditors on the Restated Consolidated Financial Information.

14. The report dated January 7, 2022 of the Statutory Auditors, on the statement of possible special tax benefits.

15. Consent letter dated January 7, 2022 from the Statutory Auditors, M S K A & Associates to include their name as statutory auditors of the Company and be named as an "expert" in respect of (i) the examination report dated January 3, 2022 on the Restated Consolidated Financial Information; and (ii) the report dated January 7, 2022 on the statement of possible special tax benefits, included in this Draft Red Herring Prospectus.

16. Consents of the Book Running Lead Managers, the Registrar to the Offer, the legal counsel to the Company as to Indian law, legal counsel to the Selling Shareholders as to Indian law, legal counsel to the Book Running Lead Managers as to Indian law, international legal counsel to the Book Running Lead Managers, the Directors, the Company Secretary and Compliance Officer, to act in their respective capacities.

17. Consent from the Chartered Engineer, P. Kanaka Rao, dated January 10, 2022 to include his name as an "expert" as defined under Section 2(38) of the Companies Act, 2013 in his capacity as a chartered engineer in this Draft Red Herring Prospectus.

18. Investment Agreement dated August 1, 2011 entered among our Company, PCF, Rajashekar Reddy Seelam, Technology Venture Fund, VLF and Other Shareholders (*as defined therein*), as amended by the multiple amendment agreements dated (i) December 13, 2013; (ii) May 28, 2014; and (iii) November 7, 2016 read along with the letter dated June 30, 2018;

19. Amendment and Termination Agreement dated December 15, 2021 entered into between our Company, PCF, Rajashekar Reddy Seelam, Renuka Seelam, Balasubramanian Narayanan, Technology Venture Fund, VLF and Other Shareholders (*as defined therein*);

20. Employment agreement dated April 5, 2010 between our Company and Balasubramanian Narayanan regarding his appointment as Chief Executive Officer of our Company.

21. Tripartite agreement dated September 8, 2021, among our Company, NSDL and the Registrar to the Offer.

22. Tripartite agreement dated September 6, 2021, among our Company, CDSL and the Registrar to the Offer.

23. Agreement between the Company and Hita OPC dated November 15, 2021.

24. Due diligence certificate to SEBI from the Book Running Lead Managers dated January 10, 2022.

25. In-principle listing approvals dated [•] and [•] from BSE and NSE, respectively.

26. Final observations letter bearing number [•] dated [•] issued by SEBI.

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 with the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the guidelines/regulations issued by 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, 2013, the SCRA and the SEBI Act, each as amended, or the rules, regulations or guidelines notified thereunder, as the case may be. I further certify that all the statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY

Pradeep Narendra Poddar

Chairman and Independent Director

Place: Mumbai

Date: January 10, 2022

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the guidelines/regulations issued by 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, 2013, the SCRA and the SEBI Act, each as amended, or the rules, regulations or guidelines notified thereunder, as the case may be. I further certify that all the statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY

Rajashekar Reddy Seelam

Managing Director

Place: Hyderabad

Date: January 10, 2022

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the guidelines/regulations issued by 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, 2013, the SCRA and the SEBI Act, each as amended, or the rules, regulations or guidelines notified thereunder, as the case may be. I further certify that all the statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY

Balasubramanian Narayanan

Whole-time Director and Chief Executive Officer

Place: Hyderabad

Date: January 10, 2022

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the guidelines/regulations issued by 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, 2013, the SCRA and the SEBI Act, each as amended, or the rules, regulations or guidelines notified thereunder, as the case may be. I further certify that all the statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY

Pranav Kumar Suresh

Nominee Director

Place: Chennai

Date: January 10, 2022

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the guidelines/regulations issued by 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, 2013, the SCRA and the SEBI Act, each as amended, or the rules, regulations or guidelines notified thereunder, as the case may be. I further certify that all the statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY

Ramesh Alur

Nominee Director

Place: Hyderabad

Date: January 10, 2022

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the guidelines/regulations issued by 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, 2013, the SCRA and the SEBI Act, each as amended, or the rules, regulations or guidelines notified thereunder, as the case may be. I further certify that all the statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY

Padma Parthasarathy

Independent Director

Place: Bengaluru

Date: January 10, 2022

DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act, 2013 and the rules, regulations and guidelines issued by the Government of India, or the guidelines/regulations issued by 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, 2013, the SCRA and the SEBI Act, each as amended, or the rules, regulations or guidelines notified thereunder, as the case may be. I further certify that all the statements made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY

Venkatesan Karaiyalan

Chief Financial Officer

Place: Hyderabad

Date: January 10, 2022

DECLARATION BY PEEPUL CAPITAL FUND III LLC

The undersigned Selling Shareholder hereby confirms and certifies that all statements, disclosures and undertakings made or confirmed by it in this Draft Red Herring Prospectus about or in relation to itself, as one of the Selling Shareholders and its portion of the Offered Shares, are true and correct. The undersigned Selling Shareholder assumes 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 PEEPUL CAPITAL FUND III LLC

Name: Iqbal Dulloo

Designation: Director

Place: Mauritius

Date: January 10, 2022

DECLARATION BY VENTUREAST LIFE FUND III LLC

The undersigned Selling Shareholder hereby confirms and certifies that all statements, disclosures and undertakings made or confirmed by it in this Draft Red Herring Prospectus about or in relation to itself, as one of the Selling Shareholders and its portion of the Offered Shares, are true and correct. The undersigned Selling Shareholder assumes 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 VENTUREAST LIFE FUND III LLC

Name: Manesha Soowamber

Designation: Director

Place: Mauritius

Date: January 10, 2022

DECLARATION BY VENTUREAST TRUSTEE COMPANY PRIVATE LIMITED

The undersigned Selling Shareholder hereby confirms and certifies that all statements, disclosures and undertakings made or confirmed by it in this Draft Red Herring Prospectus about or in relation to itself, as one of the Selling Shareholders and its portion of the Offered Shares, are true and correct. The undersigned Selling Shareholder assumes 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 VENTUREAST TRUSTEE COMPANY PRIVATE LIMITED (on behalf of The Biotechnology Venture Fund)

Name: Ramesh Alur

Designation: Authorised Signatory

Place: Hyderabad

Date: January 10, 2022

DECLARATION BY VENTUREAST TRUSTEE COMPANY PRIVATE LIMITED

The undersigned Selling Shareholder hereby confirms and certifies that all statements, disclosures and undertakings made or confirmed by it in this Draft Red Herring Prospectus about or in relation to itself, as one of the Selling Shareholders and its portion of the Offered Shares, are true and correct. The undersigned Selling Shareholder assumes 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 VENTUREAST TRUSTEE COMPANY PRIVATE LIMITED (on behalf of Ventureast Life Fund III)

Name: Ramesh Alur

Designation: Authorised Signatory

Place: Hyderabad

Date: January 10, 2022