

Offering Memorandum of Sampre
Nutritions Ltd., India for Issuance
of 100 Foreign Currency
Convertible Bond (FCCB) at Price
US\$ 100,000.00 With Zero
Coupon, Maturity at 24th July 2027

SAMPRE NUTRITIONS LIMITED

Date: 24th June 2024





OFFERING MEMORANDUM

THE OFFERING CIRCULAR MAY ONLY BE DISTRIBUTED TO PERSONS WHO ARE NON-U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") ON AN OFFSHORE BASIS OUTSIDE OF THE UNITED STATES.



Sampre Nutritions Limited

Offering 100 Unsecured Foreign Currency Convertible Bonds of US\$ 10,000,000.00 (Ten Million United States Dollars) Coupon @ 0.00, Issue Price of each FCCB is US\$ 100,000.00 (Hundred Thousand United States Dollars) at 15% Discount of issue price due in 2027

Sampre Nutritions Limited, a public limited Company, incorporated in India under the Companies Act, 1956 (the "Issuer"), is hereby offering (the "Offering") US\$ 10,000,000.00 (Ten Million United States Dollars) aggregate principal amount at zero coupon, 100 Unsecured Foreign Currency Convertible Bonds at 15% discount of issue price with maturity tenure of 37 months due in 2027 (the "Bonds").

Unless previously converted, redeemed, repurchased or cancelled, the Bonds are convertible on or after 1st July 2024 (the "**Closing Date**") and prior to 24th July, 2027 (the "**Maturity Date**") by holders of the Bonds (the "**Bondholders**") into the Company's newly issued, ordinary shares of par value Rs. 10.00 per share (the "**Shares**") on the terms described herein at the option of the Bondholder, at a Conversion Price as provided herein. The Conversion Price is subject to adjustment in certain circumstances. For the terms of the conversion rights, see "Terms and Conditions of the Bonds — Conversion".

The Company, subject to Applicable Laws regulating issue of FCCBs in India, may also redeem the Bonds in whole at any time at the Company's option at the Early Redemption Amount together with accrued and unpaid interest in the event of certain changes relating to taxation in the Republic of India ("**India**"). Unless previously converted, redeemed, repurchased or cancelled, the Bonds will be redeemed 24th July, 2027 at 100% of their principal amount. The Company will make an offer to repurchase any outstanding Bonds at the Early Redemption Amount together with accrued and unpaid interest upon the occurrence of a Change of Control (as defined herein), a Delisting (as defined herein) of the Shares from the BSE Limited (the "**BSE**") or a Non-Permitted Conversion Price Adjustment Event (as defined herein). See "**Terms and Conditions of the Bonds**". Any redemption prior to the Maturity Date, however, whether at the option of the Company or the Bondholders, is subject to prior receipt of approval from the Reserve Bank of India (the "**RBI**").

The Bonds will be represented by a single Global Certificate (as defined herein) which will be issued in the name of Global Focus Fund Ltd. and deposited with SBM Fund Services Ltd, Mauritius. Except in the limited circumstances described in the Global Certificate, owners of interests in Bonds will not be entitled to receive physical delivery of Certificates. The Bonds are not issuable in bearer form.

The Bonds and the Shares to be issued upon conversion of the Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"). The Bonds are being offered and sold in offshore transactions outside the United States in reliance on Regulation S under the Securities Act ("**Regulation S**"). Subject to certain exceptions, the Bonds may not be offered, sold, or delivered within the United States (as defined in Regulations). For a description of certain restrictions on offers, sales and transfers of the Bonds, see "**Transfer Restriction**". The Bonds may not be offered or sold directly or indirectly in India or to, or for the account or benefit of, any resident of India, except in certain limited circumstances.

The Bonds will constitute the Company's direct, unconditional, unsubordinated and unsecured obligations

and will at all times rank pari passu and without any preference or priority among themselves. The Company's payment obligations under the Bonds shall, save for such exceptions as may be provided by mandatory provisions of applicable law, at all times rank at least equally with all of its other present and future direct, unconditional, unsubordinated, and unsecured obligations.

Where Bonds are cancelled and converted into GDRs, the GDRs shall be GDRs without any voting rights until completion of cancellation of the GDRs and their conversion into the Equity Shares of the Issuer.

Bonds

Application is being made for the listing of the Bonds on the Afrinex Securities List (ASL) and approval has been sought for the listing of the Bonds on the AFRINEX Securities List of the AFRINEX (the "**Exchange**"). The approval will be granted when the Bonds have been admitted to the AFRINEX Securities List. The AFRINEX assumes no responsibility for the correctness of any statements made, opinions expressed or reports contained in this Offering Memorandum. Approval for the listing of the Bonds on the AFRINEX are not to be taken as an indication of the merits of the Bonds or the Guarantees, or of the Issuer, the Guarantor or their respective subsidiaries or associated companies (if any).

This Offering Memorandum has not been and will not be filed, registered, produced, published or made available as an offer document (whether as a prospectus in respect of a public offer or information memorandum or private placement offer cum application letter or other offering material in respect of any private placement, under the Indian Companies Act, 2013, as amended or any other applicable Indian laws) with the Registrar of Companies in India, the Securities and Exchange Board of India, the Indian stock exchanges or any other statutory or regulatory body of like nature in India save and except for any information from any part of this Offering Memorandum which is (i) mandatorily required to be disclosed or filed in India under any applicable Indian laws, including but not limited to, the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015, as amended, and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended or (ii) pursuant to the sanction of any regulatory and adjudicatory body in India.

AFRINEX and Afrinex Clearing House Limited (ACHL) takes no responsibility for the contents of this Offering Memorandum, makes no representation as to its accuracy or completeness and expressly disclaims any liability for any loss arising from or in reliance upon the whole or any part of the contents of this document

The contents of this Offering Memorandum, along with any other related documents, are prepared in strict accordance with the Rulebook for Admission to AFRINEX Securities List ("Rulebook"). It is hereby affirmed that no part of these documents shall be in conflict with the said Rulebook. Any perceived discrepancy should be considered an unintentional error and brought to the immediate attention of the Issuer for rectification. The ownership, transfer, conversion, redemption, repurchase, or cancellation of listed Bonds shall be governed by the Rulebook until the time the Bonds are listed.

Investing in the Bonds involves a high degree of risk. See "*Risk Factors*" beginning on page 33.

For additional information about eligible offerees and transfer restrictions, see "*Important Information for Investors*" and "*Notice to Investors*."

Delivery of the Bonds in book-entry form only will be made on or about the Closing Date.

<u>Lead Merchant Banker</u>	<u>Lead Manager</u>
<i>GYR Capital Advisors Private Limited</i> <i>428, Gala Empire, Drive In Rd, near JB Tower</i> <i>Nilmani Society, Thaltej, Ahmedabad, Gujarat</i> <i>380054, India</i>	<i>Aries Capital Limited</i> <i>Sofia House 3rd Floor, 48 Church Street Hamilton,</i> <i>HM 12 Bermuda</i>

You should rely only on the information contained in this Offering Memorandum. None of the Issuer, or the Lead Manager have authorized anyone to provide you with information that is different from the information contained herein. None of the Issuer, and the Lead Manager are making an offer of these Bonds in any jurisdiction where such an offer is not permitted. You should not assume that the information contained in this Offering Memorandum is accurate as of any date other than the date on the front of this Offering Memorandum. Our business or financial condition and other information contained in this Offering Memorandum may change after that date.

The date of this Offering Memorandum is 24th June, 2024.

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IMPORTANT INFORMATION FOR INVESTORS

The Company accepts full responsibility for the information contained in this document (the “Offering Memorandum”) and confirms that this Offering Memorandum contains the information that potential investors and their professional advisors would reasonably require taking into account market practice. To the best of the Company’s knowledge, all reasonable care has been taken to ensure that the information contained in this Offering Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information. You acknowledge and agree that no representation or warranty, express or implied, is made by *AFRINEX*, *Aries Capital Limited* (the “Lead Manager”), *BigShare Services Private Limited* (the “Registrar”), any of its Agents or any of their respective affiliates or legal advisors as to the accuracy or completeness of the information set out herein, and nothing contained in this Offering Memorandum may be relied upon as a promise or representation by the Lead Manager or any of the Agents or their respective affiliates and legal advisors as to past or future events.

Neither AFRINEX, ACHL, the Registrar or any of the Agents, the Lead Merchant Banker or the Lead Manager have independently verified the information contained in this Offering Memorandum. No representation or warranty, express or implied, is made by AFRINEX, the Registrar or any of the Agents, the Lead Merchant Banker or the Lead Manager, or any of their respective affiliates or legal advisors as to the accuracy or completeness of such information, and nothing contained in this Offering Memorandum (including its schedules) is, or shall be relied upon as, a promise or representation by AFRINEX, the Registrar or the Agents, the Lead Merchant Banker or the Lead Manager, or any of their respective affiliates or legal advisors regarding, and no responsibility or liability is accepted by any of them as to, the accuracy or completeness of the information contained in this Offering Memorandum or any other information provided by the Company in connection with the issue of the Bonds or Shares. This Offering Memorandum should not be considered as a recommendation by the Registrar or any of the Agents, the Lead Merchant Banker or the Lead Manager that any recipient of this Offering Memorandum should purchase the Bonds.

Furthermore, AFRINEX, the Registrar, the Agents, the Lead Merchant Banker and the Lead Manager or any of their respective affiliates or legal advisors disclaim any liability from any claim, demand or action arising against the Company, any of the Agents, the Lead Merchant Banker and the Lead Manager and from any loss suffered or incurred, whether known or unknown, that is in any way connected with this document.

This Offering Memorandum does not constitute a prospectus for the purposes of or any other provision of or rule under the U.S. Securities Act.

THE BONDS EVIDENCED HEREBY (THE “BONDS”) AND THE SHARES OF SAMPRE NUTRITIONS LIMITED (THE “ISSUER”) ISSUABLE UPON CONVERSION OF THE BONDS (THE “SHARES”) HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, AND PRIOR TO THE EXPIRATION OF THE 40-DAY PERIOD BEGINNING ON THE LATER OF THE COMMENCEMENT OF THE BOND OFFERING AND THE CLOSING OF THE BOND OFFERING (THE “DISTRIBUTION COMPLIANCE PERIOD”), THE BONDS AND THE SHARES ISSUABLE UPON CONVERSION OF THE BONDS MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF U.S. PERSONS EXCEPT IN CERTAIN TRANSACTIONS OR EXCEPT IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 AND RULE 904 OF REGULATION S UNDER THE SECURITIES ACT.

In making an investment decision regarding the Bonds offered hereby, you must rely on your own examination of the Issuer and the terms of the Offering, including the merits and risks involved. You should base your decision to invest in the Bonds only on the information contained in this Offering Memorandum. Neither we, the Lead Merchant Banker or the Lead Manager have authorized any other person to provide

you with information that is different from the information contained herein. If anyone provides you with different or inconsistent information, you should not rely on it. You should assume that the information appearing in this Offering Memorandum is accurate as of the date on the front cover of this Offering Memorandum only. Our business, financial condition, results of operations and the information set forth in this Offering Memorandum may have changed since that date. This Offering Memorandum is based on information provided by us and other sources believed by us to be reliable. The Lead Manager is not responsible for, and is not making any representation or warranty to you concerning, our future performance or the accuracy or completeness of this Offering Memorandum.

This Offering Memorandum does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose. Accordingly, the Bonds may not be offered or sold, directly or indirectly, and this Offering Memorandum may not be distributed, in any jurisdiction except in accordance with the legal requirements applicable in such jurisdiction. You must comply with all laws applicable in any jurisdiction in which you buy, offer, or sell the Bonds or possess or distribute this Offering Memorandum, and you must obtain all applicable consents and approvals; neither we, the Lead Merchant Banker or the Lead Manager shall have any responsibility for any of the foregoing legal requirements. **See “*Notice to Investors and Transfer Restrictions*”**

You should not consider any information in this Offering Memorandum to be investment, or legal or tax advice. You should consult your own counsel, accountant, and other advisors for investment, legal, tax, business, financial and related advice regarding purchasing the Bonds. Neither we, the Lead Merchant Banker or the Lead Manager is making any representation to any offeree or purchaser of the Bonds regarding the legality of an investment in the Bonds by such offeree or purchaser under appropriate investment or similar laws. This Offering Memorandum is to be used only for the purposes for which it has been published.

By accepting delivery of this Offering Memorandum, you agree to the foregoing restrictions, not to use any information herein for any purpose other than considering an investment in the Bonds. You also acknowledge that you have had an opportunity to request from us for review, and that you have received, all additional information you deem necessary to verify the accuracy and completeness of the information contained in this Offering Memorandum.

We obtained the market data used in this Offering Memorandum from internal surveys, industry sources and currently available information. Although we believe that our sources are reliable, you should keep in mind that we have not independently verified information we have obtained from industry and governmental sources and that information from our internal surveys has not been verified by any independent sources. See “*Market and Industry Data*.”

The contents of our website <https://www.sampreltd.com/index.php> do not form any part of this Offering Memorandum.

We may withdraw the Offering at any time, and we reserve the right to reject any offer to purchase the Bonds in whole or in part and to sell to any prospective investor less than the full amount of the Bonds sought by such investor. The Lead Manager and certain related entities may acquire a portion of the Bonds for their own accounts.

The Bonds have not been approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the Offering or the accuracy or adequacy of this Offering Memorandum. Any representation to the contrary is a criminal offense in the United States.

The Bonds are being offered and sold outside the United States in offshore transactions in reliance on Regulation S. For a description of these and certain other restrictions on offers, sales and transfers of the Bonds and the distribution of this Offering Memorandum, see ***“Notice to Investors and Transfer Restrictions”***

The Company has undertaken to apply to have the Shares issuable upon conversion of the Bonds approved for listing on the BSE. There can be no assurance that such Shares will in fact be admitted to listing on the BSE and once listed will continue to be listed.

The Shares of the Company are listed on the **“BSE”** (referred to as the **“Indian Stock Exchange”**). The closing price of the Company’s outstanding Shares on the BSE as on 8th May 2024 was INR 67.48 per Share. The Company has received in-principle approval dated 8th May 2024 from BSE for listing the Shares issued upon conversion of the Bonds.

The distribution of this Offering Memorandum and the offer and sale of the Bonds may be restricted by law in certain jurisdictions. You must inform yourself about, and observe, any such restrictions. You must comply with all applicable laws and regulations in force in any jurisdiction in which you purchase, offer, or sell the Bonds or possess or distribute this Offering Memorandum and must obtain any consent, approval or permission required for your purchase, offer or sale of the Bonds under the laws and regulations in force in any jurisdiction to which you are subject or in which you make such purchases, offers or sales. We, the Lead Merchant Banker and the Lead Manager is not, making an offer to sell the Bonds or a solicitation of an offer to buy any of the Bonds to any person in any jurisdiction except where such an offer or solicitation is permitted.

The information set forth in relation to sections of this Offering Memorandum describing clearing and settlement arrangements, including *“Terms and Conditions of the Bonds”* and *“Book Entry, Delivery and Form,”* is subject to any change in or reinterpretation of the rules, regulations, and procedures of Afrinex Clearing House Limited currently in effect. While we accept responsibility for accurately summarizing the information concerning Afrinex Clearing House Limited, we accept no further responsibility in respect of such information.

Any potential investor in, and purchaser of, the Bonds should pay particular attention to the fact that we are governed in India by a legal and regulatory environment which in some material respects may be different from that which prevails in the United Kingdom, United States, Luxembourg, Mauritius and other countries. Prior to making an investment decision, prospective investors and purchasers should carefully consider all of the information contained in this Offering Memorandum (including the financial statements).

For a discussion of certain factors that should be considered prior to making an investment in Bonds, see the section headed ***“Risk Factors”*** beginning on page 33.

NOTICE TO ALL PROSPECTIVE INVESTORS

THE BONDS SHALL NOT BE OFFERED TO THE PUBLIC WITHIN ANY JURISDICTION. BY ACCEPTING DELIVERY OF THIS OFFERING MEMORANDUM, YOU AGREE NOT TO OFFER, SELL, RESELL, TRANSFER OR DELIVER, DIRECTLY OR INDIRECTLY, ANY BONDS TO THE PUBLIC.

NOTICE TO U.S. INVESTORS

The Bonds and the shares have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Lead Manager has represented that it has not offered or sold, and agreed that it will not offer or sell, any Bonds constituting part of its allotment except in accordance with Regulation S under the Securities Act. Accordingly, neither the Lead Manager, nor its affiliates, nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to the Bonds. The Bonds may be offered and sold to non-U.S. persons outside the United States in reliance on Rule 903 or Rule 904 of Regulation S. For a description of certain further restrictions on the resale or transfer of the Bonds, see "Transfer Restriction."

The Bonds described in this Offering Memorandum have not been registered with, recommended by, or approved by the SEC, any state securities commission in the United States or any other securities commission or regulatory authority, nor has the SEC, any state securities commission in the United States or any other such securities commission or authority passed upon the accuracy or adequacy of this Offering Memorandum. Any representation to the contrary is a criminal offense.

In addition, until 40 days after the later of the commencement of the offering of the Bonds and the latest closing date of the issue of the Bonds, an offer or sale of Bonds or the Shares within the United States or to any U.S. person by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Terms used in this paragraph have the meaning given to them by Regulation S under the Securities Act.

NOTICE TO UK INVESTORS

This Offering Memorandum has been prepared on the basis that any offer of the Bonds in the United Kingdom ("**UK**") will be made pursuant to an exemption under Regulation (EU) 2017/1129 (as amended by The Prospectus (Amendment etc.) (EU Exit) Regulations 2019) as it forms part of domestic law by virtue of the EUWA (the "**UK Prospectus Regulation**") from the requirement to publish a prospectus for offers of the Bonds. Accordingly, any person making or intending to make an offer in the UK of the Bonds which are the subject of the offering contemplated in this Offering Memorandum may only do so in circumstances in which no obligation arises for the Issuer or the Lead Manager to publish a prospectus pursuant to Article 3 of the UK Prospectus Regulation, in each case, in relation to such offer. Neither the Issuer nor the Lead Manager have authorized, nor do they authorize, the making of any offer of the Bonds in circumstances in which an obligation arises for the Issuer or any of the Lead Manager to publish a prospectus for such offer.

Prohibition of sales to UK retail investors: The Bonds are not intended to be offered, sold, or otherwise made available to and should not be offered, sold, or otherwise made available to any retail investor in the United Kingdom. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**") or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not

qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA (the “**UK Prospectus Regulation**”). Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the “**UK PRIIPs Regulation**”) for offering or selling the Bonds or otherwise making them available to retail investors in the UK has been prepared and, therefore, offering or selling the Bonds or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

NOTICE TO MAURITIUS INVESTORS

Prohibition of sales to Mauritius retail investors: The Bonds are not intended to be offered, sold or otherwise made available to, and with effect from such date, should not be offered, sold or otherwise made available to any retail investor in Mauritius. For these purposes a “retail investor” is as defined in the Securities Act 2005, as applicable in Mauritius.

Financial Promotion Order

This Offering Memorandum is for distribution only to persons who (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “**Financial Promotion Order**”), (ii) are persons falling within Article 49(2)(a) to (d) (“high net worth companies, unincorporated associations etc.”) of the Financial Promotion Order, (iii) are outside the UK, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) in connection with the issue or sale of any Bonds may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as “relevant persons”). This Offering Memorandum is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this Offering Memorandum relates is available only to relevant persons and will be engaged in only with relevant persons. Relevant persons should note that all, or most, of the protections offered by the UK regulatory system will not apply to an investment in the Bonds and that compensation will not be available under the UK Financial Services Compensation Scheme.

This Offering Memorandum or any material relating to the Bonds has not been and will not be circulated or distributed to any prospective investor who is not a resident of an FATF or IOSCO compliant jurisdiction, and the Bonds will not be offered or sold or transferred and have not been offered or sold or transferred to any person who is not a resident of an FATF or IOSCO compliant jurisdiction.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Financial Information

This Offering Memorandum includes and primarily discusses the historical standalone financial information of the Issuer and its subsidiaries. Sampre Nutritions Limited is a public limited company incorporated under the laws of India, with its corporate seat Plot No: 133, Industrial Estate, Medchal, Telangana-501401 India.

In this Offering Memorandum, unless otherwise specified or the context otherwise indicates or implies, references to “you”, “your”, “purchaser”, “subscriber”, “recipient”, “investors” and “potential investor” are to the investors pursuant to the Issue. In this Offering Circular, references to (a) “Rs.”, “Rupees”, “INR”, “Indian Rupees” or “₹” are to the legal currency of the Republic of India and (b) “USD”, “US\$” and “U.S. Dollars” are to the legal currency of the United States. All references herein to the “U.S.” or the “United States” are to the United States of America and its territories and possessions and all references to “India” are to the Republic of India and its territories and possessions. All references herein to the “Central Government”, “Government”, “Government of India” or “State Government” are to the Government of India, central or state, as applicable. All the numbers in this document, have been presented in million or in whole numbers where the numbers have been too small to present in million, unless stated otherwise

The financial year of our Company commences on 1 April of each calendar year and ends on 31 March of the following calendar year, and, unless otherwise specified or if the context requires otherwise. The terms “fiscal”, “fiscal year” or “Fiscal Year”, refer to the 12 month period ending, or as of 31 March of that year (as the case may be).

Our Company publishes its financial statements in Indian Rupees

Historical Financial Information

With respect to Sampre Nutritions Limited, this Offering Memorandum includes:

The audited standalone financial statements of the Company as of and for the year ended March 31, 2021 (the “2021 Standalone Financial Statements”);

The audited standalone financial statements of the Company as of and for the year ended March 31, 2022 (the “2022 Standalone Financial Statements”);

The audited standalone financial statements of the Company as of and for the year ended March 31, 2023 (the “2023 Standalone Financial Statements”); and

The 2023 Interim standalone Financial Statements, 2022 Interim standalone Financial Statements, 2021 Interim standalone Financial Statements along with the 2022 Standalone Financial Statements, 2021 Standalone Financial Statements and 2020 Standalone Financial Statements, is together referred to as the “Standalone Financial Statements”.

In addition, unless otherwise stated herein, we have derived the unaudited financial results for nine months till December 31, 2023, included in this Offering Memorandum in compliance with the regulation 33 of the SEBI (Listing Obligation & Disclosure Requirements) Disclosure, 2015.

The 2021 Standalone Financial Statements, 2022 Standalone Financial Statements and 2023 Standalone Financial Statements have been prepared in accordance with Indian Accounting Standards (IND-AS) and as notified under section 133 of the Indian Companies Act 2013. The preparation of financial statements in accordance with Indian Accounting Standards (IND-AS) requires us to use certain critical accounting

estimates. It also requires our board of directors to exercise its judgment in the process of applying our accounting policies.

Ind AS differs from accounting principles with which prospective investors may be familiar in other countries, including IFRS and US GAAP and the reconciliation of the financial information to other accounting principles has not been provided. No attempt has been made to explain those differences or quantify their impact on the financial data included in this Offering Memorandum and investors should consult their own advisors regarding such differences and their impact on our Company's financial data. The degree to which the financial information included in this Offering Memorandum 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2022 ("**LODR Regulations**"). Any reliance by persons not familiar with Ind AS, the Companies Act, 2013 the SEBI LODR Regulations and practices on the financial disclosures presented in this Offering Memorandum should accordingly be limited.

The Audited Standalone Financial Statements should be read along with the respective audit reports, and the Unaudited Interim Standalone Financial Statements should be read along with the limited review report issued thereon.

The Financial Statements included in this Offering Memorandum were prepared in English.

This Offering Memorandum includes Audited standalone financial information for year ending March 31st, 2023. The audited standalone financial information has been issued with an unmodified opinion on the Annual Financial Results standalone of the company for the financial year ended on 31st March 2023.

Pursuant to Indian regulatory requirements, "Annual Report" is required to accompany the Standalone Financial Statements, therefore, such reports are included in this Offering Memorandum only in order to comply with such regulatory requirements. Investors are strongly cautioned that the Annual Report contain information as of various historical dates, non-financial information, as well as Management's views on the outlook and do not contain a current description of our business, affairs, or results. The information contained in the Annual Report has neither been audited nor prepared for the specific purpose of the Offering. Accordingly, the Annual Reports should be read together with the other sections of this Offering Memorandum, and particularly "*Risk Factors*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*." Any information contained in the Annual Report is deemed to be modified or superseded by any information contained elsewhere in this Offering Memorandum that is subsequent to or inconsistent with it. Furthermore, the Annual Report include certain forward-looking statements that are subject to inherent uncertainty (see "*Forward-Looking Statements*"). Accordingly, investors are urged to rely only upon the information in this Offering Memorandum rather than upon the information contained in such Annual Report.

References to "Revenue" throughout this offering memorandum are used interchangeably with and refer to the same figures included in the "Net Sales" line item within the standalone income statement data from our 2023 Standalone Financial Statements.

Other Information

Certain data contained in this Offering Memorandum, including financial information, have been subject to rounding adjustments. Accordingly, in certain instances, the sum of the numbers in a column or a row in tables may not confirm exactly to the total figure given for that column or row or the sum of certain numbers presented as a percentage may not conform to the total percentage given.

FORWARD-LOOKING STATEMENTS

This Offering Memorandum contains statements under the headings *“Summary,” “Risk Factors,” “Business,” “Industry—Construction and developments of integrated township, projects and sites,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations”* and in other sections that are, or may be deemed to be, forward-looking statements within the meaning of the securities laws of certain applicable jurisdictions. These forward-looking statements include, but are not limited to, all statements other than statements of historical fact contained in this Offering Memorandum, including, without limitation, those regarding our future financial position and results of operations, our strategy, plans, objectives, goals and targets, future developments in the markets in which we participate or are seeking to participate or anticipated regulatory changes in the markets in which we operate or intend to operate. In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the words *“aim,” “believe,” “estimate,” “guidance,” “forecast,” “project,” “expect,” “anticipate,” “intend,” “target,” “may,” “will,” “plan,” “predict,” “assume,” “shall,” “continue,” “potential,” “could”* or *“should”* or, in each case, their negative or other variations or comparable terminology or by discussions of strategies, plans, objectives, targets, goals, future events or intentions.

By their nature, forward-looking statements involve known and unknown risks, uncertainties, and other factors because they relate to events and depend on circumstances that may or may not occur in the future. The Issuer cautions you that forward-looking statements are not guarantees of future performance and are based on numerous assumptions and that our actual results of operations, including our financial condition and liquidity and the development of the industries in which we operate, may differ materially from (and be more negative than) those made in, or implied by, the forward-looking statements contained in this Offering Memorandum. You should not place undue reliance on these forward-looking statements.

In addition, even if our results of operations, including our financial condition and liquidity and the development of the industry in which we operate, are consistent with the forward-looking statements contained in this Offering Memorandum, those results or developments may not be indicative of results or developments in subsequent periods. Important risks, uncertainties and other factors that could cause these differences include, but are not limited to:

- Changes in laws and regulations relating to the sectors/areas in which we operate;
- Inability to identify or effectively respond to consumer needs, expectations or trends in a timely manner;
- Our ability to successfully implement our growth strategy and expansion plans, and to successfully launch and implement various projects
- Our failure to keep pace with rapid changes in technology;
- Our ability to meet our further capital expenditure requirements;
- Fluctuations in operating costs;
- Our ability to attract and retain qualified personnel;
- Conflict of interest with affiliated companies, the promoter group and other related parties
- Changes in political and social conditions in India, the monetary and interest rate policies of India and other countries;
- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- The performance of the financial markets in India and globally;
- The occurrence of natural disasters or calamities;
- Risks relating to the FCCB; and
- other factors discussed in more detail under the heading *“Risk Factors.”*

These risks and others described under the heading *“Risk Factors”* are not exhaustive. Other sections of

this Offering Memorandum describe additional factors that could adversely affect our results of operations, financial condition, liquidity, and the development of the industries in which we operate. New risks can emerge from time to time, and it is not possible for us to predict all such risks, nor can we assess the impact of all such risks on our business or the extent to which any risks, or combination of risks and other factors, may cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, you should not rely on forward-looking statements as a prediction of actual results.

Any forward-looking statements are only made as of the date of this Offering Memorandum, and we do not intend, and do not assume any obligation, to update forward-looking statements set forth in this Offering Memorandum. You should interpret all subsequent written or oral forward-looking statements attributable to us or to persons acting on our behalf as being qualified by the cautionary statements in this Offering Memorandum. As a result, you should not place undue reliance on these forward-looking statements.

DEFINITIONS AND ABBREVIATION

In this Offering Memorandum the following expressions have the following meanings, unless the context otherwise requires or unless it is otherwise specifically provided

- “Bonds” and “Convertible Bonds” and “Foreign Currency Convertible Bonds” refers to US\$ 10,000,000 at Zero Coupon Unsecured Convertible Bonds due 2027 issued by Sampre Nutritions Limited;
- “Company” “Sampre,” “Issuer,” “group,” “Group,” “we,” “us” and “our” refer to the Issuer and its Standalone subsidiaries, except where the context otherwise requires;
- “Closing Date” refers to the date on which the issuance of these bonds is completed and the funds are transferred to the issuer”
- “Crore” refers to the numerical figure where one crore is equal to 10,000,000.
- “European Economic Area” or “EEA” refers to the trading area established by the European Economic Area Agreement of January 1, 1994, currently comprising the Member States of the European Union, Norway, Iceland, and Liechtenstein;
- “European Union” or “EU” refers to the European economic and political union;
- “IND-AS” refers to the Indian Accounting Standards as adopted by India;
- “ISA” refers to International Standards of Auditing;
- “Issue Date” means 24th June 2024, being the date on which the Bonds offered hereby are issued;
- “Issuer” refers to Sampre Nutritions Limited;
- “Lakh” refers to Indian currency to define a Hundred Thousand
- “Lien” refers to a right to keep possession of property belonging to another person until a debt owed by that person is discharged.
- “AFRINEX” refers to AFRINEX Limited.
- “Member State” refers to a member state of the European Union;
- “OECD” refers to the Organisation for Economic Co-operation and Development;
- “Offering” refers to the offering of the Bonds by the Issuer and the application of the net proceeds therefrom in the manner set forth herein under the heading “Use of Proceeds”;
- *Optional FCCBs* Same class additional FCCBs issued on the terms and conditions of the offering set forth in this Offering Memorandum.
- “Qualified Institutional Buyer” or “QIB” has the meaning ascribed to it under Rule 144A;
- “Refinancing” refers to repayment in full, at maturity, and cancellation of the Convertible Bonds;
- “Regulation S” refers to Regulation S as promulgated under the U.S. Securities Act;
- “Registrar” refers to Bigshare Services Private Limited;
- “Rule 144A” refers to Rule 144A as promulgated under the U.S. Securities Act;
- “SEC” refers to the U.S. Securities and Exchange Commission;
- “Transactions” refers to the Offering and the Refinancing;
- “United States,” “U.S.” or “US” refers to the United States of America and its territories and possessions;
- “U.S. Exchange Act” refers to the U.S. Securities Exchange Act of 1934, as amended, or any

successor statute, and the rules and regulations promulgated by the SEC thereunder;

- “U.S. Securities Act” refers to the U.S. Securities Act of 1933, as amended, or any successor statute, and the rules and regulations promulgated by the SEC thereunder.
- “Mauritius” refers to the Republic of Mauritius.
- “ACHL” refers to Afrinex Clearing House Ltd., Mauritius.

GLOSSARY OF INDUSTRY TERMS

BIC	Business Identifier Code
BSE	Bombay Stock Exchange
CAGR	Compound Annual Growth Rate
CBD	Central Business District
CBDT	Central Board of Direct Taxes
CBEC	Central Board of Customs and Excise
Convertible Bonds	A convertible bond is a fixed-income corporate debt security that yields interest payments, but can be converted into a predetermined number of common stock or equity shares
Council	Micro and Small Enterprises Facilitation Council
CSR	Corporate social responsibility
DIPP	Department of Industrial Policy and Promotion
DTAA	Double Tax Avoidance Agreement
EBITDA	Earnings Before Interest, Taxes, Depreciation, and Amortization
EIB	European Investment Bank
EPF Act	The Employees Provident Funds and Miscellaneous Provisions Act, 1952
Equity Offering	An equity offering is a public sale of shares of a Company for the purpose of raising capital.
ESI Act	The Employees State Insurance Act, 1948
EU	European Union
EUWA	European Union (Withdrawal) Act, 2018
EXIM	Export-Import
FCCBs	Foreign Currency Convertible Bonds
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999
FII Regulations	Bonds and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995
FIIA	Foreign Investment Implementation Authority
FIIs	Foreign Institutional Investors
FSMA	Financial Services and Markets Act 2000
FVCI	Foreign Venture Capital Investors
FY	Financial Year
GAAP	Generally Accepted Accounting Principles Commonly-followed accounting rules and standards for financial reporting
GDP	Gross Domestic Product
GOI	Government of India
Gratuity Act	The Payment of Gratuity Act, 1972
GST	Goods and Service Tax
ID Act	The Industrial Disputes Act, 1947

IFRS	International Financial Reporting Standards
IND-AS	Indian Accounting Standards
INR	Indian Rupee
ISO	International Organization for Standardization
IT Act	Information Technology Act, 2000
Sampre / Issuer /Company	Sampre Nutritions Limited
Maternity Benefit Act	Maternity Benefit Act, 1961
MENA	Middle East/North Africa
Mn	Million
MoF	Ministry of Finance
MoCI	Ministry of Commerce and Industry
MSMED Act	The Micro, Small and Medium Enterprises Development Act, 2006
NI	National Instrument
NRIs	Non Resident Indians
NSE	National Stock Exchange
QIBs	Qualified Institutional Buyers
R&D	Research & Development
RBI	Reserve Bank of India
ROC	Registrar of Companies
SEBI	Bonds Exchange Board of India
SEBI(ICDR) Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018
STT	Securities Transaction Tax
Takeover Code	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
The Code	U.S. Internal Revenue Code of 1986
Trade Union Act	The Trade Union Act, 1926
Trademarks Act	The Trademarks Act, 1999
Deed	Deed dated [.] executed between the Company and SBM Fund Services Limited, Mauritius
UK	United Kingdom
US	United States of America
USD	United States Dollars
ACHL	Afrinex Clearing House Ltd
VAT	The Telangana Value Added Tax Act, 2005

CURRENCY PRESENTATION AND EXCHANGE RATE INFORMATION

In this Offering Memorandum:

- “\$,” “dollar” or “U.S. dollar” refers to the lawful currency of the United States; and
- “₹” or “INR” or “Indian National Rupee” refers to the single currency of India

The following tables set forth, for the periods indicated, the period end, period average, high and low Bloomberg Composite Rates (London) expressed in INR per U.S. dollars. The Bloomberg Composite Rate is a “best market” calculation, in which, at any point in time, the bid rate is equal to the highest bid rate of all contributing bank indications and the ask rate is set to the lowest ask rate offered by these banks.

INR Per U.S. dollar

Year	Period End Buying Rate	Period Average	High	Low
2017	64.85	67.199	66.92	64.80
2018	65.11	64.578	65.30	64.73
2019	69.18	69.057	71.00	68.35
2020	75.33	70.393	76.39	72.03
2021	73.50	74.188	73.78	72.27
2022	73.81	78.40	83.00	73.81
2023	83.20	82.25	83.3850	81.1250

Month	Period End Buying Rate	Period Average	High	Low
Jan-23	81.769	81.96	83.04	80.888
Feb-23	82.645	82.35	83.024	81.676
Mar-23	82.185	82.26	82.917	81.615
April -23	81.745	82.03	82.497	81.567
May-23	82.69	82.29	82.936	81.654
June-23	82.096	82.25	82.685	81.825
July-23	82.24	82.24	82.821	81.666
Aug-23	82.73	82.68	83.1100	82.257
Sep-23	83.04	82.99	83.2700	82.718
Oct-23	83.25	83.19	83.2663	83.1212
Nov-23	83.39	83.26	83.393	83.1450
Dec-23	83.20	83.196	83.3913	83.0013
Jan-24	83.0425	83.1794	83.3163	83.0425
Feb-24	82.9138	82.9812	83.0638	82.8987
Mar-24	83.4050	83.0943	83.4250	82.7637
April-24	83.4350	83.3681	83.5425	83.1938

- (1) The average rate for a year means the average of the Bloomberg Composite Rates (London) on the last day of each month during a year.
- (2) The average rate for each month presented is based on the average Bloomberg Composite Rate (London) for each business day of such month.

The above rates differ from the actual rates used in the preparation of the Standalone Financial Statements and other financial information appearing in this Offering Memorandum

SUMMARY

This summary highlights information contained elsewhere in this Offering Memorandum. The summary below does not contain all the information that you should consider before investing in the Bonds. The following summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information included elsewhere in this Offering Memorandum. You should carefully read the entire Offering Memorandum to understand our business, the nature and terms of the Bonds, and the tax and other considerations which are important to your decision to invest in the Bonds, including the more detailed information in the financial statements and the related Bonds included elsewhere in this Offering Memorandum, before making an investment decision. See the section entitled "Risk Factors" for factors that you should consider before investing in the Bonds and the section entitled "Forward-Looking Statements" for information relating to the statements contained in this Offering Memorandum that are not historical facts.

Overview

The Company was incorporated on 3rd December, 1991, as a private limited company in the name of Sampre Nutritions Private Limited with the Registrar of Companies, Hyderabad bearing Certificate of Incorporation number L15499TG1991PLC013515. Subsequently in 1994, the Company was converted into a public limited company and a fresh certificate of incorporation was issued.

Sampre Nutritions Limited is one of the leading confectionary manufacturer in India. The company is engaged in manufacturing complete range of confectionery, eclairs, candies, toffees, powder and centre filled products. The Company manufactures and sells the products under its own brands as well as manufactures and delivers products for other multi-national companies in the confectionary industry.

Mr. B.K. Gurbani, the Chairman and the Managing Director of the Company, is a President of ICMA and member of various Trade bodies and associations. The testimony to his leadership is in fact that the company received the prestigious international Quality Award at International Quality Summit 2012, New York, USA, besides of lots of other prestigious awards from Prime Minister and President's office.

Sampre Nutritions Ltd is the first ISO certified company in South East Asia in the confectionery industry since 1995 and is the 1st HACCP Certified Company by BVQI and FSSAI certified company.

The Company launched its initial public offer (IPO) of equity shares on 06/04/1995. The IPO was priced at Rs.15/- per share. The shares of the Company are listed on the BSE.

The Company's registered office is located in Hyderabad, India. As of 31-12-2023, our Company's market capitalization was of approximately INR 50.61 Crores / US\$ 6.0975 Million.

Free Zone Company in Dubai

Formation of New Free Zone Company in Dubai:

The Company has incorporated a Free Zone Company namely Sampre Nutritions- FZCO. The FZCO has been duly formed as a Free Zone Company with limited liability registered on 3rd January 2023 with the Registrar of Dubai Silicon Oasis under the Registration no. DSO-FZCO-22996.

The Capital of the FZCO shall be AED 10,000 divided into 1000 shares with a value of AED 10 each and the Company shall subscribe to 1000 shares in the FZCO for a subscription amount of AED 10,000 and the Company guarantees full financial commitment to the Free Zone Company for the Shares.

The Company has appointed Mr. Brahma Gurbani as the Manager, Secretary and Director of the FZCO.

The Issuer

Name of the Company	Sampre Nutritions Limited
Type of Company	Public Limited Company
Date of Incorporation	3 rd December 1991
Incorporation Status	Incorporated under the Companies Act, 1956 registered with Registrar of Companies – Hyderabad, Telangana India
Company Registration Number	013515
Company Identification Number	L15499TG1991PLC013515
Registered Address	Plot No. 133, Industrial Estate, Medchal – 501 401, Hyderabad, Telangana, India.
GST Number	36AADCS4038A1ZS
Permanent Account Number	AADCS4038A
Listed at	BSE
BSE trading CODE	SAMPRE - 530617 - INE375C01014
Number of Directors	5
Authorised Capital	Rs. 18,00,00,000
Issued & Paid up Capital	Rs. 89,700,000 as on 31 st March 2024
FaceValue of Each Share	INR10.00
Outstanding Secured Debt (as on date 31.12.2023)	Rs. 11,91,71,767
Outstanding Unsecured Debt (as on date 31.12.2023)	Rs. 6,05,59,653

SUMMARY OF THE OFFERING

The following summary of the Offering contains basic information about the Bonds. It is not intended to be complete, and it is subject to important limitations and exceptions. For a more complete understanding of the Bonds, including certain definitions of terms used in this summary, see ***“Terms and Conditions of the Bonds”*** and ***“Description of Certain Financing Arrangements.”***

Issuer or the Company	<p>Sampre Nutritions Limited a public limited company incorporated under the Companies Act, 1956 with its registered office Plot No. 133 Industrial Estate Medchal- 501401, Hyderabad, Telangana, India.</p> <p>LEI (Legal Entity Identifier):- 984500CF59E75DXB5397</p>
Issue or the Offering	<p>USD 10,000,000, Zero Coupon, Unsecured, Foreign Currency Convertible Bonds due on 24th July, 2027 convertible into equity shares of Rs. 10.00 each in the share capital of the Company.</p> <p>The Bonds are being offered and sold in offshore transactions outside the United States in reliance on Regulation S under the Securities Act (“Regulation S”). Subject to certain exceptions, the Bonds may not be offered, sold, or delivered within the United States (as defined in Regulation S).</p> <p>The Bonds may not be offered or sold directly or indirectly in India or to, or for the account or benefit of, any resident of India, except in certain limited circumstances.</p>
Investment Currency	United State Dollar
Bond Placement Amount	US\$ 10,000,000.00
Bond Subscription Amount	<p>US\$ 10,000,000.00 – Subscription Value</p> <p>(US\$ 15,00,000.00 – 15% Discount to Placement Value)</p>
Par Value of each Bond	US\$ 100,000.00
Proposed Bonds	100 Bonds
Issue Price	US\$ 85,000 per Bond. Issued at a discount of 15% of the Par value of each Bond.
Discount on issuance price	15% discount of Issuance Price
Redemption Value	US\$ 10,000,000.00
Redemption value of each Bond	US\$ 100,000.00
Expected Annual Yield	<p>5.00% Annual Yield (5% differed annual yield from discount + Zero coupon).</p> <p>(Note: Proposed Yield on FCCB is within the limit of RBI i.e. All in Cost – 300 basis over 6 months USD LIBOR which comes 4.65% (Current US 6months Libor) +3.00 (maturity from 3years to 5 years) =7.65%)</p>
Interest	Zero Coupon Bond

Cancellation	All Bonds, which are redeemed, purchased or in respect of which conversion rights are exercised will be cancelled and may not be reissued or resold. Certificates in respect of the Bonds redeemed, converted, or purchased by the Company will be surrendered for cancellation and may not be reissued or resold.
Issuance Date	24 th June 2024
Maturity Date	Unless previously redeemed, converted or purchased and canceled as provided in the Offering memorandum, the Issuer will redeem each Bond at its outstanding principal amount on 24 th July, 2027 (the "Maturity Date"), (calculated up to but excluding the Maturity Date).
Bonds Maturity Tenure	37 months
Linked instrument to the Bonds	Convertible into listed Equity Shares of Sampre Nutritions Ltd.
Depository	The Bonds will clear and settle solely through the book-entry transfer facilities maintained by the Clearing Systems.
Depository	Afrinex Clearing House Limited
Closed Period	Period in which conversion right may not be exercised by Bondholders as mentioned in Condition 5.1.2 of the "Terms and Condition of Bonds" Section.
Continuing Disclosures	<p>A Shareholder who holds 5 per cent or more of the total equity share capital of the Company is required under Indian law to make disclosures of his shareholding to the Company. See "<i>Indian Securities Market</i>".</p> <p>The Company is obliged to comply with the ongoing disclosure requirements as set forth in the Rulebook for Admission to AFRINEX Securities List ("Rulebook"). The Company shall promptly notify AFRINEX of any such disclosures in accordance with the procedures outlined in the Rulebook.</p>
Conversion notice	A duly completed and signed notice of conversion by the bondholder, who is the subscriber of the FCCBs. The completed and signed notice of conversion must be submitted to the Principal Paying and Conversion Agent.
Conversion of the Bonds	<p>The Bond will be convertible at the option of the Bondholder at any time on or after 1 week from the date of Issue and up to the Maturity Date.</p> <p>The price at which Shares will be issued upon conversion of the Bonds (the "Conversion Price") will be at a price calculated as per the last 6 months average or last 2 weeks average, whichever is higher in line with equity issue price guidelines for new allotment of equity shares defined by Securities Exchange Board of India ("SEBI").</p> <p>The Bonds are convertible by Bondholders into Shares, at any time after the Closing Date and prior to the close of business (at the place the Bonds are deposited for conversion) on Maturity Date unless converted, redeemed, or repurchased and cancelled and except during a Closed Period (as defined in the Conditions).</p> <p>If the Company is unable to convert the Bonds into Shares within 35 Business Days after receiving the Conversion Notice, the Company shall have the option to pay to the relevant Bondholder an amount in cash equal to the Cash Settlement Amount (as defined in Condition 5.4.5 of the "Terms and Condition of Bonds" Section) in satisfaction of Conversion Right in full or in part (in which case the other part shall be satisfied by the delivery of Shares) (the "Cash Settlement Option").</p> <p>A Bondholder exercising its Conversion Right (as defined in the Conditions) for Shares in uncertificated form will be required to open a depository</p>

	account with a depository participant under The Depositories Act, 1996 for the purpose of receiving the Shares in uncertificated form.
Conversion Price	Each Bond is initially convertible at the Conversion Price which shall be the higher of the six months average or last two weeks average preceding the day of conversion (" Initial Conversion Price ") in line with equity issue price guidelines for new allotment of equity shares defined by Securities and Exchange Board of India. The number of Shares issued on conversion of the Bonds shall be calculated by dividing the aggregate of the principal amount of the Bonds as converted into Indian Rupees at the time of conversion by the then Conversion Price.
Conversion Price adjustment	Standard adjustment for any dilution will be applied, including i) bonus or special dividends paid with respect to the Shares, ii) free distribution or issuance of shares, iii) sub-division, consolidation, and reclassification of Shares, iv) rights offering, v) warrants and vi) creation of additional convertible or exchangeable bonds and vii) other issues in a dilution of Shares as described in terms and conditions of the Bond.
Definitive Certificates	A certificate representing an individual holding of the Bond.
Events of Default	For a description of certain events that will cause the Bonds to immediately become due and payable at their principal amount, see " <i>Terms and Conditions of the Bonds — Events of Default</i> ".
Exchange Rate on Conversion	The price at which such Bonds will be converted will be the Conversion Price in effect on such Conversion
Existing Shares	The equity shares in the capital of the Company of the nominal value of Rs.10 each as at the date of this Offering Memorandum.
Floor Price	The Floor Price for the conversion of the Bonds into the Share shall be determined in accordance with FCCB guidelines and the relevant Applicable Law.
Form and Denomination of the Bonds	<p>The Bonds will be issued in registered form in denominations of USD 100,000 each or integral multiples thereof. The Bonds will be represented by a single Global Certificate (as defined in the Conditions) which will be issued and deposited with the depository. Except in the limited circumstances described in the Global Certificate, owners of interests in Bonds will not be entitled to receive physical delivery of Certificates. The Bonds are not issuable in bearer form. See "<i>Terms and Conditions of the Bonds</i>". The Bonds will be listed on the AFRINEX , Mauritius.</p> <p>Except in the limited circumstances described in the Global Certificate, owners of interests in Bonds will not be entitled to receive physical delivery of Certificates. The Bonds are not issuable in bearer form. See "<i>Terms and Conditions of the Bonds</i>".</p>
Further Issue	The Company may from time to time, without the consent of the Bondholders, create and issue further notes, bonds or debentures either having the same terms and conditions in all respects as the outstanding notes, bonds or debentures of any series (including the Bonds) and so that such further notes, bonds or debentures shall be standalone and form a single series with the outstanding notes, bonds or debentures of any series (including the Bonds) or upon such terms as to interest, subordination (if any), premium, conversion, redemption and otherwise as the Company may determine at the time of their issue.
General Market for the Shares, Listing and Share Ownership Restrictions	The Company's issued and paid-up Shares are listed on the Indian Stock Exchanges. The Shares issued upon conversion of the Bonds will be listed on the Indian Stock Exchanges. There are restrictions on investments in shares

	of Indian companies by non-residents of India. See <i>“Foreign Investment and Exchange Controls”</i> .
Global Certificate	For as long as the Bonds are represented by the Global Certificate and the Global Certificate is held by a depository for the Clearing Systems, payments of principal in respect of the Bonds represented by the Global Certificate will be made against presentation for endorsement and, if no further payment is to be made in respect of the Bonds, surrender of the Global Certificate to or to the order of the Principal Paying and Conversion Agent for such purpose. The Bonds which are represented by the Global Certificate will be transferable only in accordance with the rules and procedures for the time being of the relevant Clearing Systems. See <i>“Global Certificate — Payments”</i> .
Governing Law	The Bonds shall be governed by, and construed in accordance with, the laws of Mauritius.
Government Approvals	<p>FCCBs are governed by the External Commercial Borrowings Policy issued by RBI, as amended from time to time, Companies Act, 2013 and the rules framed thereunder; Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993, as amended from time to time and the Foreign Exchange Management (Transfer or Issue of any Foreign Security) Regulations, 2000, as amended from time to time. The said rules and regulations allow Indian companies to issue FCCBs up to USD 1.5 billion under the "automatic route" (without prior approval of the RBI), subject to compliance with certain conditions specified therein</p> <p>The Company is undertaking this offering of the Bonds pursuant to the foregoing Government regulations.</p>
Indian Taxation	<p>Payments of principal, premium and interest if any on the Bonds made by the Company in respect of the Bonds and all deliveries of Shares made upon conversion of the Bonds will be made without deduction or withholding in respect of Indian taxation save to the extent required by law. Where so required, the Company will gross up the net taxable amount so that the net amounts received by holders are the same as if no withholding were made and will be required to account separately to the Indian tax authorities for any withholding taxes applicable on such amounts. The Bonds will have the benefit of the tax concessions available under the provisions of Section 115AC of the Income Tax Act, 1961 of India (the “Income Tax Act”) and The Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993 promulgated by the Government (the “Depository Receipt Scheme”). These tax concessions include withholding at a reduced rate of 10.0% plus an applicable surcharge on such tax in respect of interest and premium (if any) on the Bonds. Gains realised outside India on the sale or transfer of such Bonds (but not the Shares issued upon conversion of the Bonds) by a holder who is a non-resident of India to another non-resident of India are exempt from Indian capital gains tax. See <i>“Taxation”</i>.</p> <p>Under current Indian laws, no tax is payable by the recipients of dividends on shares of an Indian company, including the Shares deliverable upon conversion of the Bonds. However, the Company will be liable to pay distribution tax on dividends paid on the Shares at a rate of approximately 15% (plus surcharge and education cess at the applicable rates).</p>
Issuer Clean-up Call	The Bonds may be redeemed at the option of the Company in whole, but not in part, at any time at the Early Redemption Amount, having given not less than 60 days’ notice to the Bondholders, in the event of aggregate principal

	amount of the outstanding Bonds is less than 10% of the principal amount of the Bonds originally issued. The ECB Guidelines at the time of redemption may require the Issuer to obtain the prior approval of the RBI before providing notice for or effecting such a redemption prior to the Maturity Date; such approval may or may not be forthcoming.
Listing	<p>Application has been made to admit the Bonds to listing on the AFRINEX Securities List</p> <p>The Bonds will be traded OTC in a minimum board lot size of USD 100,000.00 for so long as the Bonds are listed on AFRINEX, Mauritius. The Company has undertaken to apply to have the Shares issuable upon conversion of the Bonds approved for listing on the BSE.</p>
LRN Number	202312104 for amount of US\$ 100,000,000/-
RBI approval required for Early Redemption or Repurchase	The ECB Guidelines at the time of redemption may require the Issuer to obtain the prior approval of the RBI before providing notice for or effecting such a redemption or repurchase prior to the Maturity Date; such approval may or may not be forthcoming.
Redemption for Taxation Reasons	The Bonds may be redeemed at the option of the Company in whole, but not in part, at any time at the Early Redemption Amount, in the event of certain changes affecting taxes in India as set out in the Conditions-see " <i>Redemption for Taxation Reasons</i> ". The ECB Guidelines at the time of redemption may require the Issuer to obtain the prior approval of the RBI before providing notice for or effecting such a redemption prior to the Maturity Date; such approval may or may not be forthcoming.
Redemption on Maturity	Unless the Bonds have been previously redeemed, repurchased, cancelled or converted, the Company will redeem the Bonds on the Maturity Date at 100% of the principal amount of the Bonds by way of allotment of underlying shares at Floor Price.
Representations of Bondholders	A Bondholder will be required to represent and agree on conversion that, among other things, it is not a U.S. person or located in the United States (within the meaning of Regulation S).
Repurchase of Bonds in the Event of Change of Control	To the extent permitted by applicable law, unless the Bonds have been previously redeemed, repurchased cancelled or converted, each Bondholder shall have the right, at such Bondholder's option, upon the occurrence of a Change of Control Event (as defined in the Conditions) to require the Company to redeem all of such bondholder's bonds at an Early Redemption Amount all (or any portion of the principal amount thereof which is USD 100,000 or any integral multiples thereof) of such Bondholder's Bonds at the Early Redemption Amount on the date set by the Company for such repurchase, which shall be not less than 30 days nor more than 60 days following the date on which the Company notifies the Bondholders, and the Agents of the Change of Control in accordance with the Conditions. See " <i>Terms and Conditions of the Bonds — Redemption, Repurchase and Cancellation — Repurchase of Bonds in the Event of Change of Control</i> ".
Repurchase of Bonds in the Event of Delisting	To the extent permitted by applicable law, unless the Bonds have been previously redeemed, repurchased and cancelled or converted, in the event that the Shares cease to be listed or admitted to trading on the BSE (a "Delisting"), each Bondholder shall have the right, at such Bondholder's option, to require the Issuer to redeem all of such Bondholder's bonds at an Early Redemption Amount or Company to repurchase all (or any portion of the principal amount thereof which is USD100,000 or any integral multiples thereof) of such Bondholder's Bonds at the Early Redemption Amount on the

	date set by the Company for such repurchase. The date of such repurchase shall be not less than 30 days or more than 60 days following the date the Company gives notice to the Bondholders, and the Agents of the Delisting in accordance with the Conditions. See <i>“Terms and Conditions of the Bonds — Redemption, Repurchase and Cancellation — Repurchase of Bonds in the Event of Delisting”</i> .
Repurchase of Bonds in the Event of Non-Permitted Conversion Price Adjustment	To the extent permitted by applicable law, unless the Bonds have been previously converted, redeemed or repurchased and cancelled, in the event that an event triggering an adjustment to the Conversion Price occurs and the Company is unable to provide the Principle Paying Agent with a Price Adjustment Opinion confirming to the Principle Paying Agent’s satisfaction that such adjustment to the Conversion Price is permitted under then prevailing applicable Indian laws and regulations (a “Non-Permitted Conversion Price Adjustment Event”), each Bondholder shall have the right, at such Bondholder’s option, to require the Company to repurchase all (or any portion of the principal amount thereof which is US\$100,000 or any integral multiple thereof) of such Bondholder’s Bonds at a price equal to their Early Redemption Amount on the date set by the Company for such repurchase. The date of such repurchase shall be not fewer than 30 days but not more than 60 days following the date on which the Company notifies the Bondholders of the occurrence of the Non-Permitted Conversion Price Adjustment Event in accordance with the Conditions. See <i>“Terms and Conditions of the Bonds — Redemption, Repurchase and Cancellation — Repurchase of Bonds in the Event of Non-Permitted Conversion Price Adjustment”</i> .
Requisite Approvals	No payments of principal or interest will be made prior to the Maturity Date (including on the occurrence of an Event of Default) if the requisite RBI approvals have not been obtained or any other applicable Indian laws and restrictions have not been complied with. The Company shall use its best endeavors to obtain such requisite RBI approvals or with respect to any other applicable Indian Laws that may be necessary to make any payments of principal or interest prior to the Maturity Date.
Selling Restrictions	There are restrictions on the offer, sale and/or transfer of the Bonds in, among others, European Economic Area, Hong Kong, India, Japan, United Kingdom, and the United States. For a description of the selling restrictions on offers, sales and deliveries of the Bonds, see <i>“Selling Restriction”</i> .
Share Ranking	Shares issued upon conversion of the Bonds will be fully paid and will rank pari passu, subject to listing, with the Shares in issue on the relevant Conversion Date (as defined in the Conditions). Shares issued on conversion of Bonds shall not be entitled to any rights, the record date for which preceded the relevant Conversion Date. See <i>“Description of the Shares — Dividends”</i> and <i>“Terms and Conditions of the Bonds — Conversion”</i> .
Status of the Bonds	The Bonds will constitute the Company’s direct, unconditional, unsubordinated, and unsecured obligations and will at all time rank pari passu and without any preference or priority among themselves. The Company’s payment obligations under the Bonds shall, save for such exceptions as may be provided by mandatory provisions of applicable law, at all times rank at least equally with all of its other present and future direct, unconditional, unsubordinated, and unsecured obligations.
Trading Day	Any day of the week during which the BSE is open for business but does not include a day when (a) no such last transaction price or closing bid and offered prices is/are reported and (b) if the Shares are not listed or admitted.

Use of Proceeds	<p>The Proceeds from the issue of the Bonds will be used for “Overseas Business expansion Investments through joint venture(s) and its wholly owned foreign subsidiary company” and shall not utilise the subscription amount for any other purpose</p> <p>The Company intends to use all or substantially all of the proceeds from the issue of the FCCB (net of expenses) for activities allowed under the ECB Guidelines.</p>
Registrar for the Bonds	Big Share Services Private Limited
Principal Agent/ Paying Agent	SBM Fund Services Limited
Voting Rights	Bondholders will have no voting rights with respect to the Bonds at a general meeting of the Company. Bondholders will have voting rights at a meeting of Bondholders. Voting rights will attach to the Shares received upon conversion.
Identification Numbers for the Bonds	ISIN: MU0000000321
Rating of the Bonds	The Bondholder(s) understand that bonds are not, and are not expected to be rated by any rating agency.
Proposed Board Seat	Fund Propose a Board Seat in the Company as the representative of the Fund. Proposed Individual will be appointed as Non-Executive Director in the Company.

SUMMARY HISTORICAL FINANCIAL INFORMATION AND OTHER DATA

The tables below set forth summary financial data for Sampre Nutritions Limited as of and for the years ended March 31, 2021, 2022 and 2023 derived from the Standalone Financial Statements, which were prepared in accordance with IND-AS and are included elsewhere in this Offering Memorandum.

The summary historical Standalone financial information presented below also includes unaudited Financial Results for period ended Apr-Dec, 2023 in accordance with the Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.

Historical Financial Data

PLEASE SEE FOLLOWING PAGE(S)

Historical Financial Data (in US\$)				
Year ended March 31				Un Audited Standalone Financial Result (Apr-Dec 2023)
PARTICULARS	2021	2022	March 2023	Dec 2023
REVENUE				
Revenue from operations	24,90,530.21	32,15,881.45	45,15,833.03	24,55,759
Other income	4,275.58	38,603.65	8,811.00	3,651
Total Revenue	24,94,805.79	32,54,485.10	45,24,644.03	24,59,410
EXPENSES				
Cost of Materials Consumed	5,03,438.90	9,17,100.89	18,51,223.07	10,87,795
Manufacturing Expenditure	11,15,160.54	14,01,996.65	16,32,493.61	5,31,050
Employee Benefits Expense	1,38,689.87	1,48,685.24	1,95,107.70	2,53,107
Other Expenses	2,65,031.11	2,62,048.69	3,43,543.87	3,32,289
Depreciation	2,46,986.26	2,27,269.25	2,21,674.58	1,10,410
Finance Cost	2,10,800.95	2,45,611.55	2,29,816.23	1,73,651
Total Expenses	24,80,107.64	32,02,712.27	44,73,859.07	24,88,301
Profit before exceptional and extraordinary items and tax	14,834.75	51,758.93	50,784.96	-28,892
Exceptional Items	--	---	---	
Profit before and extraordinary items and tax				
Profit/(Loss) before tax	14,834.75	51,758.93	50,784.96	-28,892
Tax expense	----	---	---	
Current tax	----	8,899.98	12,644.52	----
Short/(Excess) Provision for		---	---	----

Taxation				
Mat Credit Entitlement		-8,899.98	-12,644.52	
Deferred Tax (Credit)/charge	4,494.14	8,955.60	8,555.43	0.00
Profit/(Loss) for the period after tax	10,340.61	42,803.33	42,229.52	-28,892
Other Comprehensive Income	---	---	---	---
Total Comprehensive Income for the period	10,340.61	42,803.33	42,229.52	-28,892
Earnings per Equity Share				
Basic	218.56	890.00	742.36	0
Diluted	218.56	890.00	450.29	0
Weighted average no. of Equity Shares	4,820,000	4,820,000	5,729,863	5,729,863

Balance Sheet (in US\$) Year ended March 31 st				
Particulars	2021	2022	2023	As on 31 th Dec 2023 (UnAudited)
ASSETS				
A. Non-Current Assets				
(a) Property, Plant & Equipment	24,24,251.94	30,85,023.98	24,97,566.02	25,94,539.00
(b) Capital work in progress	7,24,471.19	-	5,06,425.70	5,01,362.00
(c) Financial assets Investment in subsidiaries & other Financial Assets	1,366.00	1,390.62	1,216.99	86,309.00
(d) Other Financial Assets / Other non-current assets	1,34,660.17	1,59,045.37	3,08,129.49	1,49,741.00
Total	32,84,749.31	32,45,459.97	33,13,338.20	33,31,951.00
B. Current Assets				
(a) Inventories	9,96,209.35	9,86,409.46	8,56,809.05	8,66,545.00
(b) Financial Assets Trade Receivables	8,49,951.85	8,30,757.21	9,09,468.18	8,76,211.00
(c) Cash and cash equivalents	13,291.17	11,472.63	15,321.89	9,962.00
(d) Other Current Financial assets	85,730.09	1,68,960.50	2,09,675.06	69,631.00
(e) Other Current Assets-capex adv	----	----	----	----

(f) Short term Loans and advances	----	----	----	
Total	19,45,182.46	19,97,599.79	19,91,274.19	18,22,349.00
Total Assets	52,29,931.77	52,43,059.76	53,04,612.39	51,54,300.00
Equity & Liabilities				
A. EQUITY				
(a) Equity Share Capital	6,58,411.48	6,70,279.50	8,36,071.56	8,27,711.00
(b) Other Equity	8,14,490.52	8,71,989.13	17,38,773.27	16,62,805.00
Total Equity	14,72,902.00	15,42,268.63	25,74,844.83	24,90,516.00
B. LIABILITIES				
Deferred Tax Liability (net)	69,638.62	70,949.50	58,001.70	57,421.00
Non-current liabilities				
Financial liabilities				
Long Term Borrowings	16,67,324.62	17,74,544.12	13,07,119.39	13,67,927.00
Total	17,36,963.25	18,45,493.62	13,65,121.09	14,25,348.00
Current Liabilities				
Financial Liabilities				
Short Term Borrowings	12,31,325.09	11,78,190.05	7,33,893.15	7,97,512.00
Trade Payables	6,61,812.82	5,30,285.65	4,67,725.45	2,01,673.00
Other current liabilities	1,24,442.50	1,37,921.83	1,50,371.18	95,026.00
Short Term Provisions	2,472.46	8,899.98	12,656.69	1,44,225.00
Total	20,20,052.86	18,55,297.50	13,64,646.46	12,38,436.00
Total equity and liabilities	52,29,931.77	52,43,059.76	53,04,612.39	51,54,300.00

Cash Flow Statement				
Year ended March 31 (in US\$)				
	2021	2022	2023	As on Dec31st 2023
Standalone Statement of Cash Flows				
Net cash flows from operating activities	-24,191.84	3,34,958.97	1,06,924.67	(1,12,653.31)
Net cash flows used in investing activities	-1,22,830.62	-1,06,326.91	-5,25,289.03	1,25,694.30
Net cash flows from (used in) financing activities	44,558.88	-2,30,690.18	4,23,646.10	(10,261.78)
Net change (increase/decrease) in cash and cash equivalents	-1,02,463.58	-2,058.12	5,281.73	(2779.20)

Risk Factors

Investing in the Bonds involves substantial risks. You should consider carefully all the information in this Offering Memorandum and, in particular, you should evaluate the specific risk factors set forth in the “Risk Factors” section in this Offering Memorandum before making a decision on whether to invest in the Bonds.

An investment in Securities involves a high degree of risk. You should carefully consider all the information in this Offering Memorandum, including the risks and uncertainties described below, before making an investment in Securities. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of this offer including the merits and risks involved. Any potential investor in, and subscriber of, the Equity Shares should also pay particular attention to the fact that we are governed in India by a legal and regulatory environment in which some material respects may be different from that which prevails in other countries. The risks and uncertainties described in this section are not the only risks and uncertainties we currently face. Additional risks and uncertainties not known to us or that we currently deem immaterial may also have an adverse effect on our business. If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, results of operations and financial condition could suffer, the price of our Equity Shares could decline, and you may lose all or part of your investment. Additionally, our business operations could also be affected by additional factors that are not presently known to us or that we currently consider as immaterial to our operations.

The following factors have been considered for determining the materiality of Risk Factors:

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

The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risk factors where the impact may not be quantifiable and hence the same has not been disclosed in such risk factors. Unless otherwise stated, the financial information of the Company used in this section is derived from our restated financial statements prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI (ICDR) Regulations. Unless otherwise stated, we are not in a position to specify or quantify the financial or other risks mentioned herein. For capitalized terms used but not defined in this section, refer to the chapter titled —Definitions and Abbreviation— beginning on page 3 of this Offering Memorandum. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another.

INTERNAL RISKS

Business Risks

1. We are subject to risks arising from exchange rate fluctuations.

The exchange rate between the Rupee and other currencies is variable and may continue to fluctuate in future. Fluctuations in the exchange rates may affect the Company to the extent of imports made and cost of services rendered in foreign currency terms. Any adverse fluctuations with respect to the exchange rate of any foreign currency for Indian Rupees may affect the Company's profitability, since a part of its service is rendered in foreign currency.

2. We operate in a highly uncertain environment

The risks and uncertainties include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, intense competition including those factors which may affect

our cost advantage, concentration, our ability to manage marketing & sales operations, liability for damage on our service contracts, the success of the companies in which the company has made strategic investments,, change in current tax structure, political instability and general economic conditions affecting our industry.

Some of the risks are normal to the nature of industry in which the company operates and some others are beyond the control of the Company. The management of the Company has a perception that the following risks or uncertainties may occur during the course of business such as:

a. Digital Vulnerabilities:

There has been a growing dependency on digital system which has been intensified during COVID19, with increased usage of digital tools and digital payments, adoption of platforms and devices that allow sensitive data to be shared with third parties- cloud service providers, data aggregators, application programming interfaces and other technology related intermediaries. Additionally, there has been an increase in cybersecurity threats such as malware and ransomware attacks, misinformation and frauds creating cyber risks for the business.

b. Liquidity Risk:

Liquidity risk refers to risk that the company may encounter difficulties in meeting its obligations associated with financial liabilities that are settled in cash or other financial assets. The Company regularly monitors the rolling forecast to ensure that sufficient liquidity is maintained on an ongoing basis to meet operational needs. The Company manages the liquidity risk by planning the investments in a manner such that the desired quantum of funds could be made available to meet any of the business requirements within a reasonable period of time. In addition, the Company also maintains flexibility in arranging the funds by maintaining committed credit lines with various banks to meet the obligations.

c. Industry Specific Risks

- Disruptions in the supply chain due to transportation issues, storage constraints, or environmental factors that affects the raw materials.
- Potential hazards to the safety of employees due to heavy machinery accidents, and more recently, the possible spread of the virus.
- Ensuring the safety and hygiene of the processed food and raw materials due to potential risks such as machinery issues, storage constraints or direct human contact.
- Consumers' changing preferences can be a high risk factor, particularly in the secondary and tertiary sectors of the food processing industry.

d. Changing regulations in India could lead to new compliance requirements that are uncertain.

The regulatory and policy environment in which we operate are evolving and are subject to change. The Government of India may implement new laws or other regulations and policies that could affect our business in general, which could lead to new compliance requirements, including requiring us to obtain approvals and licenses from the Government and other regulatory bodies, or impose onerous requirements.

Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdiction in which we operate, including by reason of an absence, or a limited body, of administration 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. 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, financial condition and prospects. Uncertainty in the applicability, interpretation and implementation of any amendment to, or change in, governing law regulation or policy, including by reason of an absence, or a limited body, of administration 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.

e. Our future operating results are difficult to predict.

Our operating results may fluctuate in the future due to a number of factors, many of which are beyond our control. Our results of operations during any fiscal year and from period to period are difficult to predict. Our business and results of operations may be adversely affected by other factors:

- Our ability to retain existing customers;
- General economic conditions;
- Advertising and other marketing costs;
- Our competitors' pricing and marketing strategies; and

f. If inflation were to rise, we might not be able to reduce our costs or increase the prices of our products to pass the increase in costs on to our customers. In such case, our business, result of operations, cash flows and financial condition may be adversely affected.

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of wages and other expenses relevant to our business.

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 customers, whether entirely or in part, and may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or increase the price of our products to pass the increase in costs on to our customers. In such case, our business, results of operations, cash flows and financial condition may be adversely affected.

Further, the Government of India 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.

g. Dynamic Scenario:

- Change in technology may render our current technology obsolete and require us to make substantial investment which could affect the company finance and operation.
- Shortage of skilled manpower poses a considerable risk.
- A major slowdown in economy, fluctuations in interest rates, liquidity availability, etc. A slowdown in economic growth in India and across the globe could cause Company's business to suffer.
- The Company, like any other commercial entity, is prone to external operational risks in the form of Acts of God, human error or shortage, calamities which can drastically affect growth and asset portfolio in non-urban segments.

3. **We require certain statutory and regulatory approvals, registrations and licenses for our business and our inability to obtain, renew or maintain our statutory and regulatory permits and approvals required to operate our business would adversely affect our operations and profitability.**

Our Company requires several statutory and regulatory permits, licenses, and approvals to operate the business. Many of these approvals are granted for fixed periods of time and need renewal from time to time. Our Company is required to renew such permits, licenses, and approvals. Further, we may require new registrations and approvals for any proposed operations, including any expansion of existing operations. While we believe that we will be able to renew or obtain such registrations and approvals, as and when required, there can be no assurance that the relevant authorities will issue any of such permits or approvals in time or at all. Further, these permits, licenses and approvals are subject to several conditions, and our Company cannot assure that it shall be able to continuously meet such conditions or be able to prove compliance with such conditions to statutory authorities, and this may lead to cancellation, revocation, or suspension of relevant permits/ licenses/ approvals.

Failure to obtain and renew such registrations and approvals within statutory time frame attracts penal provisions. Further, such non-compliance may result in proceedings against our Company and the Directors and such actions may directly and immediately affect our operations and may have a material adverse effect on our revenues, profits, and operations.

4. **Our future funds requirements, in the form of fresh issue of capital or Bonds and/or loans taken by us, may be prejudicial to the interest of the shareholders depending upon the terms on which they are eventually raised**

We may require additional capital from time to time depending on our business needs. Any fresh issue of shares or convertible Bonds would dilute the shareholding of the existing shareholders and such issuance may be done on terms and conditions, which may not be favourable to the then existing shareholders. If such funds are raised in the form of loans or debt, then it may substantially increase our interest burden and decrease our cash flows, thus prejudicially affecting our profitability and ability to pay dividends to our shareholders.

5. **We have in the past entered into related party transactions and may continue to do so in the future**

Our Company has entered into certain transactions with our related parties including our Promoters, our Directors, and their relatives. While we believe that all such transactions have been conducted on the arm's length basis, there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we will enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations.

EXTERNAL RISK FACTORS

Industry Risks:

6. **Changes in government regulations or their implementation could disrupt our operations and adversely affect our business and results of operations**

Our business and industry are regulated by different laws, rules and regulations framed by the Central and State Government. These regulations can be amended/ changed on a short notice at the discretion of the Government. If we fail to comply with all applicable regulations or if the regulations governing our business or their implementation change adversely, we may incur increased costs or be subject to penalties, which could disrupt our operations and adversely affect our business and results of operations.

RISKS ASSOCIATED WITH INDIA

7. Political instability and a significant change in the Government of India's economic liberalization and deregulation policies could disrupt our business and cause the price of our Equity Shares to go down.

As most of our assets and customers are located in India our performance and the quality and growth of our assets are necessarily dependent on the health of the overall Indian economy. Any slowdown in the Indian economy would adversely affect our business, including but not limited our ability to grow our asset portfolio, the quality of our assets, and our ability to implement our strategy. India's economy could be adversely affected by a general rise in interest rates, weather conditions adversely affecting agriculture or various other socio-political factors affecting the growth of industrial, manufacturing and services sector. In addition, the Indian economy is in a state of transition. The share of the services sector of the economy is on a rise while that of the industrial, manufacturing, and agricultural sectors is declining. It is difficult to gauge the impact of these fundamental economic changes on our business.

The Government of India has traditionally exercised and continues to exercise a dominant influence over many aspects of the economy. Its economic policies have had and could continue to have a significant effect on private sector entities, including us, and on market conditions and prices of Indian Bonds, including our equity shares. Also, even though the Indian economy has shown sustained growth over the last few years, we cannot predict whether the same upward trend would continue, in the event that there is a fall in the growth rate it would adversely affect our performance, the growth of our business including our ability to grow our asset portfolio, the quality of our assets, our future financial performance, our shareholders' funds, our ability to implement our strategy and the price of our equity shares.

The last 15 years have witnessed four changes at the Central Government level with each party having its own policies. Any significant change in the Government's policies or political instability could adversely affect business and economic conditions in India and could also adversely affect our business, our future financial performance, our shareholders' funds, and the price of our Equity Shares.

8. Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could adversely affect the financial markets and our business.

Terrorist attacks and other acts of violence or war may negatively affect the Indian markets on which our Equity Shares trade and also adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence. In addition, any deterioration in relations between India and its neighboring countries might result in investor concern about stability in the region, which could adversely affect the price of our Equity Shares.

India has also witnessed civil disturbances in the past and it is possible that future civil unrest as well as other adverse social, economic, and political events in India could have a negative impact on us. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the price of our Equity Shares.

9. Natural calamities could have a negative impact on the Indian economy and cause our business to suffer.

India has experienced natural calamities such as earthquakes, a tsunami, floods, and drought in the past few years. The extent and severity of these natural disasters determines their impact on the Indian economy, adversely affecting our business and the price of our Equity Shares.

10. Hostilities with neighboring countries and civil unrest in India may have a material adverse effect on the market for Bonds in India

India has from time to time experienced instances of hostilities between neighboring countries, including

between India, Pakistan, and China. In recent years, military confrontations between India, Pakistan and China have occurred in Kashmir and along the India-Pakistan border, although the governments of India and China have recently engaged in conciliatory efforts. Military activity or terrorist attacks in the future could influence the Indian economy by disrupting communications and making travel more difficult. Such political tensions could create a greater perception that investments in Indian companies involve a higher degree of risk. Events of this nature in the future, as well as social and civil unrest, could influence the Indian economy and could have a material adverse effect on the market for Bonds of Indian companies, including the FCCBs, Shares, other Bonds and on the business of the Company.

11. Any downgrading of India's debt rating by an international rating agency could have a negative impact on our business

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could have a material adverse effect on our business and financial performance, our ability to obtain financing for capital expenditures and the price of our Equity Shares.

12. Currency exchange rate fluctuations may affect the value of the Equity Shares

The exchange rate between the Indian Rupee and other foreign currencies, including the U.S. Dollar, the British Pound, the Euro, the Hong Kong Dollar, the Luxemburg Dollar, and the Japanese Yen, has changed substantially in recent years and may fluctuate substantially in the future. Fluctuations in the exchange rate between the foreign currencies with which an investor may have purchased Indian Rupees may affect the value of your investment in our Bonds. Specifically, if there is a change in relative value of the Rupee to the U.S. Dollar, each of the following values will also be affected:

- The foreign currency equivalent of the Indian Rupee trading price of our Equity Shares in India;
- The foreign currency equivalent of the proceeds that you would receive upon the sale in India of any of our Equity Shares; and
- The foreign currency equivalent of cash dividends, if any, paid in Indian Rupees on our Equity Shares.

You may be unable to convert Indian Rupee proceeds into a foreign currency of your choice or the rate at which any such conversion occurs could fluctuate. In addition, our market valuation could be seriously harmed by the devaluation of the Indian Rupee if investors in jurisdictions outside India analyze its value based on the relevant foreign currency equivalent of our financial condition and results of operations.

13. It may not be possible for you to enforce any judgment obtained outside India, including the United States, against us or any of our affiliates in India, except by way of a suit in India on such judgment

We are incorporated under the laws of India and most of our directors and executive officers reside in India. In addition, a substantial portion of our assets, and the assets of some of our directors and officers and of the non-resident experts named in this preliminary offering memorandum are located in India. As a result, you may be unable to:

- Effect service of process outside India, including within the United States upon us, and these other persons or entities; or
- Enforce foreign judgments obtained in the courts outside India against us and these other persons or entities, including judgments predicated upon the civil liability provision of the Bonds laws of foreign jurisdictions, such as the federal Bonds laws of the United States.

India has reciprocal recognition and enforcement of judgments in civil and commercial matters with a limited number of jurisdictions. 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. In the case of reciprocating territories, a judgment of a court outside India may be enforced either by initiating execution proceedings pursuant to Section 44A of the Code of Civil Procedure, 1908 (the “Civil Code”) or by a suit upon it. However, in the case of a non-reciprocating territory such as the United States, a judgment of a court outside India may be enforced in India only by a suit upon the judgment, subject to Section 13 of the Civil Code and not by proceedings in execution. 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. Generally, there are considerable delays in the disposal of suits by Indian courts. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with Indian practice. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the RBI under FEMA to execute such a judgment or repatriate any amount recovered. Any judgment in a foreign currency would be converted into Indian Rupees on the date of judgment and not on the date of payment. We cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays. For more information, see “Enforcement of Civil Liabilities” in this Offering Memorandum.

14. A third party could be prevented from acquiring control of the Company because of the anti-takeover provisions under Indian law.

There are provisions in Indian law that may discourage a third party from attempting to take control over the Company, even if a change in control would result in the purchase of your Equity Shares at a premium to the market price or would otherwise be beneficial to you.

Indian takeover regulations contain certain provisions that may delay, deter, or prevent a future takeover or change in control of us. Any person acquiring either “control” or an interest (either on his own or together with parties acting in concert with him) in 15% or more of the voting Equity Shares must make an open offer to acquire at least another 20% of the outstanding voting Equity Shares at a price not lower than the price determined in accordance with the takeover regulations. Further, any person who, together with persons acting in concert with him, holds 15% or more but less than 55% of the voting Equity Shares cannot acquire additional voting Equity Shares that would entitle him to exercise 5% of voting rights in any financial year ending March 31, unless such acquirer makes a public announcement offering to acquire a further minimum 20% of the voting Equity Shares. Any further acquisition of the voting Equity Shares by any person who holds 55% or more but less than 75% of the voting Equity Shares (or, where the Company concerned has obtained the initial listing of its shares by making an offer of at least 10% of the issue size to the public pursuant to Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, less than 90% of the Equity Shares or voting rights in such Company) also requires the making of an open offer to acquire a minimum of 20% of the voting Equity Shares or where the further acquisition is by way of a tender offer, such number of voting Equity Shares as would not result in the public shareholding being reduced to less than the minimum specified in the listing agreement with the stock exchanges, within the time period prescribed therein, to maintain continuous listing. These provisions may discourage or prevent certain types of transactions involving an actual or threatened change in control of the Company.

15. You may be subject to Indian taxes arising out of capital gains on the sale of the underlying Equity Shares.

- Capital gains arising from the sale of shares in an Indian Company are generally taxable in India. Any gain realised on the sale of listed equity shares on a recognised stock exchange held for more than 12 months will not be subject to capital gains tax in India if the Securities Transaction Tax (“STT”) has been paid on the transaction. The STT will be levied on and collected by a domestic stock exchange on which equity shares are sold.

- Any gain realized on the sale of equity shares held for more than 12 months, which are sold other than on a recognized stock exchange and as result of which no STT has been paid, will be subject to normal long term capital gains tax in India.
- Any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to concessional capital gains tax in India where STT has been paid on the transaction.
- Any gain on sale of equity share held for a period of 12 months or less, which are not subject to STT will be charged to normal short term capital gain tax.

However, any capital gain tax in India will be subject to Double Tax Avoidance Tax Treaty between India and the country of which the seller is a resident.

16. You may be restricted in your ability to exercise preemptive rights under Indian law and thereby may suffer future dilution of your ownership position.

Under the Indian Companies Act, 2013, as amended, a public Company incorporated in India must offer its holders of equity shares preemptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the preemptive rights have been waived by adoption of a special resolution by holders of three-fourths of the shares which are voted on the resolution. However, if the law of the jurisdiction of the investor does not permit the exercise of such preemptive rights without the Company filing an offering document or registration statement with the applicable authority in the relevant jurisdiction, such investor will be unable to exercise such preemptive rights unless the Company makes such a filing. The Company may elect not to file a registration statement related to preemptive rights otherwise available by Indian law to such investors. If the Company decides not to file a registration statement, the new Bonds may be issued to a custodian for such holders of the Equity Shares, which may sell the Bonds for the benefit of such holders. The value, if any, such custodian would receive upon the sale of such Bonds and the related transaction costs cannot be predicted. To the extent that such holders are unable to exercise preemptive rights granted in respect of the Equity Shares, such investors' proportional interests in the Company would be reduced.

17. Economic developments and volatility in Bonds markets in other countries may cause the price of our Equity Shares to decline

The Indian economy and its Bonds markets are influenced by economic developments and volatility in Bonds markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of Bonds of companies located in other countries, including India. For instance, the economic downturn in the United States and several European countries during a part of 2001 to 2003 adversely affected market prices in the world's Bonds markets, including Indian Bonds markets. Negative economic developments, such as rising fiscal or trade deficits, or a default on national debt, in other emerging market countries may negatively affect investor confidence and cause increased volatility in Indian Bonds markets and indirectly affect the Indian economy in general.

18. There may be less Company information available in the Indian Bonds market than Bonds markets in developed countries

There may be differences between the level of regulation and monitoring of the India Bonds markets and The activities of investors, brokers, and other participants and that of the markets in the United States and other developed countries. SEBI is responsible for approving and improving disclosure and other regulatory standards for the Indian Bonds markets. SEBI has issued regulations and guidelines on disclosure requirements, insider trading and other matters. There may, however, be less publicly available information about Indian companies than is regularly made available by public companies in developed countries.

RISKS ASSOCIATED WITH THE SHARES AND BONDS

19. The market value of the Shares may fluctuate due to the volatility of the Indian Bonds market

The Indian Bonds markets may be more volatile than the Bonds markets in certain countries. The Indian Stock Exchanges have, in the past, experienced substantial fluctuations in the prices of listed Bonds.

The Indian Stock Exchanges (including the BSE and the NSE) have experienced problems which, if such or similar problems were to continue or recur, could affect the market price and liquidity of the Bonds of Indian companies, including the Shares. These problems have included broker defaults and settlement delays. In addition, the governing bodies of the Indian Stock Exchanges have from time to time imposed restrictions on trading in certain Bonds, limitations on price movements and margin requirements. Furthermore, from time to time disputes have occurred between listed companies and stock exchanges and other regulatory bodies, which in some cases may have had a negative, effect on market sentiment.

SEBI received statutory powers in 1992 to assist it in carrying out its responsibility for improving disclosure and other regulatory standards for the Indian Bonds markets. Subsequently, SEBI has prescribed certain regulations and guidelines in relation to disclosure requirements, insider trading and other matters relevant to the Indian Bonds market. There may, however, be less publicly available information about Indian companies than is regularly made available by public companies in certain countries.

There is no existing market for the Bonds and an active market for the Bonds may not develop, which may cause the price of the Bonds to fall.

The Bonds are a new issue of Bonds for which there is currently no trading market.. No assurance can be given that an active trading market for the Bonds will develop or as to the liquidity or sustainability of any such market, the ability of holders to sell their Bonds or the price at which holders of the Bonds will be able to sell their Bonds. If an active market for the Bonds fails to develop or be sustained, the trading price of the Bonds could fall. If an active trading market were to develop, the Bonds could trade at prices that may be lower than the initial offering price of the Bonds. The Lead Manager is not obligated to make a market in the Bonds.

If a market for the Bonds were to develop, the Bonds could trade at prices that may be higher or lower than the price originally paid for them depending on many factors, including:

- the market for similar Bonds;
- general economic conditions;
- the Issuer's financial condition, results of operations and future prospects;
- prevailing interest rates;
- the financial condition and stability of the Indian and other Asian financial sectors; and
- political, legal, and economic developments in India, the rest of Asia or the United States of America.

20. The Bondholders may be subject to Indian taxes arising out of capital gains on the sale of the Share following exercise of conversion rights.

Taxation upon Conversion of Notes/Bonds into Shares

Section 47(x) of the Income Tax Act, 1961, provides exemption in case of any transfer by way of conversion

of bonds into share.

Taxation on sale of Shares

If equity shares listed on a stock exchange are sold within 12 months of purchase, the seller may make short term capital gain (STCG) or incur a short-term capital loss (STCL). The seller makes short-term capital gain when shares are sold at a price higher than the purchase price. If equity shares listed on a stock exchange are sold after 12 months of purchase, the seller may make a long-term capital gain (LTCG) or incur a long-term capital loss (LTCL).

Tax on long-term capital gain

Generally, long-term capital gains are charged to tax at 20% (plus surcharge and cess as applicable), but in certain special cases, the gain may be (at the option of the taxpayer) charged to tax at 10% (plus surcharge and cess as applicable). The benefit of charging long-term capital gain at 10% is available only in following cases:

- 1) Long-term capital gains arising from sale of listed Bonds and it exceeds Rs. 1,00,000 (Section 112A);
- 2) Long-term capital gains arising from transfer of any of the following asset: a) Any security which is listed in a recognised stock exchange in India; b) Any unit of UTI or mutual fund (whether listed or not) (\$); and c) Zero coupon bonds

The Finance Act, 2018 inserts a new Section 112A with effect from Assessment Year 2019-20. As per the new section capital gains arising from transfer of a long term capital asset being an equity share in a company or a unit of an equity oriented fund or a unit of a business trust shall be taxed at the rate of 10 per cent of such capital gains exceeding Rs. 1,00,000.

This concessional rate of 10 per cent will be applicable if:

- a) in a case of an equity share in a company, securities transaction tax has been paid on both acquisition and transfer of such capital asset; and
- b) in a case a unit of an equity oriented fund or a unit of a business trust, STT has been paid on transfer of such capital asset.

Short-Term Capital Gains (STCG) arising on account of sale of equity shares

Short-Term Capital Gains (STCG) arising on account of sale of equity shares listed in a recognised stock exchange, units of equity oriented mutual fund and units of business trust i.e., STCG covered under section 111A.

Section 111A is applicable in case of STCG arising on transfer of equity shares or units of equity oriented mutual-funds or units of business trust, which are transferred on or after 1-10-2004 through a recognised stock exchange and such transaction is liable to securities transaction tax (STT). (*) Equity oriented mutual fund means a mutual fund specified under section 10(23D) and 65% of its investible funds, out of total proceeds are invested in equity shares of domestic companies.

If the conditions of section 111A as given above are satisfied, then the STCG is termed as STCG covered under section 111A. Such gain is charged to tax at 15% (plus surcharge and cess as applicable).

With effect from Assessment Year 2017-18, benefit of concessional tax rate of 15% shall be available even where STT is not paid, provided that

- transaction is undertaken on a recognised stock exchange located in any International Financial Service Centre, and
- consideration is paid or payable in foreign currency.

Investors are advised to consult their own tax advisers and to carefully consider the potential tax consequences of an investment in the Bonds or Shares under the laws of India having regard to residence status and Double Tax Avoidance Agreement (DTAA).

21. The ability of holders to sell to a resident of India any Shares they received upon conversion of these Bonds may be subject to delays if specific RBI approval is required

A person resident outside India (including a Non-Resident Indian) is generally permitted to transfer by way of sale the shares held by him to any other person resident in India without the prior approval of the RBI. However, it should be noted that the price at which the aforesaid transfer takes place must comply with the pricing guidelines prescribed by the RBI in terms of FDI Policy dated October 15, 2020, general permission is also available for transfer of shares/convertible debentures, by way of sale under private arrangement by a person resident outside India to a person resident in India, subject to the guidelines mentioned under Foreign Exchange Management (Non-debt Instruments) Rules, 2019.

- The guidelines stipulate that where the shares of an Indian company are traded on a stock exchange:
 - The sale be at the prevailing market price on the stock exchange if the sale is effected through a merchant banker registered with SEBI or through a stock broker registered with the stock exchange; or
 - If the transfer is other than that referred to above, the price shall be arrived at by taking the average quotations (average of daily high and low) for one week preceding the date of application with a 5% variation. Where, however, the shares are being sold by the foreign collaborator or the foreign promoter of the Indian company to the existing promoters in India with the objective of passing management control in favour of the resident promoters the proposal for sale will be considered at a price which may be higher by up to a ceiling of 25 percent over the price arrived at as above.

22. Significant differences exist with IND AS accounting standards used throughout the Issuer's financial information and other accounting principles with which investors may be more familiar

The Issuer's financial statements are prepared in conformity with the generally accepted accounting principles followed in India ("*IND AS accounting standards*"), consistently applied during the periods stated and no attempt has been made to reconcile any of the information given in this Offering Memorandum to any other principles or to base it on any other standards. *IND AS* differs from accounting principles and auditing standards with which prospective investors may be familiar in other countries. Significant differences exist between *IND AS accounting standards* and IFRS, which may be material to the financial information contained in this Offering Memorandum. The Issuer has made no attempt to quantify the effect of any of these differences and *IND AS accounting standards* does not require such quantification.

23. Bondholders will face the risk of fluctuations in the price of the Shares

The market price of the Bonds is expected to be affected by fluctuations in the market price of the Shares, and it is not possible to predict whether the price of the Shares will rise or fall. Trading prices of the Shares will be influenced by, among other things, the Issuer's financial position and the results of operations and political, economic, financial, and other factors. Any decline in the price of the Shares may have an adverse effect on the market price of the Bonds.

24. Holders of the Bonds will have no rights as Shareholders until they acquire the Shares upon conversion of the Bonds

Unless and until they acquire the Shares upon conversion of the Bonds, the holders of the Bonds will have no rights with respect to the Shares, including any voting rights or rights to receive any regular dividends or other distributions with respect to the Shares. Holders of Bonds who acquire the Shares upon the exercise of a Conversion Right will be entitled to exercise the rights of holders of the Shares only as to action for which the applicable record date occurs after the Conversion Date.

25. There are limitations on the ability of Bondholders to exercise conversion rights

The Bonds are convertible into Shares at the option of the holders pursuant to the terms of the Bonds. Holders of the Bonds will be able to exercise their conversion right only within the Conversion Period specified in the Bonds and will not be able to exercise their conversion right during the Closed Periods (as defined in the terms and Conditions of the Notes).

26. The Bonds and the Shares are subject to transfer restrictions

The Bonds and the Shares are being offered in transactions not required to be registered under the Securities Act. Therefore, the Bonds and the Shares may be transferred or resold only in a transaction registered under or exempt from the registration requirements of the Securities Act and in compliance with any other applicable securities laws.

27. Fluctuations in the exchange rate between the Rupee and the US dollar may have a material adverse effect on the value of the Bonds in US dollar terms

Although the principal amount of the Bonds is denominated in US dollars, the Shares are listed on the Indian Stock Exchanges, on which the Shares are quoted and traded in Rupees. As a result, fluctuations in the exchange rate between the Rupee and the US dollar will affect, among other things, the secondary market price of the Bonds and the US dollar equivalent of the Shares received upon conversion of the Bonds.

The exchange rate between the Rupee and the US dollar has changed substantially in the last two decades and could fluctuate in the future. In recent years, the Rupee has appreciated against the US dollar. As per RBI, the exchange rate as on 31st December 2023 was USD 1 = Rs. 83.25

The imposition of foreign exchange restrictions may have an adverse effect on foreign investors' ability to acquire Indian Bonds, including the Bonds and Shares, or repatriate the interest, dividends, or sale proceeds from those Bonds

The Government may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the Government experiences extreme difficulty in stabilizing the balance of payments or where there are substantial disturbances in the financial and capital markets in India. These restrictions may require foreign investors to obtain the Government's approval before acquiring Indian Bonds or repatriating the interest or dividends from those Bonds or the proceeds from the sale of those Bonds. No assurance can be given that these restrictions will not adversely affect, among other things, the secondary market price of the Bonds.

28. No payment of principal or interest on the Bonds may be made unless the requisite approvals of the RBI have been obtained in the event of early redemption of the Bonds

The Conditions of the Bonds provide that no payments of principal or premium (if any) may be made if requisite approvals of the RBI have not been obtained in the event of early redemption of the Bonds prior to Maturity Date or any other applicable Indian laws and restrictions have not been complied with, which approvals the Issuer will use reasonable endeavors to obtain, but the Issuer will not be in default for not making payment if the requisite approvals have not been obtained.

29. Indian dividend taxes or surcharges could negatively affect the Issuer's tax liability

The dividend received from an Indian company was exempt until 31 March 2020 (FY 2019-20). That was because the company declaring such a dividend already paid dividend distribution tax (DDT) before making payment. However, the Finance Act, 2020 changed the method of dividend taxation. Henceforth, all dividend received on or after 1 April 2020 is taxable in the hands of the investor/shareholder. The Dividend Distribution Tax liability on companies and mutual funds stand withdrawn. Similarly, the tax of 10% on dividend receipts of resident individuals, HUF, and firms in excess of Rs 10 lakh (Section 115BBDA) also stands withdrawn.

TDS on dividend income for Non-resident Indian

For non-resident persons, TDS is required to be deducted at the rate of 20% plus applicable surcharge and 4% health & education cess or (b) at a rate under the DTAA (double taxation avoidance agreement), if any. To avail the benefit of lower deduction due to beneficial treaty rate with country of residence, the non-resident has to submit documentary proof such as Form 10F, declaration of beneficial ownership, certificate of tax residency etc. In absence of submission of these documents, higher TDS would be deducted which can be claimed at the time of filing ITR.

30. There may be a delay from when a holder decides to convert Bonds into Shares until the time the resulting Shares are approved to be listed and traded on the Indian Stock Exchanges and, therefore, it is possible that the share price may fluctuate during that period

There may be a time gap of 45 days from the date on which a Bondholder advises the Principal Paying and Conversion Agent of the intention to convert the Bonds into Shares and the date on which the Indian Exchanges grant final approval for the Shares to be listed and traded. Within this gap, the price of the Shares may fluctuate, which may have an adverse effect on the price that the Bondholder anticipated to receive for the transfer of Shares. Further, any trade of the Shares will have to be made on a spot delivery basis and the trade will have to be settled within the next settlement cycle.

31. There are restrictions on daily movements in the price of the Shares, which may adversely affect a Bondholder's ability to sell, or the price at which it can sell, Shares at a particular point in time

The Issuer is subject to a daily circuit breaker imposed by all stock exchanges in India which does not allow transactions beyond certain volatility in the price of the Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by the SEBI on Indian stock exchanges. The percentage limit on the Issuer's circuit breaker is set by the stock exchanges based on the historical volatility in the price and trading volume of the Shares. The stock exchanges do not inform the Issuer of the percentage limit of the circuit breaker from and may change it without the Issuer's knowledge. This circuit breaker effectively limits the upward and downward movements in the price of the Shares. As a result of this circuit breaker, there can be no assurance regarding the ability of Shareholders to sell the underlying Shares or the price at which Shareholders may be able to sell their Shares at a particular time.

32. Upon a change of control, delisting of the Shares from the BSE, or an event of default, the Issuer may not be in a position to redeem the Bonds

Upon a change of control of the Issuer, a delisting of the Shares from the BSE or an event of default under the terms and conditions of the Bonds resulting in an acceleration of the Bonds, Bondholders may require the Issuer to repurchase all (or a portion of) such Bondholder's Bonds. The Issuer may not be able to repurchase all or any of such Bonds or pay all amounts due under the Bonds if (i) the requisite RBI regulatory approval is not received or (ii) the Issuer does not have sufficient cash flow to repurchase or repay the Bonds.

SUBSIDIARY COMPANIES OF SAMPRE NUTRITIONS LIMITED

1. SAMPRE NUTRITIONS FZCO 100% wholly owned subsidiary
2. SAMPRE NUTRITIONS HOLDING LIMITED– 100% wholly owned subsidiary

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A. About SAMPRE NUTRITIONS FZCO:

SAMPRE NUTRITIONS FZCO is a dynamic subsidiary of Sampre Nutritions Limited, established with a commitment to excellence in the field of packing, repacking, and distribution of confectionery items. The company was officially incorporated on January 3, 2023, under the registration number DSO-FZCO-22996.

Strategic Location: Situated at DSO-IFZA, IFZA Properties, in the vibrant and strategic hub of Dubai Silicon Oasis, UAE, Sampre Nutritions Fzco is well-positioned to leverage its geographical advantages for operational efficiency and business growth.

Ownership Structure: The company is proud to be 100% wholly owned through the esteemed representation of Mr. Brahma Gurbani, a key figure dedicated to steering the company towards success.

Commitment to Quality: Sampre Nutritions FZCO is committed to upholding the highest standards of quality, innovation, and integrity in every aspect of its operations. With a focus on advanced packaging techniques, the company aims to make a significant impact in the industry through its dedication to excellence. The company employs state-of-the-art facilities and advanced packaging techniques to ensure the freshness, quality, and appeal of its confectionery products.

As an integral part of the Sampre Nutritions Limited family, Sampre Nutritions FZCO contributes to the collective success and growth of the entire group, adhering to the shared values and principles that define the overarching corporate identity.

The company looks forward to a future marked by sustained growth, impactful contributions to the industry, and a continued commitment to meeting the evolving needs of its stakeholders.

Future Growth and Innovation: Looking forward, Sampre Nutritions FZCO envisions sustained growth and innovation in the confectionery sector. The company is dedicated to exploring new market opportunities, introducing innovative packaging solutions, and diversifying its product portfolio to meet evolving consumer preferences.

The Shareholding Structure Sampre Nutritions FZCO – 100% wholly owned subsidiary is as below:

Name	Number of Shares	Face Value	Percentage
BRAHMA GURBANI	1000	10,000 AED	100%

BOARD OF DIRECTORS:

Mr. Brahma Gurbani - Mr. Brahma Gurbani serves as the esteemed Director on the Board of Sampre Nutritions FZCO. His visionary leadership, industry expertise, and strategic acumen contribute significantly to the company's success in the confectionery sector. He brings a wealth of experience to the board, having demonstrated a successful track record in the confectionery industry. His deep understanding of market dynamics, consumer trends, and operational intricacies positions Sampre Nutritions FZCO for sustainable

growth and market leadership.

Other Details

Main Assets of the Group: <property, plants, investments, and resource properties, including their geographic location, if any>	NIL
Details of the location, size and nature of the establishments that account for more than 10% of revenue, sales or production	NIL
Details of any trademarks, patents or other intellectual or industrial property rights that are material to the group's business, and a statement about the degree to which the group's business and profitability is dependent on such factors	NIL
If research and development of new products and processes are material to the group's business over the past three financial years, information about its policy on such research and development	NIL
Details of any interruptions in the group's business that may have or have had a material effect on the group's business or financial position in the last 12 months.	NIL
Details of any litigation or claims made against the company in the last five years that are material to the group, including any pending or threatened legal action against the company.	NIL
The number of people employed by the company and, if material, changes to that number in the last 12 months, as well as a breakdown of the number employed in each main type of business activity.	Two

B. SAMPRE NUTRITIONS HOLDING LIMITED:

SAMPRE NUTRITIONS HOLDING LIMITED stands as a robust and wholly-owned subsidiary within the framework of Sampre Nutritions Limited, embodying a commitment to excellence and strategic leadership in packing, repacking, and distribution of confectionery items. The company was officially incorporated on January 11, 2023, under the registration number 14585608.

Strategic Location: The company's registered office is situated at Piccadilly Business Centre Aldow Enterprise Park, in the dynamic city of Manchester, England M12 6AE. This strategic location positions Sampre Nutritions Holding Limited in a key business center, providing opportunities for growth and operational efficiency.

Ownership Structure: As a 100% wholly owned subsidiary, Sampre Nutritions Holding Limited is under the

direct ownership and control of Sampre Nutritions Limited. This ensures a seamless integration of strategies, resources, and expertise, fostering a unified approach towards achieving the overarching goals of the entire corporate group.

Corporate Vision: Sampre Nutritions Holding Limited shares the overarching corporate vision of Sampre Nutritions Limited, emphasizing a commitment to innovation, sustainability, and excellence in all aspects of its business operations. The holding company plays a pivotal role in orchestrating strategic initiatives and ensuring the cohesive functioning of the entire corporate group.

Future Endeavors: Looking ahead, Sampre Nutritions Holding Limited is poised for sustained growth and success, contributing significantly to the achievements of Sampre Nutritions Limited. The company remains dedicated to upholding the highest standards of corporate governance, ethical business practices, and value creation for its stakeholders.

The Shareholding Structure of Sampre Nutritions Holding Limited – 100% wholly owned subsidiary is as below:

Name	Number of Shares	Face Value	Percentage
BRAHMA GURBANI	1	1 GBP	100%

BOARD OF DIRECTORS:

Mr. Brahma Gurbani - Mr. Brahma Gurbani serves as the esteemed Director on the Board of Sampre Nutritions FZCO. His visionary leadership, industry expertise, and strategic acumen contribute significantly to the company's success in the confectionery sector. He brings a wealth of experience to the board, having demonstrated a successful track record in the confectionery industry. His deep understanding of market dynamics, consumer trends, and operational intricacies positions Sampre Nutritions FZCO for sustainable growth and market leadership.

Other Details

Main Assets of the Group: <property, plants, investments, and resource properties, including their geographic location, if any>	NIL
Details of the location, size and nature of the establishments that account for more than 10% of revenue, sales or production	NIL
Details of any trademarks, patents or other intellectual or industrial property rights that are material to the group's business, and a statement about the degree to which the group's business and profitability is dependent on such factors	NIL
If research and development of new products and processes are material to the group's business over the past three financial years, information about its policy on such research and development	NIL
Details of any interruptions in the group's	

business that may have or have had a material effect on the group's business or financial position in the last 12 months.	NIL
Details of any litigation or claims made against the company in the last five years that are material to the group, including any pending or threatened legal action against the company.	NIL
The number of people employed by the company and, if material, changes to that number in the last 12 months, as well as a breakdown of the number employed in each main type of business activity.	One

USE OF PROCEEDS

The Proceeds from the issue of the Bonds will be used for “Overseas and Domestic Business expansion Investments through joint venture(s) and its wholly owned foreign subsidiary company” and shall not utilize the subscription amount for any other purpose. The proceeds of this Issue will be used by the Issuer in accordance with the ECB Guidelines

PROPOSED MANUFACTURING UNIT IN GULF AND AFRICAN REGION

Project Objective:

To set up a world class manufacturing facility one of its kind in the Gulf and African Regions with quality standards and automatic equipment's which will reduce the cost of products manufactured.

Introduction:

Sampre Nutritions Limited is the leading Manufacturing Unit, Located in the South Region of India, in Hyderabad Telangana. It was established in 1991 by founder **Mr. Brahma Gurbani** (A veteran Industrialist and President of Indian Confectionary Manufacturers Association, New Delhi, India). He has expertise to his credit in manufacturing and marketing of confectionery products for over 4 decades. He has travelled extensively all over the world and established excellent contacts with leaders in confectionery machinery manufacturers.

From a single unit he has built a group of companies which are now well known as Gurbani Group, offering multi - location facilities in his journey of over 40 years.

Plans:

The company has recently entered into a significant agreement and formalized a Memorandum of Understanding (MOU) with the African Peace and Security Union. This strategic partnership aims to facilitate the supply of **Nutritional Products** and **Vitaminized Candies** to countries within the African Union and export it to other countries through collaborative efforts and joint ventures.

Sampre Nutritions Ltd is committed to leveraging its resources for the purpose of exporting its products to various countries and establishing new ventures across the African and Gulf Regions for setting up various manufacturing units.

Sampre Nutritions Limited with its vision to set up manufacturing facilities will aim to produce **Chocolates, Candies, Lollypop, Wafer Biscuits, Moulded Chocolates, Cream Biscuits, Layered Cakes and Brownie Cakes.**

OUR VISION

GLOBALLY PREFERRED, EXCELLENT MANUFACTURING FACILITIES WITH QUALITY OF PEOPLE, PRODUCTS AND PROCESSES.

TO OPERATE AS A WORLD CLASS COMPANY. INCORPORATING THE LATEST TECHNOLOGICAL ADVANCES, WITH ETHICAL PRACTICES TO PROVIDE QUALITY PRODUCTS AT MOST COST EFFECTIVE WAY.

PRODUCTS TO BE MANUFACTURED

HARD BOILED CANDIES





LOLLIPOPS



ECLAIRS





MOLDED CHOCOLATE WITH CENTER FILL



WAFFER BISCUITS



LAYERED AND CHOCOLATE BROWNIE CAKE



PLAIN AND CREAM BISCUITS

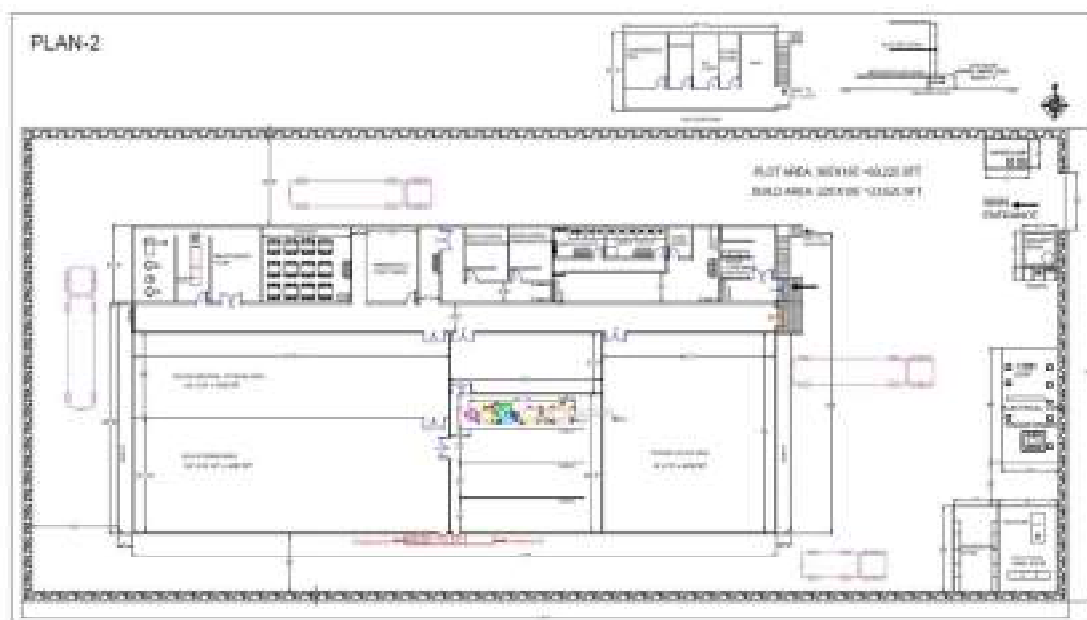


Investment Plans:

The company in the 1st phase will invest in 2 different regions of African Continent i.e., Nigeria and Democratic Republic of Congo in the Year, 2024 as setting up of manufacturing unit will take almost 8 months to 1 year, simultaneously the company plans to start exports from the Indian Company to African and Gulf Region to establish up the market and the brand. Also, to set up a small facility to repacking of the product sent from the Indian company. The Investment would be Approx. 30 million USD.

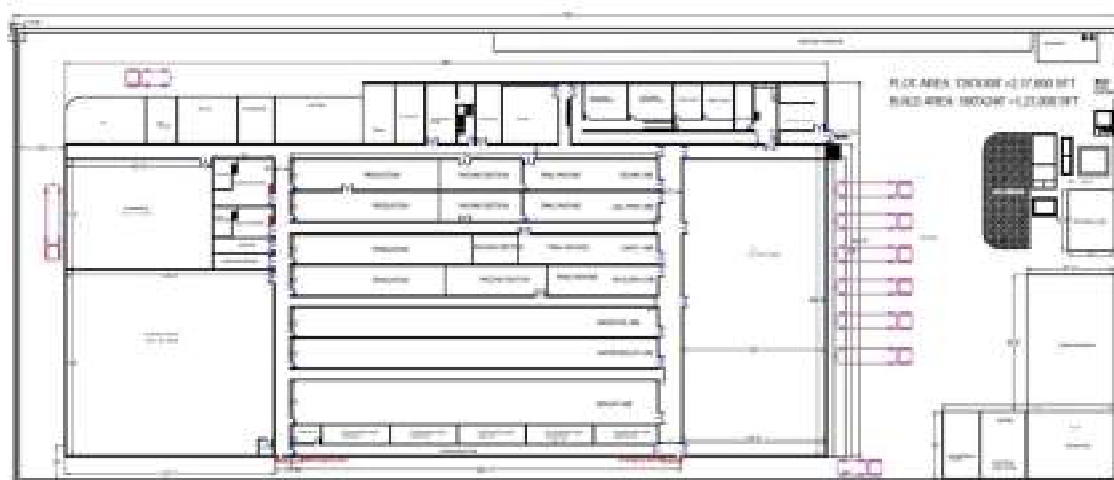
Looking at the demand in particular region the company will invest in the specific production lines.

Repacking Facility Set Up Lay Out at Nigeria



The above lay out prescribes the repacking facility for the products which will be sent from India to other African country as mentioned in investment plans.

Manufacturing Facility at Nigeria and DRC and Other Regions:



The setup is planned in the layout as per the standard of a food manufacturing facility taking care of the quality parameters which will be a replica in all the facilities created in the future plans which will be identical to each facility created.

The same set up to be replicated in the other regions as per the plan for manufacturing unit which maintain adequate number of labour and an ease for them in the working conditions as per the laws and regulations of a food industry. All funds raised through the issuance of Foreign Currency Convertible Bonds (FCCB), after deducting associated expenses, will be earmarked for the objectives mentioned. These funds may also be allocated for any other pertinent expansion initiatives undertaken by Sampre Nutritions Ltd for its subsidiary companies, including wholly-owned subsidiaries located in various parts of the world.

Below mentioned are the details of machines which will be installed as and when required as per the market requirement in the particular region. Also mentioned about the details and specification of the manufacturing

capacities.

<u>Machinery Details</u>	
S.No	Particulars of Confectionary Machines to be installed in Africa and Gulf Region (Each Unit)
1	Deposit for PEB Shed
2	Candy Manufacturing Line with 2 Tons per hr. capacity (Imported duties will be additional along with Insurance & cost of freight) – Importing from M/s. Chocotech, Germany, ITALY, Nuova Euromec, Italy & China
3	Eclairs Manufacturing Line – 1 ton per Hr. capacity (Imported duties will be additional along with Insurance & cost of freight)- Importing from ITALY-
4	Manufacturing of Lollipop with – 1 Ton Per Hr. capacity (Imported duties will be additional along with Insurance & cost of freight)– Importing from CHINA
5	Deposited Candy Line – (Imported duties will be additional along with Insurance & cost of freight)– Importing from China- Deposited Candy TAIZHOU FULIDA ELECTROMECHANICAL CO., LTD, CHINA
6	Chocolate Moulding Line (Imported duties will be additional along with Insurance & cost of freight) – Importing from ITALY (M/s. WDV company)-Moulded Chocolate Per Kg Cost
7	Cream Biscuit Line (Imported duties will be additional along with Insurance & cost of freight)– Importing from India, New Era Machines.
8	Wafer Biscuit Line importing from India, M/s. Gemni International.
9	QC Labs – Equipment's

10	Utilities – such as Boiler, Effluent Treatment Plant (ETP), Power Generator, Engineering Stores, Consumable Store, Softener, Chillers, RO Water systems, Air Conditioning Systems & AHU, Electrical Panel Boards, cables & Transformers, Lift / Escalators/ Trolleys for Goods Movement, Conveyors, Glucose/ Other Storage Tanks, Chimney with Dust collectors,
13	Construction of Administration Block
14	Working Capital RM & PM, Fuel, Electricity & Gen, Manpower Exp, Warehouse Rent, R&D, Operation Exp, Lab Exp, Audit, Product Certifications, Furniture
15	Laisoning Exp @ 5% on Project cost
16	Computers – Hardware & Softwares
17	Warehouse Electricity Deposit
18	Additional imported duties(approx.) & Other Contingency cost @25%
Note:	
1. Additional Cost of Import Duties are expecting @25% on Total Cost	
2. Price / Cost escalation is expecting @10% in span of 1 year on total cost.	
3. Similar cost is expecting for establishing new unit in other countries viz. Kinshasa city DRC (Democratic Republic of Congo) & Lagos city in Nigeria, or any other place in African Union.	

COMPANY MANAGEMENT CONFIRMS COMPLIANCE WITH RBI FCCB GUIDELINES FOR PROPOSED FUND USAGE

- 1) Company Management affirms that proposed fund will not be used for any debt repayment of Sampre Nutritions Limited in India as it's restricted by RBI's FCCB guidelines.
- 2) Company Management affirms that proposed fund will not be used for any working capital requirement of Sampre Nutritions Limited as it's restricted by RBI's FCCB guidelines.

OUR BUSINESS

Some of the information in the following section, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read “Forward-Looking Statements” on page 9 for a discussion of the risks and uncertainties related to those statements. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Also read “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on page 26 and 64, respectively, for a discussion of certain factors that may affect our business, financial conditions or results of operations.

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 Audited Financial Statements and Unaudited Financial Information included in this Offering Memorandum. For further information, see “Summary Historical Financial Information” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages [24] and [64], respectively.

Overview

We are one of the leading manufacturers of the confectionery products in India offering a wide range of éclairs, candies, toffees, powder and centre filled confectionery products. We started with producing just lolly pops in 1991 and later diversified into making multiple confectionery items. As on the date of the Offering Memorandum, our product basket includes lolly pops, candies, vitamin enriched candies and eclairs. We offer candies in a variety of flavours.

We have also been working as contract manufacturers for multinational FMCG companies since 2002. We have manufactured confectionery products for companies like Procter & Gamble, Warner Lambert, Boots, Nestle, Cadbury, Krafts Food and other Indian companies. We are also an exclusive contract manufacturing partner of Mondelez India Foods Private Limited (formerly known as Cadbury India Limited) for manufacturing their “Eclairs” branded product, both for the domestic as well as the export markets.

Over the years, we have developed an extensive sales and distribution network across India. As of March 31, 2023, our distribution network with a pan-India presence included more than 10 distributors with whom we have developed strong business relationships over the years. In the six months period ended March 31, 2023, we supplied our products to over 60 districts across the country through a network of more than 5 distributors, trader and agents. In Fiscal Year 2022 and 2023, revenue generated from sales of our own branded products represented 0% and 100% of our revenue from operations, respectively.

We currently operate two manufacturing units viz. Unit 1 and Unit 2, both located at Medchal, Rangareddy district, Telangana. We have an aggregate monthly production capacity of 3,000 tonnes. Over the last three Fiscal Years, we have increased our aggregate monthly production capacity from approximately [3000] tonnes in Fiscal Year 2020 to 3,000 metric tonnes per month in Fiscal Year 2023 at a compound annual growth rate (“CAGR”) of 3.5 % through brown-field expansion at our manufacturing facilities. As on the date of this Offering Document, we manufacture approximately 1,500 metric tonnes per month in each of our two manufacturing units. Our manufacturing facilities have been accredited with several quality certifications from ISO, HACCP, BVQI and FSSAI.

Our Company is led by B. K. Gurbani, Chairman and Managing Director of our Company, who has over three decades of experience in the confectionery manufacturing industry. Our Chairman and Managing Director is supported by our management team which includes Mr. Vishal Ratan Gurbani, Executive Director and Mr. Vamshi Srinivas Vempati, Chief Financial Officer. Our leadership team also consists of experienced professionals from various backgrounds and their capabilities are crucial for us in understanding and anticipating market trends, managing business operations and growth, leveraging customer relationships and responding to changes in customer preferences. We have an employee base comprising of 250 employees,

as of March 31, 2024. For further details, see “Board of Directors and Senior Managerial Personnel” on page [54].

In Fiscal Years 2021, 2022 and 2023, gross revenues from operations were ₹2499 lakhs ₹1823.33 lakhs, & ₹3710.66 respectively. In Fiscal Years 2021, 2022 & 2023 , profit after tax were ₹7.57 lakhs, ₹30.79 lakhs and ₹34.70 lakhs, respectively. We have been able to increase our total revenue from operations from Fiscal Year 2021 to Fiscal Year 2022 at a CAGR of -2.22%, our profit before tax at a CAGR of -6.55%, and our profit after tax at a CAGR of 110.69%, over the same period.

Strengths:

With a legacy of more than two decades in the confectionary manufacturing industry, we have numerous strengths that enable us to thrive in the market place. We believe that following are our principal competitive strengths:

One of the leading manufacturers with integrated operations.

Our Company has been in the confectionery industry since 1991. We have a good amount of experience and a well designed and efficient distribution and sales network all over India. Our Company has a large product catalogue with 3 brands comprising of different confectionery product categories.

We commenced our business operations by manufacturing lolly pops in 1991 and have over the years strategically diversified with a focus on sugar based hard and soft candies. We have developed a diverse product offering in line with requirements of target market. The different kinds of products manufactured by us are toffees, hard and soft candies, powder and centre filled candies, vitamin enriched candies, lolly pops and eclairs. We are exclusive contract manufacturer for Mondelez India Foods Private Limited (formerly known as Cadbury India Limited) for manufacturing their “Eclairs” branded product, both for the domestic as well as the export markets. For further description of our products see “Business – Products” on page [41].

In Fiscal Years 2021, 2022 and 2023, gross revenues from operations were \$2,992,814 2,183,628.74, & 4,443,904.19 respectively. In Fiscal Years 2021, 2022 & 2023 , profit after tax were 9,065.87, 36,874.25 and 41,556.88, respectively. We have been able to increase our total revenue from operations from Fiscal Year 2021 to Fiscal Year 2022 at a CAGR of -2.22%, our profit before tax at a CAGR of -6.55%, and our profit after tax at a CAGR of 110.69%, over the same period.

We believe that our positioning in the markets in which we operate and our established relationships with our distributors, will enable us to benefit from any growth opportunities in our business segments and markets in which we operate. Our longstanding presence in the confectionery manufacturing industry has enabled us to understand the changing needs and demands of the industry and our consumers. With close to three decades of experience in the confectionary industry, we have steadily grown to become one of India’s leading confectionery manufacturers.

Modern facility and advanced machinery to deliver quality products.

We believe that our manufacturing facilities are advanced enough to cater to the requirements of our contract manufacturing clients as well as to produce our in-house brands. While we began our operations with lolly pops in the year 1991, we have progressed by adding new products in our product portfolio and increasing our production capacity at our manufacturing facilities. We believe that we possess the scale, product offerings, presence, quality and technology to cater to clients and end-consumers.

We are committed to maintaining quality standards at each step of our sourcing cycle. Our products go through stringent quality control and quality assurance measures with an emphasis on continual improvement. We believe that the quality of our manufacturing facility has allowed us to manufacture products that meets the specifications of our contract manufacturing clients, which has allowed us to

compete effectively and grow our business. Our manufacturing facilities are currently equipped with advanced automatic robotic machines. We believe in efficient quality control; and accordingly, deployed quality monitoring systems at our facilities to ensure consistent quality. Our manufacturing facilities have been accredited with several quality certifications from ISO, HACCP, BVQI and FSSA.

Wide geographic reach through our extensive sales and distribution network and strong customer relationships

As on the date of this Offering Memorandum, we have an aggregate installed monthly capacity of 3,000 metric tons at our manufacturing facilities. We have been expanding our production capacity for the past 3 years and in Fiscal Year 2023, we expect to capitalize on full capacity. Due to delay in Ordering & installation process full capacity was not capitalized. Further we have been also able to increase our capacity of production from Fiscal Year 2020 to Fiscal Year 2023 at a CAGR of 3%.

Experienced management team and workforce.

Our Company has undertaken considerable expansion of operations, both geographically and in terms of product portfolio, under the leadership of our Chairman and Managing Director. Mr. B. K. Gurbani, our Executive Chairman and Managing Director, has over three decades of experience in the confectionery industry. Our senior management team consists of technically qualified and highly experienced professionals in the industry we operate in. They bring with them, extensive experience in sales and marketing, order management, design and engineering, testing, purchase, operations, human resources, finance and after sales services.

We believe that our management framework allows us to maintain the flexibility to address the markets and the geographies we operate in. We believe in high standards of ethical integrity and we ensure that all our business functions are carried out in a transparent manner. For further information on our key managerial personnel, please refer to “Board of Directors and Senior Managerial Personnel” on page 55.

Our human resources policies are aimed towards recruiting and retaining talented employees and facilitating their integration into our Company and encouraging development of their skills. We believe the strength and quality of our technically skilled team and the nature of our organizational structure has been instrumental in implementing our business and growth strategies. We believe that our talented and motivated employees have been key to our success so far and will further enable us to capitalize on future growth opportunities. The total number of employees of our Company have grown from 180 in the Fiscal Year 2020 to 250 in the Fiscal Year 2023.

Strategies

We intend to grow our business by implementing the following strategies:

Business Expansion by setting up a subsidiary and launch of new products in UAE & South African countries

We intend to expand our physical presence by setting up subsidiaries in UAE and South African countries. With a view to further expand our business operations outside India, we intend to launch our new products in UAE as well as in South African countries. We are in the process of launching new vitaminised product for lactating mothers and candies and lollipops for children. At present we are operating and manufacturing in India only thus expanding in new geographical areas will increase our revenue, customer base and ultimately enhancing brand awareness.

Enhance our manufacturing capabilities and expand our product portfolio.

We are in the process of exploring further expansion opportunities, to enhance our manufacturing capabilities for product diversification and manufacturing of various new products. We believe that our expansion strategy is devised to increase our revenue & customer base. We intend to further develop and strengthen our technology platform by installing new lines of machinery to support our business expansion and improve the quality of our

products. We will continue to update our machines to streamline physical and operational infrastructure to expand our manufacturing capabilities.

Targeting new customer accounts and expanding existing customer business and increase our market share in domestic market and set-up in International Market.

We intend to continue to grow domestically and internationally by way of organic growth in order to increase our presence and our revenue. We believe that understanding the needs of our customers is of prime importance for the continuous growth of our business. With a view to further diversify our customer base and increase our market share, we intend to augment our sales in the geographic markets where we sell our products as well as expand into new geographic market (UAE & South Africa). Towards this objective, we seek to continue to leverage our relationships with our existing customer, who, presently, may be sourcing the products we manufacture from other vendors.

Further, we also intend to increase the size of our addressable market by increasing the number of authorised dealers and distributors. Currently, we have distribution channels majorly in Twin cities of Hyderabad & Secunderabad, Pune, Jaipur, Bhubaneswar, Cuttack, Mumbai, Nagpur, Gauwahati, Kolkatta, Delhi, Ghaziabad, Bangalore, Coimbatore & Chennai, thus expanding in new geographical areas will increase our customer base and ultimately enhancing brand awareness. This will lead to increase in demand of our products ultimately ensuring optimum utilisation of our capacities.

Our growth strategy in these markets will be to create strong local presence and connect and expertise with required development capabilities to exploit growth potential offered by these markets. Our strong focus will remain on acquiring new customers, retaining existing customers and offering high quality product.

Enhance our manufacturing capabilities and expand our product portfolio to leverage company's growth drivers.

We believe that our expansion strategy is devised to meet the end-application and dynamic needs of the market and our customers.

In order to capitalize on growth opportunities in this sector, we seek to invest in physical and operational infrastructure to expand our manufacturing capabilities by establishing new factories for producing our Products. Our focus is to continue to develop and adopt energy efficient technologies and practices, increase usage of alternative raw material and fuels, and waste utilization technologies, to further improve the quality of our products and optimize our production costs. We are also in the process of exploring further expansion opportunities, to enhance our manufacturing capabilities for product diversification and manufacturing of value-added products.

Targeting new customer accounts and expanding existing customer business and increase our market share in domestic and international markets

We intend to continue to grow domestically and internationally by way of organic growth in order to increase our presence and our revenue.

We believe that understanding the needs of our customers is of prime importance for the continuous growth of our business. With a view to further diversify our customer base and increase our market share, we intend to augment our sales in the geographic markets where we sell our products as well as expand into new geographic market.

Further, we also intend to increase the size of our addressable market by increasing the number of authorised dealers and distributors. We also plan to penetrate new towns through these additional dealers and distributions. Currently, we have distribution channels majorly in india, thus expanding in new geographical areas will increase our customer base and ultimately enhancing brand awareness. This will lead to increase in demand of our products ultimately ensuring optimum utilisation of our capacities. Our growth strategy in these markets will be to create strong local presence and connect and expertise with required development capabilities to exploit growth potential offered by these markets. Our strong focus will remain on acquiring new customers, retaining existing customers and offering high quality products.

Our Products:

We have a variety of products and the brief details of the products manufactured and sold by our product portfolio are as follows:

We are engaged in the business of manufacturing Confectionary products. Our manufacturing facilities are equipped with various machinery for manufacturing our products. The brief description of the products manufactured and sold by our Company is as follows:

LIST OF PRODUCTS

SL.NO	CATEGORY NAME	PRODUCT NAME	IMAGE
1	CHOCOLATE	ÉCLAIRS	
2	FLIPP CANDY	KACHA AAM	
3	FLIPP CANDY	IMILI	
4	FLIPP CANDY	COLA	
5	FLIPP CANDY	NIMBU	
6	FLIPP CANDY	MINT	

7	2XITE CANDY	KACHA AAM	
8	FLIPP CANDY	PAAN	
9	2XITE CANDY	MANGO	
10	2XITE CANDY	COLA	
11	2XITE CANDY	ORANGE	
12	2XITE CANDY	LITCHI	
13	2XITE CANDY	BLACK CURRANT	
14	2XITE LOLIPOP	LITCHI	
15	2XITE CANDY	MANGO	

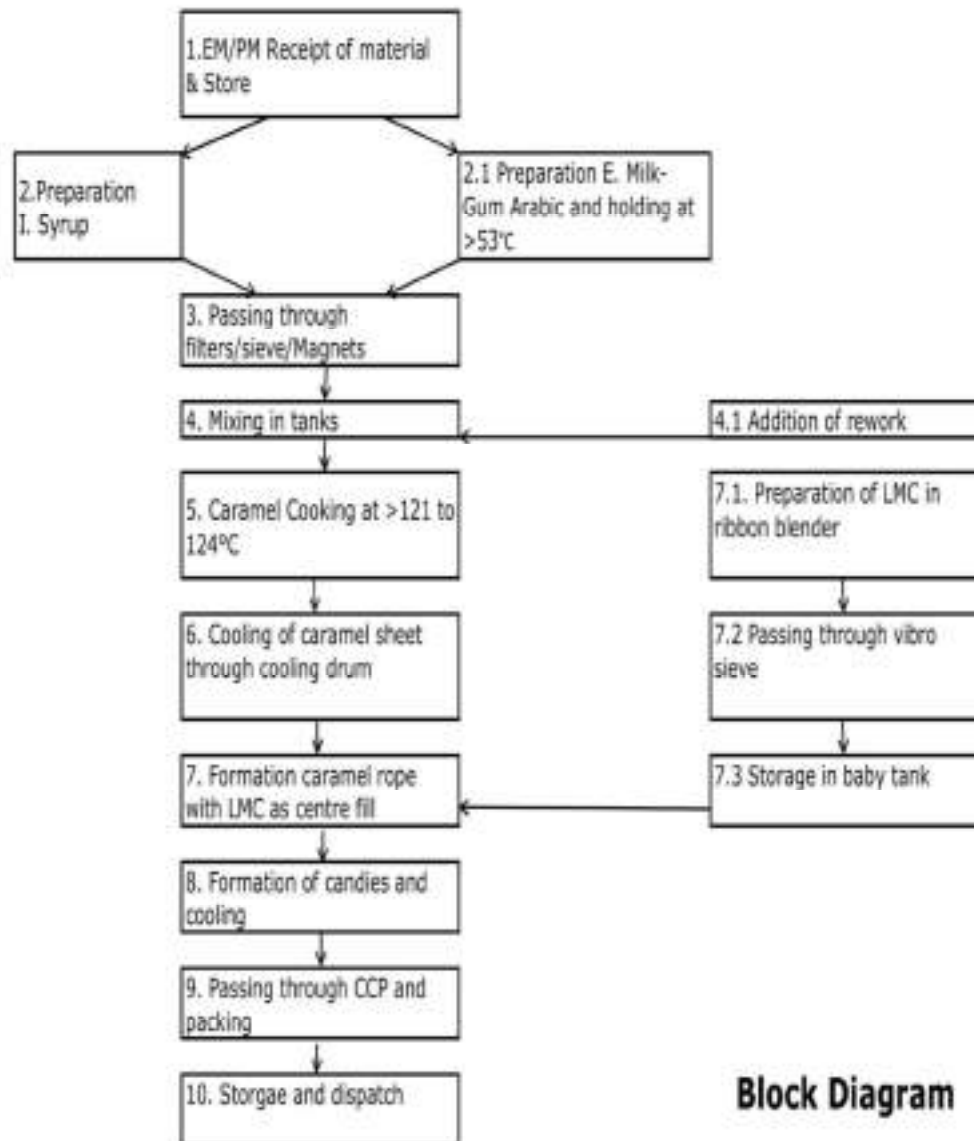
16.	2XITE CANDY	STRAWBERRY	
17	CANDY NUTRI	VITAMIN ENRICHED	

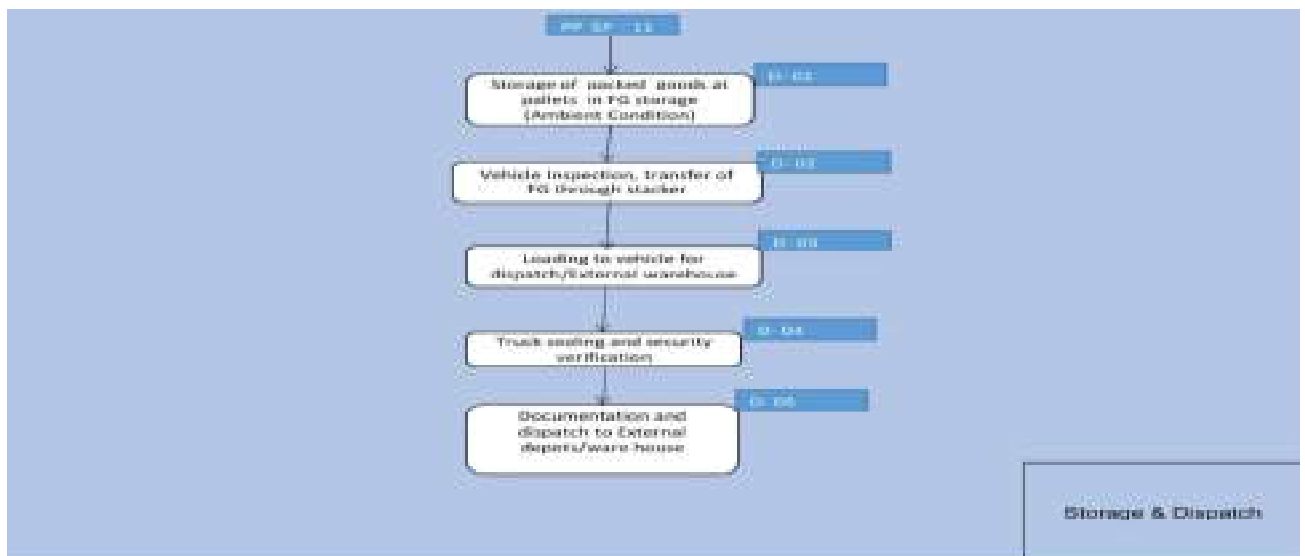
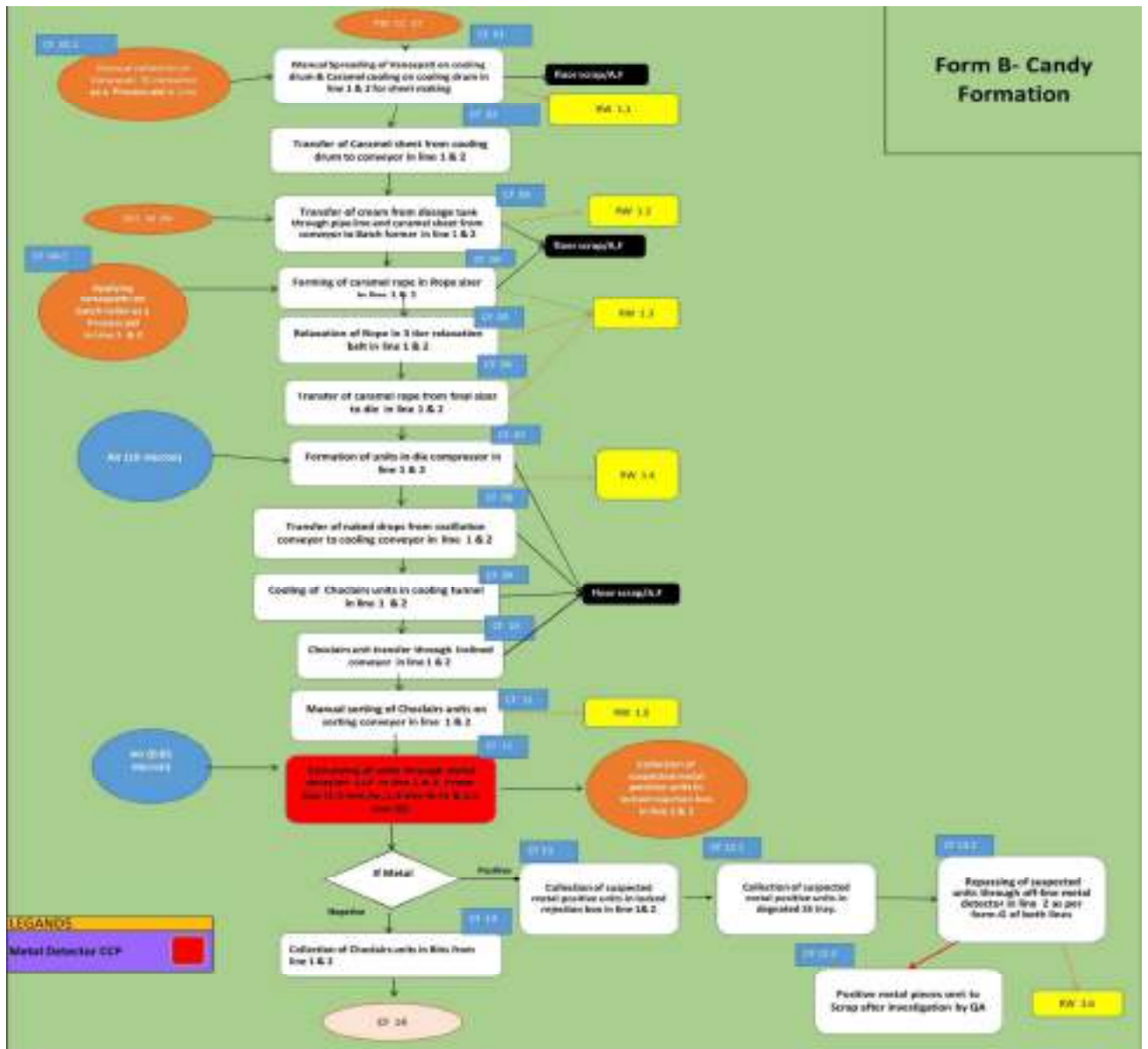
OUR MAJOR CLIENTS

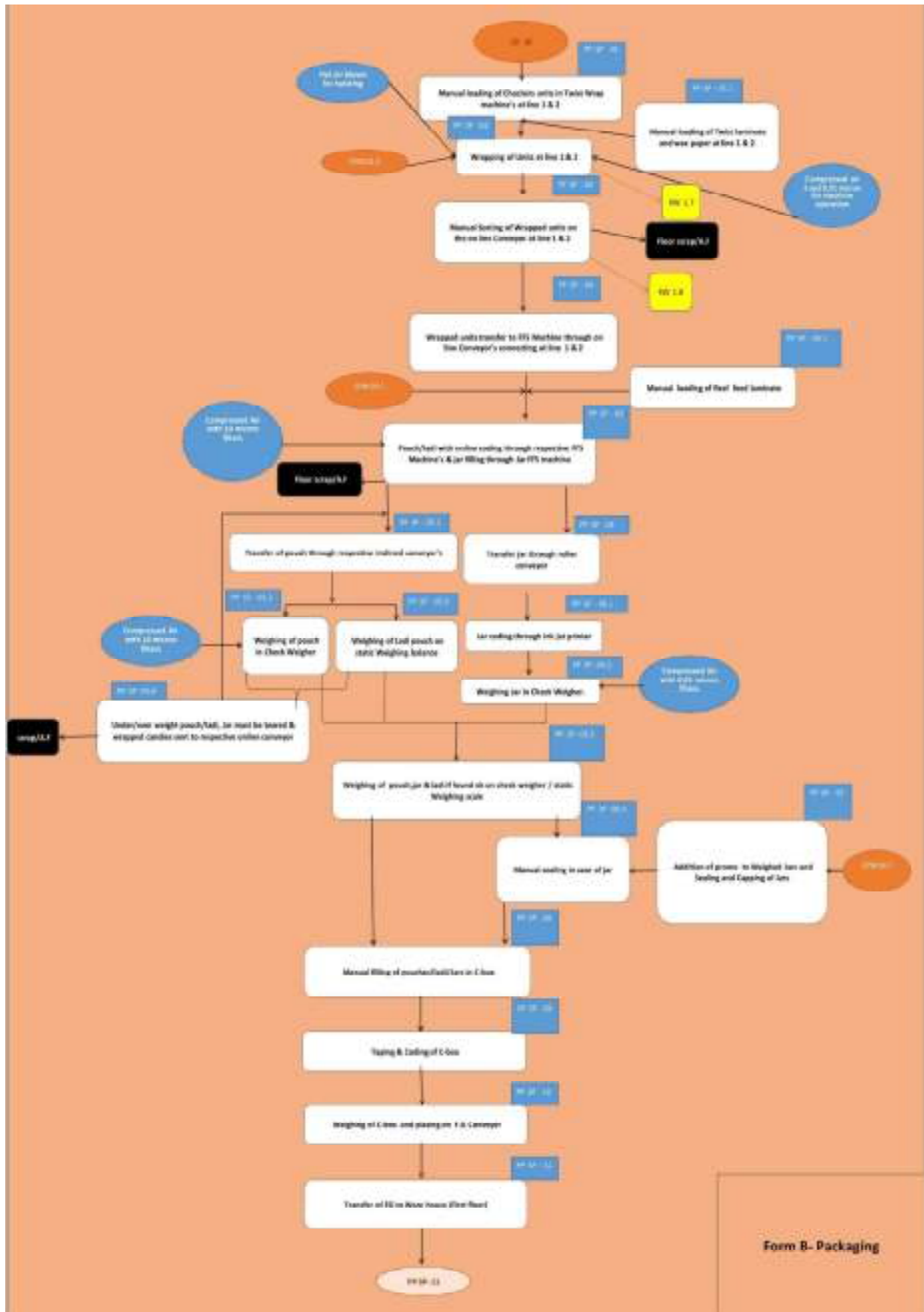
	AMRUTANJAN LIMITED
	ALKEM HEALTH CARE
	CADBURY INDIA LIMITED
	CIPLA LIMITED
	DABUR INDIA LIMITED
	DHARAMPAL SATYAPAL LTD.
	DJ GROUP
	HIMALAYA DRUG COMPANY
	INDIAN AIRLINES
	ITC LIMITED
	MICRO NUTRIENT, CANADA
	PATANJALI AYURVED
	PERFETTI
	PROCTER & GAMBLE
	RANBAXY LABORATORIES
	WARNER LAMBERT



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INDUSTRY REPORT

Global Confectionery Market

The global confectionery market size was valued at USD 298.23 billion in 2021 and is projected to expand at a compound annual growth rate (CAGR) of 4.3% from 2022 to 2028. The growing food and beverage industry across the globe and the rising per capita consumption of these products are expected to promote market growth. Moreover, consumers' inclination toward gifting these products coupled with rising disposable income and rapid urbanization across the globe are the major driving factors of the market. In addition, the continuous development and attractive packaging increase the demand for confectionery products in emerging economies

Continuous changing consumer behavior and dietary habit are propelling the growth of the market. The growing trends toward consumers buying confectionery products made with natural ingredients are gathering popularity in recent years. According to Döhler, approximately 50% of confectionery products consumers want, asks for healthier options with at least 60% natural ingredients. Moreover, the increasing popularity and demand for sugar-free confectionery products across the developed economies have led to significant market demand over the forecast period.

Product Insights

The chocolate segment contributed to the largest market share of more than 45% in 2021 and is expected to grow with a CAGR of 4.2% from 2022 to 2028. The increasing demand and consumption of chocolate products from all age groups to satisfy their test buds is accelerating market growth. Moreover, chocolate is the highest per capita consumed confectionery as compared to other products across the globe. Furthermore, increasing demand for organic and premium chocolate products has projected market growth over the forecast period.

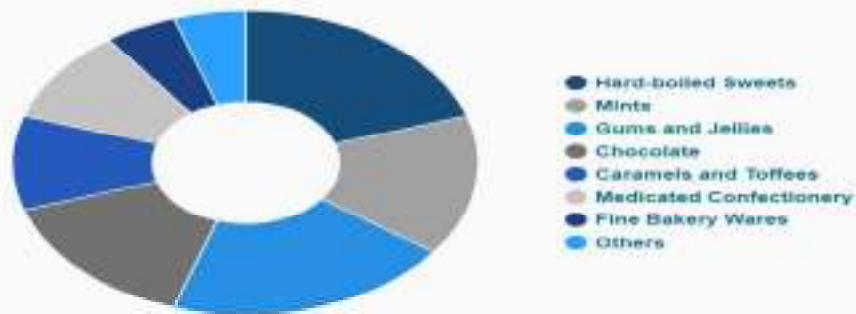
Indian Confectionery Industry

Confectionery refers to a wide range of food products that are rich in sugar and other sweeteners. They are prepared by using several ingredients, such as stabilizers, emulsifiers, gelling, flavoring, and thickening agents, which assist in enhancing the texture, taste, appearance, and elasticity of products. Confectionery items commonly include chocolates and non-chocolate candies, such as gum, ice cream, frozen desserts, sweet baked goods, etc. These products are widely available across supermarkets, online platforms, retail shops, bakery stores, hypermarkets, etc.

Indian Confectionery Market Trends

The emerging trend of gifting confectionery products, especially during festivals or special events such as birthdays, anniversaries, social meetings, etc., is primarily driving the Indian confectionery market. Additionally, the elevating levels of urbanization, improving consumer living standards, and increasing popularity of imported chocolates and candies, are some of the other key factors augmenting the sales of confectionery products in the country. Besides this, several key players are introducing limited-edition, premium confectionery products that are fortified with high-quality nuts, grains, and cereals. This, in confluence with the growing consumer per capita expenditures, are creating a positive **outlook for the regional market**. Moreover, the growing popularity of **sugar-free confectioneries** on account of the rising health concerns regarding cardiovascular diseases, obesity, diabetes, etc., is also propelling the product demand. Apart from this, the introduction of clean-label, cruelty-free, vegan, organic, and sustainably sourced confectionery products with no chemical additives and reduced allergens is further catalyzing the market growth. Numerous other factors, such as continuous advancements in ambient storage conditions and the advent of anti-microbial packaging solutions, are expected to drive the India confectionery market over the forecasted period.

India Confectionery Market Share, By Product Type (in %)



The development of supermarkets and increase in per capita incomes of consumers has had a positive impact on chocolate sales. People prefer buying international brands, as it offers them several options under one roof. "The development of supermarkets, hypermarkets and convenience stores coupled with the trend towards higher allowances for children are likely to be the primary growth drivers for sugar confectionery." States K Gupta.

Sales are also expected to increase in certain parts of India. "The high number of foreign products and brand variants available in chocolate confectionery is expected to be a major factor in the more economically advanced regions of North and West India, where there is already a visible preference for chocolate confectionery," he adds. With such vast growth potential, Indian chocolate companies known they are in the right place at the right time.

Sugar-boiled confectionery

The Indian chocolate Industry holds a profitable position. It seems to be poised to grow by leaps and bounds in the coming years. While the demand for chocolates is increasing in India, sugar-boiled confectioneries (consisting of hard-boiled candy, toffees and other sugar-based candies) are more popular in the country. Chauhan says, "According to a recent market research, chocolates have penetrated just 5 per cent of Indian households. On the other hand, sugar-boiled confectionery reached has 15 per cent households. This segment is expected to remain the most lucrative category over the next five years and hence offers a high growth opportunity."

But though sugar-boiled confectionery is the most consumed among children, a huge market for chocolates still exists. The Indian chocolate market holds great potential for Western chocolate manufacturers, as it is still at a nascent stage.

Improved Sales

The development of supermarkets and increase in per capita incomes of consumers has had a positive impact on chocolate sales. People prefer buying international brands, as it offers them several options under one roof. "The development of supermarkets, hypermarkets and convenience stores coupled with the trend towards higher allowances for children are likely to be the primary growth drivers for sugar confectionery." States K Gupta.

Sales are also expected to increase in certain parts of India. "The high number of foreign products and brand variants available in chocolate confectionery is expected to be a major factor in the more economically advanced regions of North and West India, where there is already a visible preference for chocolate confectionery," he adds. With such vast growth potential, Indian chocolate companies known they are in the right place at the right time.

Challenges

However, the industry has to overcome several challenges in order to tap this segment's potential to the fullest. One of the biggest bottlenecks faced by this segment is the rising price of ingredients like cocoa, sugar and milk powder. Cocoa prices have gone up by one-and-a-half times in the last one year, while sugar prices have doubled. Similarly, prices of milk powder have increased sharply in the

last few months. At the same time, since consumers are not willing to pay more for confectionery products, raising MRPs could kill sales. This is why despite the high manufacturing cost one can still buy a premium Cadbury Dairy Milk for merely Rs 2 in India.

This widening gap has made cost engineering difficult. “Confessionary is a highly price-sensitive and children-specific segment. It is largely sold as individual units at retail outlets. Also, children generally have a limited budget. Hence, confectionery brands have mostly focused on price points of 50 paise and Rs 1. This trend continuous till today because of restrictive coinage issues,” avers Chauhan.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

The following management's discussion and analysis of our Company's financial condition and results of operations is intended to convey management's perspective on the operating performance and financial condition of our Company as at and for the fiscal years ended March 31, 2020, 2021, 2022 and 2023 on a consolidated basis. This disclosure is intended to assist in understanding and interpreting the financial statements of our Company included in this Offering Circular. The discussion should be read in conjunction with "Presentation of Financial Information", "Selected Consolidated Financial and Other Information", "Capitalization", and the Annual Consolidated Financial Statements of our Company and the accompanying schedules and notes.

The following discussion contains certain forward-looking statements. These statements are based on management's current projections and expectations about future events. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of many important factors, including those set out under "Risk Factors" and elsewhere in this Offering Circular. See "Forward-Looking Statements and Associated Risks." Further information regarding the presentation of financial information is set out under the heading "Presentation of Financial Information."

BUSINESS OVERVIEW

We are a leading confectionery manufacturer in India, offering a diverse range of products including éclairs, candies, toffees, powders, and center-filled confectioneries. Originating with lolly pops in 1991, we have expanded our offerings significantly. Our portfolio now includes lolly pops, candies, vitamin-enriched candies, and éclairs, available in various flavors.

Since 2002, we have served as contract manufacturers for multinational FMCG companies, including Procter & Gamble, Nestle, Cadbury, among others. We are an exclusive partner for Mondelez India Foods Private Limited for manufacturing their "Eclairs" branded product.

With an extensive sales and distribution network, covering over 60 districts in India, we have established strong relationships with more than 10 distributors. Revenue from our own branded products accounted for 100% of our revenue in FY 2023.

Operating two manufacturing units in Telangana, we have a combined monthly production capacity of 3,000 tonnes, achieved through brown-field expansions. Our facilities hold several quality certifications, ensuring adherence to international standards.

FACTORS AFFECTING OUR RESULT OF OPERATIONS

We have audited the accompanying Financial Statements of **SAMPRE NUTRITIONS LIMITED** ("the company"), which comprise the Balance Sheet as at **31 March 2023**, the Statement of Profit and Loss, the Cash Flow Statement and the statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2023;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation of Financial Statements:

The restated summary statement of assets and liabilities of the Company as at March 31, 2023, March 31, 2022, 2021 and 2020 and the related restated summary statement of profits and loss and cash flows for the period/year ended March 31, 2023, March 31, 2022, 2021 and 2020 (herein collectively referred to as ("Restated Summary Statements")) have been compiled by the management from the audited Financial Statements for the period/year ended on March 31, 2023, March 31, 2022, March 31, 2021 & 2020. Restated Summary Statements have been prepared to comply in all material respects with the provisions of Part I of Chapter III of the Companies Act, 2013 (the "Act") read with Companies (Prospectus and Allotment of Securities) Rules, 2014, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ("ICDR Regulations") issued by SEBI and Guidance note on Reports in Companies Prospectuses (Revised 2019) ("Guidance Note"). Restated Summary Statements have been prepared specifically for inclusion in the offer document to be filed by the Company with the NSE in connection with its proposed IPO. The Company's management has recast the Financial Statements in the form required by Schedule III of the Companies Act, 2013 for the purpose of restated Summary Statements.

The Restated Financial Statements are prepared and presented under the historical cost convention and evaluated on a going-concern basis using the accrual system of accounting in accordance with the accounting principles generally accepted in India (Indian GAAP) and the requirements of the Companies Act, including the Accounting Standards as prescribed by the Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of Companies (Accounts) Rules, 2014.

All assets and liabilities have been classified as current and non-current as per normal operating cycle of the Company and other criteria set out in the Schedule III of the Companies Act, 2013.

The financial statements are separate financial statements prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). The Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). The standalone financial statements have been prepared on the historical cost basis, except for the following assets and liabilities which have been measured at fair value

Certain financial assets and liabilities are measured at fair value (refer accounting policy regarding financial instruments). The standalone financial statements are presented in INR (Rupees)

Property, Plant and Equipment & Depreciation

i) Recognition and Measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. The 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 costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. If significant part 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. Property, plant and equipment are derecognised from financial statement, either on disposal or when no economic benefits are expected from its use or disposal. The gain or loss arising from disposal of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment recognised in the statement of profit and loss account in the year of occurrence.

ii) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the company.

iii) Depreciation

Depreciation amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation on assets has been provided on Straight line basis at the useful lives specified in the Schedule II of the Companies Act, 2013. Depreciation on additions / deductions is calculated pro-rata from / to the month of additions / deductions. Assets costing less than INR 5,000/- are depreciated at 100% in the year of acquisition.

Revenue recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment.

Interest income: Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Inventories

Raw materials and stores, work-in-progress, traded and finished goods are stated at the lower of cost, calculated on weighted average basis, and net realizable value. Cost of raw materials and stores comprise of cost of purchase. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other cost incurred in bringing the inventories to their present location and condition. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Items held for use in the production of inventory are not written below cost if the finished product in which these will be incorporated are expected to be sold at or above cost.

Foreign Currencies

Functional currency: The functional currency of the Company is the Indian rupee.

Transactions and translations: Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign-currency-denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from such translations are included in net profit in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

Income tax

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current tax: Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred tax: Deferred income tax is recognised using the Balance Sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognised only to the extent it is probable that either future taxable profits or reversal of deferred tax liabilities will be available, against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of a deferred tax asset is reviewed at the end of each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Impairment of Assets

Non-Financial Assets: The carrying value of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve for that asset. When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods which no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets, such reversal is not recognised.

Financial assets: The Company assesses on a forward-looking basis the expected credit losses associated with its financial assets. The impairment methodology applied depends on whether there has been a significant

increase in credit risk. For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Provisions and Contingent Liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date. If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

Contingent assets are not recognised in the Financial Statements.

Non-derivative financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

(a) Financial assets

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.

Trade Receivables and Loans: Trade receivables are initially recognised at fair value. Subsequently, these assets are held at amortised cost, using the effective interest rate (EIR) method net of any expected credit losses. The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

Debt Instruments: Debt instruments are initially measured at amortised cost, fair value through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVTPL') till de-recognition on the basis of (i) the entity's business model for managing the financial assets and (ii) the contractual cash flow characteristics of the financial asset.

Equity Instruments: All investments in equity instruments classified under financial assets are initially measured at fair value, the Company may, on initial recognition, irrevocably elect to measure the same either

at FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis.

(b) Financial assets– Subsequent measurement

Financial assets at amortised cost: Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order 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.

Financial assets at fair value through other comprehensive income (FVTOCI): Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets.

Financial assets at fair value through profit or loss (FVTPL): Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

(c) Financial liabilities

Loans and borrowings: After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost on accrual basis.

Financial guarantee contracts: Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

(d) Financial liabilities - Subsequent measurement

Financial liabilities are measured at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, carrying amounts approximate the fair value due to the short maturity of these instruments.

(e) De-recognition

The Company de-recognizes a financial asset when the contractual rights to the cash flows from the financial asset expires or it transfers the financial assets and the transfer qualifies for de-recognition under Indian Accounting Standard 109 “Financial Instruments”. A financial liability (or a part of financial liability) is de-recognised from the Company’s balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

(f) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in financial statements if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Earnings Per Share

Basic EPS is computed by dividing the profit or loss attributable to the equity shareholders of the Company by the weighted average number of Ordinary shares outstanding during the year. Diluted EPS is computed by adjusting the profit or loss attributable to the ordinary equity shareholders and the weighted average number of ordinary equity shares, for the effects of all dilutive potential Ordinary shares.

Critical accounting judgments and key sources of estimation uncertainty

The preparation of the financial statements in conformity with the Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures as at date of the financial statements and the reported amounts of the revenues and expenses for the years presented. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Although these estimates are based upon management's best knowledge of current events, actual results may differ from these estimates under different assumptions and conditions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical Judgements In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements:

Key sources of estimation uncertainty: The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Key sources of estimation uncertainty: The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Income taxes: The Company's tax jurisdiction is India. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions.

Operating Cycle and Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification in accordance with Part-I of Division- II of Schedule III of the Companies Act, 2013. An asset is treated as current when (a) It is expected to be realised or intended to be sold or consumed in normal operating cycle; (b) It is held primarily for the purpose of trading; or (c) It is expected to be realised within twelve months after the reporting period, or (d) The asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current. A liability is current when (a) It is expected to be settled in normal operating cycle; or (b) It is held primarily for the purpose of trading; or (c) It is due to be settled within twelve months after the reporting period, or (d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, results in its settlement by the issue of equity instruments do not affect its classification. The Company classifies all other liabilities as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its normal operating cycle.

Segment Reporting:

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under “unallocated revenue / expenses / assets / liabilities”.

RESULTS OF OUR OPERATIONS

(Amounts in \$ - USD)

Particulars	For the year ended March 31							
	2023	% of Total	2022	% of Total	2021	% of Total	2020	% of Total
INCOME								
Revenue from Operations	44,43,904.19	99.81 %	27,69,520.96	98.81 %	21,83,628.74	99.83 %	29,76,598.80	99.28 %
Other Income	8,670.66	0.19%	33,257.49	1.19%	3,736.53	0.17%	21,497.01	0.72%
Total Income (A)	44,52,574.85	100.00 %	28,02,778.44	100.00 %	21,87,365.27	100.00 %	29,98,095.81	100.00 %
EXPENDITURE								
Cost of raw materials consumed	18,21,736.53	41.38 %	7,89,808.38	28.64 %	4,41,377.25	20.30 %	9,87,461.08	33.55 %
Direct Expenses	15,56,610.78	35.36 %	12,07,413.17	43.78 %	9,73,281.44	44.76 %	11,24,467.07	38.20 %
Changes in inventories of work-in-progress and finished goods		0.00%	-	0.00%	-	0.00%	-	0.00%

Employee benefits expense	3,38,814.37	7.70%	1,28,059.88	4.64%	1,00,251.50	4.61%	1,06,215.57	3.61%
Finance costs	2,26,155.69	5.14%	2,11,520.96	7.67%	1,84,802.40	8.50%	2,55,473.05	8.68%
Depreciation and Amortization expense	2,18,143.71	4.95%	1,95,724.55	7.10%	2,16,538.92	9.96%	1,78,754.49	6.07%
Other expenses	2,41,137.72	5.48%	2,25,652.69	8.18%	2,58,119.76	11.87%	2,91,113.77	9.89%
Total Expenses (B)	44,02,598.80	100.00%	27,58,179.64	100.00%	21,74,371.26	100.00%	29,43,485.03	100.00%
Profit before tax	49,976.05		44,586.83		12,994.01		54,610.78	
Tax expense:								
(i) Current tax	-	0.00%	-	0.00%	-	0.00%	47.90	0.37%
(ii) Deferred tax	8,419.16	100.00%	7,712.57	100.00%	3,940.12	100.00%	14,359.28	99.63%
Total Tax Expense	8,419.16	100.00%	7,712.57	100.00%	3,940.12	100.00%	14,407.19	100.00%
Profit for the year	41,556.89	0.93%	36,874.25	1.32%	9,053.89	0.41%	40,203.59	1.34%

Main Components of our Profit and Loss Account

Income

Our total income comprises of revenue from operations and other income.

Revenue from Operations

Our revenue from operation as a percentage of our total income was 99.81%, 98.81%, 99.83% and 99.28% for the period ending March 31, 2023 and for the Financial Years ended March 31, 2022, March 31, 2021 and March 31, 2020 respectively.

Other Income

It is the income earned from discounts, interest income, rental income, exchange fluctuation, etc.

Expenditure

Our total expenditure primarily consists of cost of raw materials consumed, direct expenses, changes in inventories of work-in-progress and finished goods, employee benefit expenses, finance costs and Other

Expenses.

Employee Benefit Expenses

Our employee benefits expense comprises of salary and allowances, Contribution to PF, ESIC, Director's remuneration, gratuity and staff welfare expenses.

Finance costs

Our Finance cost expenses comprises of interest on borrowings, interest on delayed payment of taxes, other borrowing costs, etc.

Other Expenses

Other expenses primarily include remuneration to Auditor, solar plant maintenance expense, communication expenses, insurance, stationary & printing expenses, legal and professional charges, repairs and maintenance expenses, miscellaneous expenses, sales and promotion expenses, security charges, travelling expenses and rates & taxes, etc.

Provision for Tax

The provision for current taxation is computed in accordance with relevant tax regulation. Deferred tax is recognized on timing differences between the accounting and the taxable income for the year and quantified using the tax rates and laws enacted or subsequently enacted as on balance sheet date. Deferred tax assets are recognized and carried forward to the extent that there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized in future.

Fiscal 2023 compared with fiscal 2022

Income

The total income of our company for fiscal year 2023 was 4,443,904.19 USD against 2,769,520.95 USD total income for Fiscal year 2022. An increase of 37.68% in total income. This was due to **utilisation of Additional installed capacity**

Expenditure

Cost of raw materials consumed

In Fiscal 2023, our Company incurred cost for raw materials consumed 1,821,736.52 USD against 789,808.38 USD expenses in fiscal 2022. An increase of 56.65%. This was due to sales were increased under P2P.

Direct Expenses

In Fiscal 2023, our Company incurred Direct cost of 1,556,610.77 USD against 1,207,413.17 USD expenses in fiscal 2022. An increase of 22.43%. This was due to increase in Material cost

Employee Benefit Expenses

In Fiscal 2023, our Company incurred for employee benefit expenses 338,814.37 USD against 128,059.88 USD expenses in fiscal 2022. An increase of 35.40%. This was due to Manpower cost was increased due to more production.

Finance Costs

The finance costs for the fiscal 2023 was 226,155.69 USD while it was 211,520.95 USD for fiscal 2022. This increase of 6.47% was because. Rate of interest on credit limits was increased.

Other Expenses

In fiscal 2023, our other expenses were 241,137.72 USD and 225,652.69 USD in fiscal 2022. An increase of 6.42% was due to similar expenses were incurred for additional services

Profit/ (Loss) before Tax

Our Company had reported a profit before tax for the Fiscal 2023 of 49,976.05 USD against profit before tax of 44,586.82 USD in Fiscal 2022, a 10.79% increase. This was due to increase in sales and little control of expenses

Profit/ (Loss) after Tax

Profit after tax for the Fiscal 2023 was at 41,556.88 USD against profit after tax of 36,874.25 USD in fiscal 2022, a 11.26% increase. This was due to increase in sales

Fiscal 2022 compared with fiscal 2021

Income

The total income of our company for fiscal year 2022 was 2,769,520.95 USD against 2,183,628.74 USD total income for Fiscal year 2021. An increase of 21.15% in total income.

Expenditure

Cost of raw materials consumed

In Fiscal 2022, our Company incurred cost for raw materials consumed 789,808.38 USD against 441,377.24 USD expenses in fiscal 2021. An increase of 44.12%. This was due to increase in cost of consumption

Direct Expenses

In Fiscal 2022, our Company incurred Direct Expenses of 1,207,413.17 USD against 973,281.43 USD expenses in fiscal 2021. A Increase of 19.39%. This was due to proportionally expenses increased

Employee Benefit Expenses

In Fiscal 2022, our Company incurred for employee benefit expenses 128,059.88 USD against 100,251.49 USD expenses in fiscal 2021. An increase of 21.71%. This was due to increase in manpower cost

Finance Costs

The finance costs for the fiscal 2022 was 211,520.95 USD while it was 184,802.39 USD for fiscal 2021. This increase of 12.63% was because finance cost was increased due to restructuring of credit facilities under Covid 19.

Other Expenses

In fiscal 2022, our other expenses were 225,652.69 USD and 258,119.76 USD in fiscal 2021. An decrease of 14.38% was due to reason of control of other operational expenses

Profit/ (Loss) before Tax

Our Company had reported a profit before tax for the Fiscal 2022 of 44,586.82 USD against profit before tax of 12,994.01 USD in Fiscal 2021, a 70.86% increase. This was due to control of cost, profits were increased.

Profit/ (Loss) after Tax

Profit after tax for the Fiscal 2022 was at 36,874.25 USD against profit after tax of 9,053.89 USD in fiscal 2021, a 75.46% increase. This was due to in similar line of PBT

Fiscal 2021 compared with fiscal 2020

Income

The total income of our company for fiscal year 2021 was 2,183,628.74 USD against 2,976,598.80 USD total income for Fiscal year 2020. A decrease of 36.31% in total income. This was due to Covid 19, chocolate consumption was decreased.

Expenditure

Cost of raw materials consumed

In Fiscal 2021, our Company incurred cost for raw materials consumed 441,377.24 USD against 987,461.08 USD expenses in fiscal 2020. A decrease of 123.72% was due to consumption of chocolate is decreased and cost of consumption was down in proportionately

Direct Expenses

In Fiscal 2021, our Company incurred Direct Expenses of 973,281.43 USD against 1,124,467.06 USD expenses in fiscal 2020. An increase of 237.41%. This was due to increased due to Fixed cost

Employee Benefit Expenses

In Fiscal 2021, our Company incurred for employee benefit expenses 100,251.49 USD against 106,215.56 USD expenses in fiscal 2020. A decrease of 5.95% was due to increase – controlled manpower during Covid- 19 time.

Finance Costs

The finance costs for the fiscal 2021 was 184,802.39 USD while it was 255,473.05 USD for fiscal 2020. This decrease of 38.24% was due to Sampre has availed moratorium period against payment of interest on Term loans due to Covid 19

Other Expenses

In fiscal 2021, our other expenses were 258,119.76 USD and 291,113.77 USD in fiscal 2020. A decrease of 12.78% was due proportionately reduced in connection with production

Profit/ (Loss) before Tax

Our Company had reported a profit before tax for the Fiscal 2021 of 12,994.01 USD against profit before tax of 54,610.78 USD in Fiscal 2020, a 320.30% decrease. This was due to reduction in top sales has impacted on net margins

Profit/ (Loss) after Tax

Profit after tax for the Fiscal 2021 was at 9,053.89 USD against profit after tax of 40,203.59 USD in fiscal 2020, a 344.21% decrease. This was due to in line with PBT

Cash Flows

(Amount \$ USD)

Particulars	For the year ended March 31,			
	2023	2022	2021	2020
Net Cash from Operating Activities	\$483,602	\$442,759	\$320,289	\$343,168
Net Cash from Investing Activities	\$520,036	-\$92,120	-\$108,337	\$151,602
Net Cash used in Financing Activities	\$419,409	-\$199,855	\$40,506	-\$98,385

Cash Flows from Operating Activities

Net cash from operating activities for the period ended March 31, 2023 was **\$483,602** as compared to the Profit Before Tax at \$49,976.05. Net cash from operating activities for the period ended March 31, 2022 was at **\$442,759** as compared to the Profit Before Tax at \$44,586.82, while for period ended March 31, 2021, net cash from operating activities was at **\$320,289** as compared to the Profit Before Tax at \$12,994.01. For period ended March 31, 2020, the net cash from operating activities was **\$343,168** compared to Profit before Tax of \$54,610.78.

Cash Flows from Investment Activities

Net cash from investing activities for the period ended March 31, 2023 was **\$520,036**. This was due to Proceeds of Fixed Assets including Capex & WIP. Net cash from investing activities for fiscal 2022 was at **(\$92,120)** due to Proceeds of Fixed Assets including Capex, while for fiscal 2021, net cash from investing activities was at **\$108,337** due to Proceeds of Fixed Assets including Capex, the net cash from investing activities for the fiscal 2020 was **\$151,602** due to transfer of certain capex to others.

Cash Flows from Financing Activities

Net cash from financing activities for the period ended March 31, 2023 was **\$419,409** due to Proceeds from Equity. Net cash from financing activities for fiscal 2022 was at **(\$199,855)** due to repayment of Long term loans, while for fiscal 2021, net cash from financing activities was at **\$40,506** also due to increase in Term Loans For fiscal 2020, the net cash from financing activities was **(\$98,385)** due to repayment of certain credit facilities.

OTHER MATTERS

1. Unusual or infrequent events or transactions

Except as described in this Draft Prospectus, during the periods under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

2. Significant economic changes that materially affected or are likely to affect income from continuing Operations

Other than as described in the Section titled *"Summary Historical Financial Information"* and chapter titled *"Management's Discussion and Analysis of Financial Conditions and Results of Operations"*, beginning on Page 24 and 64 respectively of this Draft Prospectus, to our knowledge there are no significant economic changes that materially affected or are likely to affect income from continuing Operations.

3. Known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations

Other than as described in the chapter titled *"Risk Factors"* and *"Management's Discussion and Analysis of Financial Conditions and Result of Operations"*, beginning on Page 26 and 64 respectively of this Draft Prospectus, best to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our company from continuing operations.

4. Future relationship between Costs and Income

Other than as described in the chapter titled *"Risk Factors"* beginning on Page 26 of this Draft Prospectus, best to our knowledge there are no factors, which will affect the future relationship between costs and income or which are expected to have a material adverse impact on our operations and finances.

5. Competition Conditions

The industry in we are operating faces competition from organized as well as unorganized players in the domestic market as well as in the international market. We have a number of competitors who manufacture and supply products, which are similar to the products supplied by us. Even with a diversified product portfolio, quality approach and modern technology used in our products, we may have to face competitive pressures. We believe the principal elements of competition in our industry are price, quality, timely delivery and reliability. We compete against our competitors by establishing ourselves as a top solution provider of engineering services for engineering systems, built on automotive chassis and allied areas with industry expertise, which enables us to provide our clients with appropriate customized products suitable to their needs and market requirements.

FOREIGN INVESTMENT AND EXCHANGE CONTROLS

GENERAL

Foreign investment in Indian securities is regulated through the Foreign Exchange Management Act, 1999, as amended, and the rules, regulations and directions issued thereunder ("FEMA") and the various rules and regulations issued thereunder from time to time, including the precise manner in which such investment may be made. 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 ("DPIIT"), issued the Consolidated FDI Policy through a notification dated 28 October 2020 bearing DPIIT File Number 5(2)/2020-FDI ("FDI Policy"), which, with effect from 15 October 2020, consolidated and superseded all previous press notes, press releases and clarifications on FDI that were in force and effect as on 14 October 2020. The FDI Policy is amended and updated from time to time and will be valid until the DPIIT issues an updated circular. The foreign investment in our Company is governed by, inter alia, the FEMA, the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019 ("FEMA Non-Debt Rules"), the FDI Policy. The FEMA Non-Debt Rules were enacted on 17 October 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. Further, the RBI enacted the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 on 17 October 2019, which was amended by the RBI through notification dated 15 June 2020, inter alia, regulates the mode of payment and remittance of sale proceeds.

FOREIGN INVESTMENT

Foreign investment refers to any investment made by a person resident outside India on a repatriable basis in equity instruments of an Indian company or to the capital of a limited liability partnership. An Indian company may issue equity instruments to a person resident outside India subject to entry routes, sectoral caps and attendant conditionalities prescribed in the FEMA Non-Debt Rules. FCCBs and depository receipts having underlying of instruments being in the nature of debt shall not be included in the sectoral cap. However, any equity holding by a person resident outside India resulting from conversion of any debt instrument under any arrangement shall be reckoned under the sectoral cap. Foreign investment in India can be either through the automatic route where no prior approval of any regulatory authority is required or through the Government approval route. FEMA Non-Debt Rules prescribe sectoral caps for the sectors or activities as a limit indicated against each sector. The total foreign investment shall not exceed the sectoral or statutory cap. In sectors or activities not listed under the FEMA Non-Debt Rules or not prohibited under the Schedule thereto, foreign investment is permitted up to 100 per cent. under automatic route, subject to applicable laws or regulations, security and other conditionalities. These conditions, inter alia, include certain minimum pricing requirements, compliance with the SEBI Takeover Regulations and ownership restrictions based on the nature of the non-resident investor. Under the FEMA Non-Debt Rules, foreign investment up to 100 per cent. is permitted in "Other Financial Services", which refers to financial services activities regulated by financial sector regulators, including the NHB, as notified by the Government of India, subject to conditions including minimum capitalisation norms, specified by the concerned regulator (in our case, the NHB and the RBI), if any. The FDI Policy and the FEMA Non-Debt Rules prescribe the method of calculation of total foreign investment (i.e., direct foreign investment and indirect foreign investment) in an Indian company. In relation to indirect foreign investment, FEMA Non-Debt Rules prescribe that indirect foreign investment refers to downstream investment received by an Indian entity from: (A) another Indian entity which has received foreign investment and (i) the Indian entity is not owned and not controlled by resident Indian citizens, or (ii) is owned or controlled by persons resident outside India; or (B) an investment vehicle whose sponsor or manager or investment manager (i) is not owned and not controlled by resident Indian citizens or (ii) is owned or controlled by persons resident outside India.

Equity instruments are required to be issued to the person resident outside India making such investment within 60 days from the date of receipt of the consideration. Where such equity instruments are not issued within 60 days from the date of receipt of the consideration the same shall be refunded to the person

concerned by outward remittance through banking channels or by credit to his NRE/FCNR (B) accounts, as the case may be within 15 days from the date of completion of 60 days. An Indian company issuing equity instruments to a person resident outside India and where such issue is reckoned as foreign direct investment, is required to report such issue in Form FC-GPR, not later than 30 days from the date of issue of equity instruments. The RBI has introduced an online application, Foreign Investment Reporting and Management System ("FIRMS") to subsume all the existing reports. FIRMS provides for the Single Master Form ("SMF"). With the implementation of SMF, the reporting of FDI, which was a two-step procedure viz., ARF and FC-GPR is merged into a single revised FC-GPR. With effect from 1 September 2018, certain forms including FC-GPR and FC-TRS were being made available for filing in SMF.

INVESTMENT BY FOREIGN PORTFOLIO INVESTORS

In terms of the SEBI FPI Regulations, the issue of equity shares to a single FPI or an investor group (which means the multiple entities having common ownership, directly or indirectly, of more than 50 per cent. or common control) must be below 10 per cent. of our post-issue equity share capital. Further, in terms of the FEMA Non-Debt Rules, the total holding by each FPI, including its investor group, shall be below 10 per cent. of the total paid-up equity share capital of a company and the total holdings of all FPIs put together, including any other direct and shall indirect foreign investments in a company, not exceed 24 per cent. of the paid-up equity share capital of a company on a fully diluted basis. In case the total holding of an FPI, including its investor group, increases (i) beyond 10 per cent. of the total paid-up equity capital of a company, on a fully diluted basis; or (ii) 10 per cent. or more of the paid-up value of any series of debentures or preference shares or share warrants issued that may be issued by the company, the total investment made by the FPI will be re-classified as FDI subject to the conditions as specified by the SEBI and the RBI in this regard and the company and the investor will be required to comply with applicable reporting requirements. The aggregate limit of 24 per cent. may be increased up to the sectoral cap by way of a resolution passed by the board of directors followed by a special resolution passed by the shareholders of the company. In terms of the FEMA Non-Debt Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. The existing individual investment limit for an FPI in our Company is not exceeding 10 per cent. of the total paid-up equity share capital of our Company. Our Company has by way of a special resolution dated 17 January 2013 increased the limits for aggregate investment limits of FPIs to 100 per cent. of the paid-up equity share capital of our Company.

INVESTMENT BY NON-RESIDENT INDIANS

An NRI may purchase or sell equity instruments of a listed Indian company on repatriation basis, on a recognized stock exchange in India. The total holding by any individual NRI or Overseas Citizen of India is restricted to (i) 5 per cent. of the total paid-up equity capital on a fully diluted basis; or (ii) 5 per cent. 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 Overseas Citizens of India put together is restricted to 10 per cent. of the total paid-up equity capital on a fully diluted basis or 10 per cent. of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10 per cent. may be raised to 24 per cent. if a special resolution to that effect is passed by the general body of the Indian company. Investments made by NRIs on non-repatriation basis in accordance with the FEMA Non-Debt Rules will be treated as domestic investments at par with the investments made by residents.

TRANSFER OF EQUITY INSTRUMENTS OF AN INDIAN COMPANY BY A PERSON RESIDENT OUTSIDE INDIA

A person resident outside India holding equity instruments of an Indian company or units in accordance with the FEMA Non-Debt Rules may transfer such equity instrument or units in compliance with the applicable conditions prescribed under the FEMA Non-Debt Rules. A person resident outside India (not being a non-resident Indian or an overseas citizen of India or an erstwhile overseas corporate body) may transfer by way of sale or gift the equity instruments of an Indian company or units held by him to any person resident outside India. The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route

under the FDI policy and transfer is in adherence with pricing guidelines and documentation as specified by RBI, if such transfer attract the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 2011; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI. Form FCTRS is required to be filed for transfer of equity instruments in accordance with the FEMA Non-Debt Rules, between: (a) a person resident outside India holding equity instruments in an Indian company on a repatriable basis and person resident outside India holding equity instruments on a non-repatriable basis; and (b) a person resident outside India holding equity instruments in an Indian company on a repatriable basis and a person resident in India. The onus of reporting is on the resident transferor/transferee or the person resident outside India holding equity instruments on a non-repatriable basis, as the case may be. Transfer of equity instruments on a recognised stock exchange by a person resident outside India are required to be reported by such person in Form FC-TRS. The form FCTRS is required to be filed within 60 days of transfer of equity instruments or receipt/remittance of funds whichever is earlier.

LAWS IN RELATION TO ECB AND ISSUE OF FCCBS

The current laws relating to ECB as applicable to the issuance of the Bonds are embodied in the Foreign Exchange Management (Borrowing and Lending) Regulations, 2018, Master Direction – External Commercial Borrowings, Trade Credits and Structured Obligations dated 26 March 2019, as amended (“ECB Master Directions”). Under the ECB Guidelines, ECBs can be accessed under two routes: (i) the automatic route; and (ii) the approval route. The automatic route does not require a borrower to obtain any RBI approvals, whereas the approval route requires a prior RBI approval. The ECB Guidelines classify ECB under the following categories: (iii) foreign currency denominated ECB (“FCY ECB”); (iv) Indian Rupee denominated ECB (“INR ECB”). The ECB Guidelines rationalise the erstwhile external commercial borrowings framework by merging the erstwhile Track I (medium-term foreign currency denominated ECB) and Track II (long-term foreign currency denominated ECB) into one track as ‘FCY ECB’. The Ministry of Finance, Government of India, through the Issue of Foreign Currency Convertible Bonds And Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993 and ECB Master Directions, regulate the issuance of FCCBs by Indian companies. The notification relating to FCCBs has been amended from time to time by the Ministry of Finance, and certain relaxations in the guidelines have also been notified by the RBI. An Indian company which is not eligible to raise funds from the Indian capital market including a company which has been restrained from accessing the securities market by the SEBI will not be eligible to issue FCCBs. Further, FCCBs should be without any warrants attached. An eligible Indian company may issue FCCBs to persons resident outside India either, through the automatic route, or with approval of the RBI, in accordance with the ECB Master Directions.

AUTOMATIC ROUTE

For the automatic route, the cases are examined by the Authorised Dealer Category-I banks (“AD Category I Bank”). Under the ECB Guidelines, all entities which are eligible to receive foreign direct investment are eligible to raise ECB. The minimum average maturity period for ECBs is at least three years, and longer maturity periods apply in certain cases, depending on the end-use proposed for such ECB. The ECB Master Directions require that lenders, with respect to ECB, should be residents of FATF or IOSCO compliant countries. Further, the ECB Master Directions (i) considers the multilateral and regional financial institutions where India is a member country as recognised lenders; (ii) permits individuals as ECB lenders, provided they are foreign equity holders or for subscription to bonds/debentures listed abroad, and (iii) permits the foreign branches and subsidiaries of Indian banks as recognised lenders only for FCY ECB. In relation to the utilisation of the ECB proceeds, the negative list for both FCY ECB and INR ECB includes: (i) real estate activities, (ii) investment in capital market, and (iii) equity investment. Further, proceeds from an ECB cannot be utilized for (i) working capital purposes, (ii) general corporate purposes and (iii) repayment of rupee loans except in certain cases as prescribed under the ECB Master Directions. Additionally, on-lending for any of the aforementioned activities is prohibited under the ECB Master Directions except in case of ECB raised by non-banking finance companies as prescribed therein. Further, the maximum amount which can be raised every fiscal year by an eligible borrower under the automatic route is U.S.\$750 million or its equivalent. The all-in cost (which includes rate of interest, other fees, guarantee fees and expenses in foreign currency or Indian

Rupees but does not include commitment fees, payments for withholding tax in Rupees) for both FCY ECB and INR ECB is benchmark rate plus 450 basis points spread. The benchmark rate in case of FCY ECB refers to 6-month LIBOR of different currencies or any other 6-month interbank interest rate applicable to the currency of borrowing, while the benchmark rate in case of Rupee denominated ECB (INR ECB) will be the prevailing yield of the Government of India securities of corresponding maturity. As per the ECB Guidelines, various components of all-in-cost have to be paid by the borrower without taking recourse to the drawdown of ECB, i.e., ECB proceeds cannot be used for payment of interest or charges. Additionally, for FCCBs, the issue related expenses should not exceed 4 per cent. of the issue size and in case of private placement, these expenses should not exceed 2 per cent. of the issue size, etc.

APPROVAL ROUTE

All ECB falling outside the automatic route limits are considered by the RBI under the approval route, wherein prospective borrowers are to send their requests to RBI through the Authorised Dealer banks ("AD Bank").

PRICING GUIDELINES FOR FCCBS The pricing of FCCBs should not be less than the average of the weekly high and low of the closing prices of the related shares quoted on the Indian stock exchanges during the two weeks preceding the relevant date. The "relevant date" is the date of the meeting in which the board of directors of the company or committee of the directors duly authorised by the board decides to open the proposed Issue.

FILING AND REGULATORY REQUIREMENTS IN RELATION TO ISSUANCE OF BONDS

An ECB borrower is required to obtain a LRN from the RBI before an issuance of Bonds is effected. To obtain this, ECB borrowers are required to submit a completed Form ECB which also contains terms and conditions of the ECB to the AD Category I Bank of the ECB borrower. The AD Category I Bank is then required to forward the completed Form ECB to the RBI. An ECB borrower is required to submit an ECB-2 Return on a monthly basis through its AD Category I Bank to the RBI.

PROCEDURE IN RELATION TO ANY CHANGE TO THE TERMS AND CONDITIONS OF THE ECB

Subject to certain conditions, the AD Category I Bank can approve any requests from the borrowers for changes in respect of ECB, except for FCCBs or foreign currency exchangeable bonds. Any redemption of the Bonds prior to satisfaction of the minimum average maturity period prescribed under the ECB Guidelines will require the prior approval of the RBI.

REGULATORY REQUIREMENTS IN RELATION TO ISSUANCE OF FOREIGN CURRENCY DENOMINATED ECB

Pursuant to the ECB Guidelines, any entity which can accept foreign direct investment, can issue, among others, FCCBs, foreign currency denominated floating/fixed rate notes/bonds/debentures (other than fully and compulsorily convertible instruments) with a three-year minimum average maturity period ("MAMP"). The Bonds can be subscribed or purchased by any recognised lender as detailed above. Foreign branches/subsidiaries of Indian banks are permitted as recognised lenders only for FCY ECB (except FCCBs and foreign currency exchangeable bonds). Foreign branches/subsidiaries of Indian banks, subject to applicable prudential norms, can participate as arrangers/underwriters/market-makers/traders for Rupee denominated bonds issued overseas. However, underwriting by foreign branches/subsidiaries of Indian banks for issuances by Indian banks is not allowed.

The entities raising ECB are required to follow the guidelines for hedging issued, if any, by the concerned sectoral or prudential regulator in respect of foreign currency exposure. The ECB borrower will be required to cover principal as well as coupon through financial hedges. The financial hedge for all exposure on account of ECB should start from the time of each such exposure (i.e., the day liability is created in the books of the borrower). A minimum tenor of one year of financial hedge would be required with periodic rollover duly ensuring that the exposure on account of ECB is not unhedged at any point during the currency of ECB. Natural hedge, in lieu of financial hedge, will be considered only to the extent of offsetting projected cash flows/revenues in matching currency, net of all other projected outflows. For this purpose, an ECB may be

considered naturally hedged if the offsetting exposure has the maturity/cash flow within the same accounting year. Any other arrangements/structures, where revenues are indexed to foreign currency will not be considered as a natural hedge.

Change of currency of ECB from one freely convertible foreign currency to any other freely convertible foreign currency as well as to INR is freely permitted.

INDIAN GOVERNMENT AND OTHER APPROVALS

The offering is being made entirely outside India. This Offering Memorandum or any other document or material relating to the Bonds has not been and will not be circulated or distributed in India, directly or indirectly, to the public or members of the public in India. The Bonds have not been, and will not be, offered or sold directly or indirectly in India or to, or for the account or benefit of, any person resident in India. If you purchase any of the Bonds, you will be deemed to have acknowledged, represented and agreed that you are eligible to invest in the Bonds and the Shares to be issued upon conversion of the Bonds under applicable laws and regulations and that you are not prohibited under any applicable law or regulation from acquiring, owning or selling the Bonds and the Shares to be issued upon conversion of the Bonds. Each purchaser of Bonds will be deemed to represent that it is neither located in India nor a resident of India and that it is not purchasing for, or for the account or benefit of, any such person, and understands that the Bonds will bear a legend to the effect that the securities evidenced thereby may not be offered, sold, pledged or otherwise transferred to any person located in India, to any resident of India or to, or for the Bonds account of, such persons, unless we may determine otherwise in compliance with applicable law. This Offering Memorandum has not been and will not be filed, registered, produced, published or made available as an offer document (whether a prospectus in respect of a public offer or information memorandum or private placement offer cum application letter or other offering material in respect of any private placement, under the Indian Companies Act, 2013, as amended or any other applicable Indian laws) with the Registrar of Companies in India, the Securities and Exchange Board of India, the Indian stock exchanges or any other statutory or regulatory body of like nature in India save and except for any information from any part of this Offering Memorandum which is (i) mandatorily required to be disclosed or filed in India under any applicable Indian laws, including but not limited to, the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015, as amended, and under the listing agreement with any Indian stock exchange pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended or (ii) pursuant to the sanction of any regulatory and adjudicatory body in India. This Offering Memorandum or any material relating to the Bonds has not been and will not be circulated or distributed to any prospective investor who is not a resident of an FATF or IOSCO compliant jurisdiction, and the Bonds will not be offered or sold or transferred and have not been offered or sold or transferred to any person who is not a resident of an FATF or IOSCO compliant jurisdiction. For the purposes of this section, FATF compliant jurisdiction and IOSCO compliant jurisdiction shall have the following meaning:

“FATF compliant jurisdiction” – a country that is a member of Financial Action Task Force (“FATF”) or a member of a FATF-style regional body; and should not be a country identified in the public statement of the FATF as (a) a jurisdiction having a strategic anti-money laundering or combating the financing of terrorism deficiencies to which counter measures apply; or (b) a jurisdiction that has not made sufficient progress in addressing the deficiencies or has not committed to an action plan developed with the FATF to address the deficiencies.

“IOSCO compliant jurisdiction” – a country whose securities market regulator is a signatory to the International Organization of Securities Commission’s (“IOSCO’s”) Multilateral Memorandum of Understanding (Appendix A Signatories) or a signatory to bilateral Memorandum of Understanding with the Securities and Exchange Board of India for information sharing arrangements. This Offering Memorandum has not been and will not be reviewed or approved by any regulatory authority in India, including the Securities and Exchange Board of India, any Registrar of Companies or any stock exchange in India. This Offering Memorandum and the Bonds are not and should not be construed as an advertisement, invitation, offer or sale of any securities whether by way of private placement or to the public in India. The Shares issued on conversion of the Bonds are to be listed on the Indian stock exchanges on which the Shares are now listed. We have undertaken to apply to have the Shares issuable upon conversion of the Bonds approved for listing and trading on the BSE Under the FDI policy, issued by the Department for Promotion of Industry and Internal Trade (erstwhile Department of Industrial Policy and Promotion), Ministry of Commerce and Industry, Government of India, which is effective from 15 October 2020 foreign investment up to 100 per cent. is permitted in the other financial services sector through the automatic route, subject to satisfaction of certain conditions. As of 31 December 2020, the total foreign investment in our Company was 32.16 per cent. which

may further increase upon completion of this Issue. The Company is required to make certain post-issue filings with the RBI. However, as stated elsewhere in this Offering Circular, in all cases of early redemption or repayment, under current regulations of the RBI applicable to convertible bonds, prior approval of the RBI for such earlier redemption or repayment will be necessary. See Risk Factors – Risks Relating to the Bonds and the Shares – RBI approval is required for repayment of the Bonds in certain circumstances, including upon redemption or an Event of Default” and “Risk Factors – Risks Relating to the Bonds and the Shares – The Issuer may not have the ability to redeem the Bonds”. The Companies Act, 2013, as amended and the rules framed thereunder, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (Through Depository Receipt Mechanism) Scheme, 1993, as amended, the Master Direction – External Commercial Borrowings, Trade Credits and Structured Obligations dated 26 March 2019, as amended, the Foreign Exchange Management (Borrowing and Lending) Regulations, 2018, as amended and circulars or notifications issued thereunder by the RBI from time to time, allows all entities which are eligible to received foreign direct investment are eligible to raise ECBs (including FCCBs) (i) exceeding U.S. \$750 million under the “approval route” (with prior approval of the RBI); and (ii) up to U.S. \$750 million under the “automatic route” (without prior approval of the RBI), and subject to compliance with certain conditions specified therein. In accordance with the above rules and regulations, the Company is undertaking the present issue of Bonds. The following filings are also required to be made by us in connection with issuance of the Bonds and at the time of conversion of Bonds into Shares: (i) filing with the RBI (through an AD Category I Bank) on Form ECB, before issuance of the Bonds to obtain the loan registration number; (ii) filing of return of allotment with the Registrar of Companies, NCT of Delhi and Haryana at New Delhi at the time of conversion of Bonds into Shares; (iii) filing of information on the Foreign Investment Reporting and Management System upon conversion of Bonds into Shares in the prescribed Single Master Form (for Form FC-GPR); and (iv) monthly filing with the RBI (through an AD Category I Bank) in the prescribed Form ECB 2 Return.

MANAGEMENT

The following is a summary of certain information concerning our management, certain provisions of the Companies Act, 2013. This summary is qualified in its entirety by reference to the Companies Act, 2013 and Indian law.

Board of Directors of the Issuer

The primary goal of our board of directors is to promote our corporate interests by representing us and our shareholders in administering our assets, managing our business, and running our corporate administration, defending the interests of shareholders, transparency, and the integrity of information. Apart from the matters reserved to the general shareholders' meeting, the board of directors is our highest representative and decision-making body, without any substantial constraints other than those established by the Companies Act, 2013 and our corporate purpose.

The following table sets forth, as of the date of this Offering Memorandum, the name, age, and title of each member of the board of directors of the Issuer and is followed by a summary of biographical information of each director.

Name	Age	Date of Appointment in current term	Position	Residential Address(es)
Mr. Brahma Gurbani	70	1 st September 2019	Executive Director, MD	Plot No. 41, Paigad Colony, Behind Anand Cinema S.P. Road, Secunderabad, Hyderabad, Telangana, 500003
Mr. Vishal Gurbani	35	21 st August 2021	Wholetime Director	H.NO.9-I-128, F. No. 1003, Oxford Enclave Near DBR Diagnostic, S.D. Road, Secunderabad, Hyderabad, Telangana, 500003
Mr. Banala Jayprakash Reddy	67	28 th September 2019	Non-Executive Independent Director	1-8-184, Flat No: 007, Tahsaiman Chambers, PG Road, Innovation Colony, Secunderabad, Telangana, India
Mrs. Umra Singh Sirohi	60	28 th September 2019	Non-Executive Independent Director	Flat No: 402, Prime Rose Apartment, PNR Nagarjuna Dream Lands, Kompally, Hyderabad-500075
Mr. Vimal Suresh	39	14 th February 2019	Non-Executive Independent Director	#19-1-635/1, UMDA BZAR, Dood Bowli, Charminar, Hyderabad-500002

BOARD OF DIRECTORS BIOGRAPHY

Mr. Brahma Gurbani, aged 70, is the first generation entrepreneur who started with two manually operated Lolly Poppmachines over 29 years ago with a team of just 10 persons in a tiny tenement rose to become an international recognizable confectionary major from India, whose vision has driven the company to greater heights, Mr, Gurbani was President of ICMA & is member of various trade bodies and associations. The testimony to his leadership is in fact that the company received the prestigious international Quality Award at International Quality Summit 2012, New York, USA, besides of lots of other prestigious awards from Prime Minister and President's office..

Mr. Vishal Ratan Gurbani, aged 35, is post Graduate in Business Management having about 10 Years of experience in Administration, finance and Manufacturing. He joined Gurbani Group during the year 2010 as Manager Under his Guidance, Sampre Nutritions Ltd has successfully developed new products for in-house and for other Multi-National Companies such as M/s Dharampal Satyapal Ltd, M/s. Alkem Labs Ltd and M/s. Patanjali Ayurved Ltd etc.,

Mr. Banala Jayprakash Reddy, aged 67 has travelled intensively and acquired experience of confectionary industry and is very well versed with equipments supplied and engineering development that contributes for achieving more output and working with very efficient yields. Present he is working as consultant for confectionery units with specialization on plant management.

Mrs. Umra Singh Sirohi, aged 60 has vast experience in Business Management in the manufacturing & retail sales segments. She is a Member of Telangana Chamber of Commerce and ALEAP, which is a woman's. Entrepreneur's organization and active participant in the role of upliftment of woman.

Mr. Vimal Suresh, aged 39 has good experience in Business Development.

Corporate Governance

Corporate governance is the combination of rules, processes or laws by which businesses are operated, regulated, or controlled. The term encompasses the internal and external factors that affect the interests of a Company's stakeholders, including shareholders, customers, suppliers, government regulators and management. It essentially involves balancing the interests of a Company's many stakeholders, such as shareholders, senior management executives, customers, suppliers, financiers, the government, and the community. The Company is committed to the letter and spirit of corporate governance and is in compliance with the corporate governance norms as prescribed by SEBI. The Company has laid a strong foundation for Corporate Governance by constituting a Board with a balanced mix of experts of eminence and integrity, forming a core group of top level executives, inducting competent professionals across the organization, and putting in place appropriate systems, process, and technology.

In compliance with Regulation 34(3) read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended from time to time, the Company submits the Corporate Governance Report for the year ended March 31, 2022.

Board Practices

There are currently Five Directors including, Two executive Directors and Three non-executive Independent Directors. Any proposals for the appointment of directors that the board of directors may bring before the general shareholders' meeting for its consideration.

The board of directors and the nomination and remuneration committee shall make an effort to ensure that the candidates selected to act as external directors are persons of renowned reputation, credibility, solvency, competence, and experience, and shall take special care in considering the individuals called upon to fill the positions of independent directors.

Board Committees

The Board Committee plays a crucial role in the governance structure of the Company and has been constituted to deal with specific areas/activities which concern the Company and need a closer review. The Board Committee are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by members of the Board, as a part of good governance practice.

The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. The Chairman of the respective Committee informs the Board about the summary of the discussions held in the Committee meetings.

Audit Committee

The Audit Committee's role is to assist the Board fulfil its Corporate Governance and overseeing responsibilities in relation to the Company's financial reporting process carried out by the Management, internal control system, risk management system and internal and external audit functions. The Audit Committee functions according to its charter/terms of reference that defines its composition, authority, responsibilities, and reporting functions. The Board has adopted a charter of the Audit Committee for its functioning. All the items listed in Section 177 of the Act and Regulation 18(3) read with Part C of Schedule II of the SEBI Listing Regulations are covered in its terms of reference.

The Audit Committee also reviewed the reports on dealings under Prohibition of Insider Trading Regulations and Related Party Transactions. During the year under review, the Audit Committee reviewed the process and controls for Insider Trading and also adopted a framework for levying penalties in case of any violation under the Insider Trading Code.

The following table sets forth information regarding the principal shareholders holding shares of the Issuer as per the shareholders register as of 31st March 2024.

The Audit Committee consists of:-

Audit Committee		
Name of Committee members	Category	Date Of Appointment
Umra Singh Sirohi	Non-Executive - Independent Director, Chairperson	27-03-2015
Vishal Ratan Gurbani	Executive Director, Member	12-11-2018
Vimal Suresh	Non-Executive - Independent Director, Member	14-02-2019

Stakeholders' Relationship Committee

The Committee is constituted to supervise and ensure Share Transfer related matters and to look after the Stakeholder's Grievances. The members of the committee are

During the Financial Year ended March 31, 2022, 4 (Four) meeting of Stakeholders Relationship Committee were held on, 29.06.2021, 12.08.2021, 12.11.2021 & 02.02.2022.

The Stakeholders' Relationship Committee consists of:-

Stakeholders Relationship Committee		
Name of Committee members	Category	Date Of Appointment
Umra Singh Sirohi	Non-Executive - Independent Director, Chairperson	14-02-2019
Vishal Ratan Gurbani	Executive Director, Member	12-11-2018
Vimal Suresh	Non-Executive - Independent Director, Member	08-11-2019

Nomination and Remuneration Committee

The role of the Nomination and Remuneration Committee ('NRC') is to oversee the selection of Directors and Senior Management Personnel based on criteria related to the specific requirement of expertise and independence. The NRC evaluates the performance of Directors and Senior Management Personnel based on the expected performance criteria. The NRC also recommends to the Board the remuneration payable to Directors and Senior Management Personnel of the Company.

During the Financial Year ended March 31, 2022, 1 (one) Nomination and Remuneration Committee meeting was held on 27th August 2021.

The Nomination and Remuneration Committee consists of:

Nomination and remuneration committee		
Name of Committee members	Category	Date Of Appointment
Umra Singh Sirohi	Non-Executive - Independent Director, Member	27-03-2017
Banala Jayaprakash Reddy	Non-Executive - Independent Director, Member	21-10-2014
Vimal Suresh	Non-Executive - Independent Director, Chairperson	14-02-2019

Corporate Social Responsibility Committee

The Companies Act, 2013 provides for CSR under section 135. Thus it is mandatory for the companies covered under section 135 to comply with the CSR provisions in India.

As the company doesn't have net worth exceeding rupees five hundred crore or turnover exceeding rupees one thousand crore or net profit exceeding five crore, doesn't fall under the criteria to comply with provisions of Corporate Social Responsibility u/s 135, hence the disclosures as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 are not required to be made.

Independent Directors Meeting

During FY 2021 - 22, one (1) meeting of the Independent Directors of the Company was held on 27.08.2021 as required under Schedule IV to the Act (Code of Independent Directors) and Regulation 25(3) of the SEBI Listing Regulations. At their Meeting, the Independent Directors reviewed the performance of Non-Independent Directors and the Board as a whole including the Chairman of the Board after taking the views of Executive Directors and Non-Executive Directors and also assessed the quality, quantity, and timeliness of flow of information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Risk Management Committee

Risks are events, situations or circumstances which may lead to negative consequences on the Company's businesses. Risk management is a structured approach to manage uncertainty. A formal enterprise wide approach to Risk Management is being adopted by the Company and key risks will now be managed within a unitary framework.

The Company has developed and implemented a Risk Management Policy for identifying the risk associated with business of the Company and measures to be taken to mitigate the same. The Audit Committee has additional oversight in the area of financial risks and controls. All risks are well integrated with functional and business plans and are reviewed on a regular basis by the senior leadership. There are no risks which in the opinion of the Board threaten the existence of the Company.

**SUMMARY OF CAPITAL STRUCTURE
&
PRINCIPAL SHAREHOLDERS**

Summary of Capital Raised by the company:

Sampre Nutritions Limited has raised capital by allotment of Equity Shares and Convertible warrants to Strategic Investor being non-promoter on preferential allotment basis through resolution dated 13th August 2022, passed in the Extra Ordinary General Meeting, pursuant to the provisions of section 42, 62 and other applicable provisions of the Companies Act, 2013.

Capital Raised:

- a) **Equity Shares:** the Company has raised Rs. 7,38,00,000/- on allotment of 20,50,000 Equity Shares. (Issue price of Rs. 36 per equity share).
- b) **Convertible Warrants:** the Company has raised Rs. 2,34,00,000/- on subscription of 26,00,000 convertible warrants. [Subscription price of Rs. 9 per warrant entitling the holder of the warrants to exercise an option to subscribe to 26,00,000 equity shares of the company having face value of Rs. 10/- each at an exercise price of Rs. 26 per share. (Issue price of Rs. 36 per equity share)]

Conversion of Warrants: the last and the final date of the conversion of warrants shall be 19th April 2024 (i.e. within 18 months from the date of allotment of warrants). All the outstanding warrants in respect of which the holder has not exercised his/her option shall lapse by 20th April 2024.

As a result of the aforesaid allotment of 20,50,000 equity shares, the paid-up equity capital of the company has increased from Rs.4,82,00,000/- consisting of 48,20,000 equity shares of Rs. 10/- each to Rs. 6,87,00,000 consisting of 68,70,000 equity shares of Rs. 10 each.

As of the date of this Offering Memorandum, the issued and paid-up share capital of the Issuer consists of 89,700,000 shares as of 31st March 2024. The face value of the shares is INR 10.00 each. The holding under control of the promoter and Promoter group is 28.36% of the total equity share capital and the remaining 71.64% is held by the public as of 31st March 2024.

The following table sets forth information regarding the principal shareholders holding shares of the Issuer as per the shareholders register as of December 31st, 2023.

Name of the Shareholder	No. of Shares held	Percentage of Shareholding
Mr. Brahma Gurbani	8,87,416	9.89
Mrs. Meera B Gurbani	5,30,762	5.92
Mrs. Sarita B Gurbani	7,61,762	8.49
Mrs. Saraswati B Gurbani	2,22,023	2.48
Mrs. Deepa B Gurbani	1,42,000	1.58
Total (a)	25,43,963	28.36%
Public Shareholding (b)	64,26,037	71.64%
TOTAL (a) + (b)	89,70,000	100

RELATED PARTY TRANSACTIONS

From time to time the Company enters into transaction with affiliates or related parties, and with its associate company. The Company's policy is that such transactions are made on an arm's length basis and are on no less favourable terms than if such transactions were carried out with unaffiliated third parties. Full details of related party transactions with its subsidiary and associates as of 31 December 2023 are set out in the Company's financial statements included elsewhere in the Offering Memorandum.

The term "promoter" is defined in the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 2011 as:

- (i) the person or persons who are in control of the issuer; or
- (ii) the person or persons who are instrumental in the formulation of a plan or programme pursuant to which specified securities are offered to public
- (iii) the person or persons named in the offer document as promoters

Provided that a director or officer of the issuer or a person, if acting as such merely in his professional capacity, shall not be deemed as a promoter:

Provided further that a financial institution, scheduled bank, foreign institutional investor, and mutual fund shall not be deemed to be a promoter merely by virtue of the fact that ten per cent. or more of the equity share capital of the issuer is held by such person;

Provided further that such financial institution, scheduled bank, and foreign institutional investor shall be treated as promoter for the subsidiaries or companies promoted by them or for the mutual fund sponsored by them.

Statements for year ended on 31st March 2023 and unaudited financial statement of nine months till 31st December, 2023 included elsewhere in this Offering Memorandum. Similar disclosures are made in each of the audited financial statements for each year.

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FINANCIAL INDEBTEDNESS

Our Company avails loans in the ordinary course of business to meet our working capital and operational requirements, and for general corporate purposes.

Set forth below is a brief summary of the aggregate borrowings of our Company as of 31.12.2023:

(in Rs. lakhs)

Category of Borrowings	Initial Sanctioned Amount	Revised Sanctioned Amount post Restructuring [^]	Outstanding Amount as on 31 st December 2023
Fund Based			
Secured			
- Term Loan	1,004.45	771.20	643.03
- Vehicle Loan	65.00	0.00	56.34
- Cash Credit	400.00	525.00	618.35
Unsecured[#]	NIL	NA	482.50
Non Fund Based			
Secured			
- Usance Bill Discounting	300.00	265.00	NIL
Unsecured	NIL	NIL	NIL
Total	1754.45	1,561.20	1,800.22

[#]The unsecured loans have been taken by the Company from its Directors and their relatives and therefore there is no sanctioned limit for the same.

[^]The Company executed a revised sanction letter dated September 7, 2021 of The South Indian Bank Limited for restructuring the existing cash credit and term loan facilities issued by The South Indian Bank Limited vide sanction letter dated March 1, 2019, pursuant to the COVID-19 scheme of RBI.

Details of Secured Borrowing

The cash credit facility, Usance bill discounting facility and the term loans have been availed by the Company from The South Indian Bank Limited (“**South Indian Bank**”). The term loans have been availed by the Company for acquisition of plant and machinery, construction of factory buildings and for working capital purposes. The facilities availed from South Indian Bank are secured by hypothecation of the entire current assets of the Company, equitable mortgage over *inter alia* the land and buildings of the Company situated at Plot No. 133, Industrial Estates, Medchal and charge over immovable properties belonging to the Promoter Directors and their relatives, in favour of South Indian Bank. Further, the Directors and their relatives have also furnished personal guarantees to secure such facilities of South Indian Bank.

The vehicle loans have been availed from Yes Bank Limited, Daimler Financial Services Private Limited, Mahindra & Mahindra Financial Services Limited and Toyota Financial Service Limited under hire purchase schemes. These loans have been secured by way of hypothecation of the vehicles owned by the Company.

The principal terms of the facilities sanctioned to the Company by South Indian Bank are:

1. **Interest:** The interest rate for a majority of the fund based facilities is the MCLR of South Indian Bank plus a specified spread per annum, subject to a minimum interest rate. The spread of the various fund based facilities vary from 1.20% to 4.55%. The effective rate of interest on the cash credit facility is

10.75% per annum and the effective rate of interest of the term loans vary from 10.25% to 10.75%.

2. **Tenor:** The tenor of the term loans varies from 11 months to 111 months. Further certain of the facilities, i.e. working capital facilities are repayable on demand and renewed every 12 months.

3. **Security:** The cash credit facilities are secured by hypothecation of the entire current assets (both present and future) of the Company. The non-fund based Usance bill facilities are secured by charge over the corresponding receivables of the bills discounted. The term loans have been secured by creating mortgage over the assets acquired by the Company by utilising the proceeds of the facilities. The facilities are also secured by way of an equitable mortgage over the (i) residential flat no. 402, 4th floor of Blossoms Residency (Sri Hari Classic) premises No. 6-3-347/22/1 admeasuring 3,100 sq. ft together with two car parking lots admeasuring 200 sq. ft. each and land admeasuring 80 sq. yards out of total lands admeasuring 1,080 sq. yards in survey nos. 136, 138 and 140 situated at Dwarakapuri colony, Punjagutta village, Hyderabad along with all buildings existing and to be constructed in future thereon; (ii) immovable industrial property of land and civil structures on Plot 133 admeasuring 6,633.67 sq. yards along with factory, office and security room, in survey no. 865/2 situated at Industrial Estate, Medchal, Medchal-Malkajgiri district, Telangana and (iii) immovable industrial property of open land between plots 133 and 137 admeasuring 2,119.80 sq. mts in survey no. 865/2 situated at Industrial Estate, Medchal, Medchal-Malkajgiri district, Telangana. The South Indian Bank also has a negative lien marked in the industrial property admeasuring 2196.27 sq. yards in survey no. 844/2 in plots 127 and 128 of Medchal Panchayat, Medchal district. Personal guarantees have been furnished by Mr. Brahma Gurbani, Mr. Vishal Gurbani, Mrs. Saraswati Gurbani, Mrs. Meera Gurbani and Mr. Harnam Bathija.

4. **Pre-payment:** The facilities allow for pre-payment of the outstanding amount by serving prior notice. Pre-payment is subject to payment of pre-payment charges which are in the range of 3% to 4%.

5. **Penal Interest:** The terms of the facilities availed from South Indian Bank by our Company prescribe penalties for default in the repayment obligations of the Company and/or non-compliance of the sanction stipulations. The penalty is 2% per annum. A penal interest of 2% may be charged if the limits are not renewed within the validity period. Further, a commitment charge of up to 0.025% per annum may be levied in case the sanctioned limits are not utilized.

6. **Events of Default:** Borrowing arrangements entered into by our Company contain standard events of default, including, inter alia:

- failure or inability to pay outstanding principal and interest amounts on due dates;
- providing incorrect or misleading information, warranties and representations;
- providing inadequate security or insurance;
- liquidation or dissolution;
- cessation or change in business or control;
 - initiates proceedings for bankruptcy, commences negotiations with its creditors to reorganize debt, becomes insolvent;
 - default in the performance of any covenant, condition or undertaking on part of our Company.

This is an indicative list and there may be additional terms that may amount to an event of default under the borrowing arrangements entered into by our Company.

7. **Consequences of occurrence of events of default:** In terms of our borrowing arrangements, the following, inter alia, are the consequences of occurrence of events of default, whereby the lenders may:

- terminate and cancel either whole or part of the facility;
- suspend further access/ draws, either in whole or in part, of the facility;
- impose a monetary penalty;
- enforce security; and

- accelerate repayments/ initiate recall of the loans.

8. **Revised key sanction terms:** Pursuant to the sanction letter dated September 7, 2021 of the South Indian Bank, the existing term loans of the Company were restructured, the terms of which are given below:

Particulars	Restructured Amounts (in Rs. lakhs)	Effective Rate of Interest	Repayment terms
Term Loans – Machinery and Factory Buildings	489.11	10.25%	Repayable in range of 58 months to 111 months including moratorium period of 14 months
Working Capital Term Loan	122.79	10.25%	Repayable in 79 months including moratorium period of 14 months
Funded Interest Term Loan	159.30	10.75%	Repayable in 78 months including moratorium period of 18 months

9. **Restrictive Covenants:** The facilities sanctioned to our Company contain certain restrictive covenants, which require prior consent of the South Indian Bank, including:

- change in capital structure, or undertaking schemes of merger, amalgamation or reconstruction, or any other type of corporate reconstruction;
- undertaking any scheme of expansion or acquisition;
- entering into borrowing arrangements;
- invest in, extend any advance or loans, to any group companies or other related parties;
- change in our constitution, structure, management control and legal and/or beneficial ownership;
- dispose of its assets, including its capital and fixed assets; and
- repayment of loans and advances received from promoters, directors, relatives, friends.

This is an indicative list and there may be such other additional terms under the borrowing arrangements entered into by our Company. We are also required to keep our lenders informed of any event likely to have a substantial effect on our business.

There has been no default in repayment of principal and interest of the secured borrowings as of Sep 30, 2023.

For the purposes of this Issue, our Company has obtained the necessary consents from South Indian Bank as required under the relevant borrowing arrangements for undertaking activities relating to the Issue, such as, inter alia, entering into new borrowing arrangements.

Details of Unsecured Borrowing

The Company has raised certain unsecured loans from its directors and their relatives in the financial year **31.12.2023**, the details of which are specified below.

(in Rs. lakhs)

Name of lender	Director / Relative of Director (specify relationship)	Loan Amount	Current Outstanding Amount as on 31st December 2023
Mr. Brahma Gurbani	Managing Director	447.64	412.04
Mrs. Meera Gurbani	Relative of Director	97.10	70.46

TERMS AND CONDITIONS OF THE BONDS

The following terms and conditions (subject to completion and amendment) will apply to the Bonds and will be endorsed on each definitive Bond certificate:

The following Conditions as defined herein shall, inter alia, govern the issue of the Bonds, the conversion into Shares as well as the transfer of the Bonds. The application for the listing of the Bonds has been made pursuant to the the Section 110 & 108 of the Companies Act 2013, read with rule 20(3) (xi) of the Companies (Management & Administration) Rules, 2014 as amended by Companies (Management & Administration) Rules, 2015 and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulation 2015 and other applicable MCA Circulars. Thereby Company has provided remote e-voting facility to the members through e-voting platform provided by National Securities Depository Limited(NSDL), on the resolution contained in the Company's Postal Ballot dated 12th November,2022.

Mr. Vasanth Kumar Bajaj was appointed as Scrutiniser to scrutinise the votes casted through e-voting platform. Remote e-voting has commenced on 23rd November, 2022 and ended on 22nd December 2022. Scrutiniser prepared the report for remote e-voting as per the Regulation 44(3) of SEBI (LODR), 2015. Resolution contained in Company Postal Ballot dated 12th November, 2022 has been passed as 99.9% of the total votes casted were in favour of the passing of the Resolution.

Voting details are as follows:

Item No. 1 of the Notice	Type of Resolution (Special/Ordinary)	Votes in favour of resolution		Votes against the resolution	
		No. of Votes	Percentage (%)	No. of Votes	Percentage (%)
To approve raising of funds and issuance of securities by the company through QIP and/or FCCB and/or any other permissible modes	Special Resolution	26,54,997	99.996%	114	0.004%

The issue of Unsecured Foreign Currency Convertible Bonds (the "Bonds", which expression shall, except where otherwise indicated or where the context otherwise requires, include any further Bonds issued in accordance with Condition 15 and standalone and forming a single series therewith) of Sampre Nutritions Limited (the "Company") was authorised pursuant to a resolution contained in Company Postal Ballot dated 12th November, 2022 has been passed as 99.9% of the total votes casted were in favour of the passing of the Resolution. Result of the e-voting was declared on 23rd December 2022.

The Bonds are constituted by a RTA agreement/Deed dated 10th May 2024 (the "Deed" and the "Issue Date" respectively) between the Company, **Sampre Nutritions Private Limited and Big share Services Private Limited** (the "Registrar" which term includes any successor Registrar under the Deed) and are in registered form. The statements set out in these terms and conditions (the "Conditions") include summaries of, and are subject to, the detailed provisions of the Deed. The holders of the Bonds as shown in the Register as defined herein (the "Bondholders" and (in relation to a Bond), the "holder")) are entitled to the benefit of, bound by and are deemed to have notice of, all the provisions applicable to them of the paying and conversion agency agreement dated 15th May 2024 the Issue Date (the "Agency Agreement") between **the Company, SBM Fund Services Private Limited** as principal paying and conversion agent (the "Principal Paying and Conversion Agent"), **Big share Services Private Limited** (the "Registrar") and transfer agent (the "Transfer Agent") and the other paying, conversion and transfer agents appointed under it (each a "Paying Agent", "Conversion Agent", "Transfer Agent" (references to which shall include the Registrar) and together with the Registrar and the Principal Paying and Conversion Agent, the "Agents" relating to the Bonds. References to the "Principal Paying and Conversion Agent", "Registrar", "Transfer Agent", "Conversion Agent" and "Agents" in these Conditions are references to the principal paying and conversion agent, registrar, transfer agent, conversion

agent and agents for the time being for the Bonds. Copies of each of the Registrar and Transfer Agent Agreement and the Agency Agreement are available for inspection by Bondholders or prospective Bondholders during usual business hours, on any weekday (except Saturdays, Sunday, and public holidays) at the specified offices of the Agents.

1 Form, register and transfer of Bonds

- 1.1 The Bonds will be traded OTC in a minimum board lot size of US\$100,000.00 for so long as the Bonds are listed on the Afrinex Securities List. The Bonds are issued in registered form in the denomination of US\$ 1,00,000.00 (US dollars one hundred thousand) each ("Authorised Denomination") or integral multiples thereof. A Bond certificate may be issued to each Bondholder in respect of its total registered holding of Bonds (each a "Certificate"). Each Bond will be numbered serially with an identifying number which will be recorded on the relevant Certificate and in the Register (to be kept in accordance with Condition 1.2). The Bonds will initially be represented by a global certificate ("Global Certificate") and deposited with a depository, and registered in the name of a nominee of the depository or their respective participants. Except in the limited circumstances described in the Global Certificate, owners of interests in Bonds represented by the Global Certificate will not be entitled to receive definitive Certificates in respect of their individual holdings of Bonds. The Bonds are not issuable in bearer form.
- 1.2 The Company shall at all times keep or cause to be kept at the specified office of the Registrar in accordance with the terms of the Agency Agreement, a register (the "Register") showing the nominal amount of the Bonds, the date of issue and all subsequent transfers and changes of ownership thereof and the names and addresses of the Bondholders. The Bondholders may during office hours of the Registrar, inspect the Register. The Register may be closed by the Company for such periods and at such times (not exceeding in whole, thirty (30) days in any one year) as it may think fit provided that notice should be given to the Bondholders, in accordance with Condition 19, fifteen (15) days prior to the closure of the Register and notice in writing to the Principle Paying Agent and Agents twenty-five (25) days prior to such closure.
- 1.3 Title to the Bonds passes only by transfer and registration in the Register. The registered holder of any Bond will, except as otherwise required by law, be treated as the absolute owner for all purposes and no person shall be bound to take notice or see to the execution of any trust, charge, or encumbrance whether express, implied, or constructive to which any Bond may be subject and no person shall be liable for so treating the Bondholder. The receipt of the Bondholder, or in the case of joint Bondholders, the receipt of any of them, of the interest from time to time accruing in respect of it or for any other monies payable on the Bond shall be a good discharge to the Company, notwithstanding any notice it may have, whether express or otherwise, of the right, title, interest or claim of any other person to or in such Bond, interest, or monies. No notice of any trust, charge, encumbrance, or dispute, express, implied, or constructive shall be entered on the Register in respect of any Bond.
- 1.4 Every Bondholder will be recognised by the Company as entitled to his Bonds free from any equity, set-off or counter-claim on the part of the Company against the original or any intermediate holder of the Bond.
- 1.5 Subject to Condition 1.12 and 1.14 Bond may be transferred by delivering the Certificate issued in respect of that Bond, with the form of transfer on the back duly completed and signed to the specified office of any of the Transfer Agents. No transfer of title to any Bond will be effective unless and until entered on the Register. Transfers of interests in the Bonds evidenced by the Global Certificate will be effected in accordance with the rules of the relevant clearing systems.
- 1.6 The Bonds are not transferable to U.S. persons (as defined in the United States Bonds Act 1933 (as amended)) nor to persons that are resident in India. The Registrar may without incurring any liability

whatsoever and without giving any reason, refuse to register any such person as the holder of a Bond, furthermore the Registrar is under no obligation to enquire as to the residency or tax status of a holder or potential holder in determining whether to register the relevant person as the holder of the Bond and shall not be liable to any person for any failure to do so. The Registrar will not be liable for any registration made nor will it be liable where it abstains from making any registrations pursuant to this Condition.

- 1.7 Every instrument of transfer must be signed by the transferor (or where the transferor is a corporation given under its common seal) and the transferor shall be deemed to remain the owner of the Bond to be transferred until the name of the transferee is entered in the Register in respect of that Bond.
- 1.8 Every instrument of transfer must be deposited at the specified office of any of the Transfer Agents accompanied by the Certificate for the Bond to be transferred and, if the instrument is executed by some other person on his behalf, the authority of that person to do so as the Transfer Agent may require as prescribed under the regulations referred to in Condition 1.14.
- 1.9 All instruments of transfer which shall be registered will be retained by the Registrar and all records of transfer shall be maintained by the Registrar.

1.10 Delivery of New Certificates

Each new Certificate to be issued upon transfer of the Bonds will, within five (5) business days, at the place of the relevant specified office, of receipt by the relevant Transfer Agent, of the duly completed form of transfer together with original Certificate, be mailed by uninsured mail at the risk of the Bondholder entitled to the Bond and at the expense of the Company to the address specified in the form of transfer. Where some, but not all the Bonds, in respect of which a Certificate is issued are to be transferred, converted or repurchased, a new Certificate in respect of the Bonds not so transferred, converted or repurchased, will within five (5) business days at the place of the relevant specified office of deposit or surrender of the original Certificate with or to the relevant Transfer Agent, be mailed by uninsured mail at the risk of the holder of the Bonds not so transferred, converted or repurchased at the expense of the Company to the address of such holder appearing on the Register.

1.11 Formalities free of charge

Registration and transfer of the Bonds and issuance of new Certificates will be effected at the expense of the Company and without charge by or on behalf of the Company or any of the Agents, subject to payment (or the giving of such indemnity, pre-funding and/or provision of security as any Agent may require to its satisfaction) in respect of any tax or other Governmental charges which may be imposed in relation to it.

1.12 No transfer periods

No Bondholder may require the transfer of a Bond to be registered:

- 1.12.1 during the period of fifteen (15) days ending on (and including) the due date for any payment of principal on such Bond;
- 1.12.2 during the period of seven (7) Business Days (as defined in Condition 8.9) ending on (and including) any record date;
- 1.12.3 after a Bondholder Purchase Notice as defined in Condition 7.10 in respect of such Bond has been delivered;

1.12.4 after the Certificate in respect of such Bond has been deposited for conversion pursuant to Condition 5.1 or Condition 5.4.1; and

1.12.5 during the period of closure of the Register pursuant to Condition 1.2.

1.13 Any person becoming entitled to a Bond in consequence of the death or bankruptcy of the holder of such Bonds may, on producing such evidence that he sustains the character in respect of which he proposes to act under this clause or of his title as the Company shall think sufficient, be registered himself as the holder of such Bond, or subject to the preceding condition, as to transfer may transfer such Bonds. The Registrar shall effect such entries in the Register as the Company shall direct in writing to reflect such entitlements.

1.14 All transfers of the Bonds and entries on the Register will be made subject to the detailed regulations concerning transfer of the Bonds set forth in the Agency Agreement. The regulations may be changed by the Company, with the prior written approval of the Registrar. A copy of the current regulations will be mailed (at the Company's expense) by the Registrar to any Bondholder who asks for one.

2 Status

The Bonds will constitute direct, unsubordinated, unconditional, and unsecured obligations of the Company and will at all times rank *pari passu* and without any preference or priority among themselves. The payment obligations of the Company under the Bonds shall, save for such exceptions as may be provided by mandatory provisions of applicable law, at all times rank at least equally with all of its other present and future direct, unsubordinated, unconditional, and unsecured obligations.

3 Negative Pledge

3.1 Restriction: so long as any Bond remains outstanding :

3.1.1 The Company will not, and will procure that none of its Principal Subsidiaries will, create or permit to subsist any mortgage, charge, pledge, lien or other form of encumbrance or security interest ("Security") upon the whole or any part of its undertaking, assets or revenues present or future to secure any Relevant Debt, or any guarantee of or indemnity in respect of any Relevant Debt;

3.1.2 The Company will procure that no other person creates or permits to subsist any Security upon the whole or any part of the undertaking, assets or revenues present or future of that other person to secure (x) any of the Company's or any Principal Subsidiary's Relevant Debt, or any guarantee of or indemnity in respect of any of the Company's or any Principal Subsidiary's Relevant Debt, or (y) where the person in question is a Principal Subsidiary of the Company, any of the Relevant Debt of any person other than that Principal Subsidiary, or any guarantee of or indemnity in respect of any such Relevant Debt;

3.1.3 The Company will procure that no other person gives any guarantee of, or indemnity in respect of, any of the Company's or any Principal Subsidiary's Relevant Debt. Unless, at the same time or prior thereto, the Company's obligations under the Bonds and the RTA Agreement, (aa) are secured equally and rateably therewith or benefit from a guarantee or indemnity in substantially identical terms thereto, as the case may be, or (bb) have the benefit of such other security, guarantee, indemnity, or other arrangement as shall be approved by an Extraordinary Resolution of the Bondholders;

3.1.4 "Principal Subsidiary" means any subsidiary of the Company and either (i) the revenues of which, as shown by the accounts (standalone in the case of any entity which itself has

subsidiaries) of such entity upon which the latest audited standalone accounts of the Company have been based, are at least 25 percent of the revenues of the Company on a standalone basis or (ii) the net tangible assets of which, as shown by the aforementioned accounts, are at least 25 percent of the net tangible assets, as applicable, of the Company on a standalone basis. A certificate of the Company's Auditors as to whether a subsidiary is a Principal Subsidiary shall be binding on the Company and (in the absence of manifest error, in the RTA's opinion), the RTA.

- 3.1.5 Relevant Debt: For the purposes of this Condition, "Relevant Debt" means any present or future indebtedness in the form of, or represented by, bonds, notes, debentures, or other Bonds which are for the time being quoted, listed, or ordinarily dealt in on any stock exchange, over-the-counter or other Bonds market, having an original maturity of more than one year from its date of issue and denominated, payable or optionally payable in a currency other than Rupees.

For the avoidance of doubt, indebtedness which does not fall within the definition of "Relevant Debt" shall not be affected by the negative pledge described above (including for example commercial paper with a maturity of less than one year and bank borrowings which are not in the form of listed tradable Bonds).

- 3.2 The Company will not take any corporate or other action pursuant to Condition 5.3 that would cause the Conversion Price to be adjusted to a price which would render conversion of the Bonds into Shares at such adjusted Conversion Price to be in contravention of applicable law or subject to approval from the Reserve Bank of India, the Ministry of Finance, Government of India and/or any other governmental/regulatory authority in India (the "Regulatory Price Floor"). The Company also covenants that prior to taking any action which would cause an adjustment to the Conversion Price below the Regulatory Price Floor, the Company shall provide the RTA with a price adjustment opinion of a legal counsel in India of international repute, stating that the Conversion Price as proposed to be adjusted pursuant to such action, is in conformity with applicable law and that the conversion of the Bonds to the Shares at such adjusted Conversion Price would not require approval of the Reserve Bank of India, the Ministry of Finance, India and/or any other governmental/regulatory authority in India (the "Price Adjustment Opinion"). To the extent that an event triggering an adjustment to the Conversion Price occurs and the Company is unable to provide the RTA with a Price Adjustment Opinion, the Company shall give notice to Bondholders of their Non-Permitted Conversion Price Adjustment Event Repurchase Right, as defined in and pursuant to Condition 7.6 herein.

4 Interest

4.1 Interest Rate

The Bonds will bear Zero coupon interest

5 Conversion

5.1 Conversion Period and Price

- 5.1.1 The holder of each Bond that has not been redeemed, converted or purchased and cancelled shall have the right (the "Conversion Right") to convert ("Conversion") such Bond into registered equity shares in the capital of the Company which at the date hereof are Rs.10 per Share ("Shares"), credited, as fully paid, at any time (subject to any applicable fiscal or other laws or regulations and as hereinafter provided) 24th July, 2027 (the "Maturity Date") to the close of business (at the place where the relevant Bond is deposited for Conversion) on 17th July, 2027 (the date falling 7 calendar days before the Maturity Date) (the "Conversion Period"). If such Bond has been called for redemption by the Company prior to the Maturity Date, the Conversion Period for that Bond ends at the close of business (at the place where the Certificate is deposited for conversion of that Bond) on the seventh

Business Day prior to the date fixed for redemption. Each Bond may be converted at the Conversion Price (as herein defined) during the Conversion Period at the option of the Bondholder.

- 5.1.2 A Conversion Right may not be exercised in relation to any Bond during the period (a "**Closed Period**") commencing on (i) 7 days after the date of Book Clouser (ii) Maturity Date (iii) the date that the Company notifies the BSE of the record date for determination of shareholders entitled for receipt of dividends, subscription of shares due to capital increase or other benefits, and ending on the record date for the distribution or allocation of the relevant dividends, rights and benefits or (iv) on such date and for such period as determined by Indian law applicable from time to time that the Company is required to close its stock transfer books. The Company will give notice of such Closed Period to the Bondholders, the RTA and each of the Agents at least 10 Business Days in writing prior to the beginning of each such period except in the case of (iii) above in which case, the Company shall give notice in writing to the Bondholders, the RTA, and the Agents on the same day it notifies the BSE.

For the avoidance of doubt, Conversion Right may not be exercised (i) in respect of a Bond where the Bondholder shall have exercised its right to require the Issuer to repurchase its Bonds in accordance with Conditions 7.4, 7.5 and 7.6.

- 5.1.3 A Conversion Right may only be exercised in respect of an Authorised Denomination of Bonds and in integral multiples thereof.
- 5.1.4 The number of Shares to be issued on exercise of a Conversion Right shall be determined by dividing the principal amount of the relevant Bond (translated into Rupees at the rate of Rs.(Exchange Price of the date of conversion) to USD1.00 (the "Fixed Exchange Rate") by the Conversion Price in effect on the Conversion Date as calculated by reference to Condition 5.2. Fractions of Shares will not be issued on conversion and no cash adjustment will be made in respect thereof. However, if the Conversion Right in respect of more than one Bond is exercised at any one time such that Shares to be issued on conversion are to be registered in the same name, the number of such Shares to be issued in respect thereof shall be calculated on the basis of the aggregate principal amount of the Bonds being so converted. Shares to be issued on conversion will be deemed to be registered as of the relevant Conversion Date in the name of the holder of the Bonds completing the Conversion Notice (as defined in Condition 5.4.1) or his nominee as specified by the Bondholder in such Conversion Notice.

Neither the Principle Paying Agent nor any of the Agents shall be responsible for calculating, determining or verifying the number of Shares to be issued on conversion of a Bond or the method used in such determination or for verifying the Company's determination of such number of Shares or method of determination and neither the Principle Paying Agent nor any of the Agents shall be responsible or liable to the Bondholders or any other person for any loss arising from any failure to do so or for any erroneous determination by the Company or any delay or failure of the Company in making such determination.

- 5.1.5 "Shares" means (1) shares of the class of share capital of the Company which, at the Issue Date, are designated as equity shares of the Company, together with shares of any class or classes resulting from any sub-division, consolidation or re-classification of those shares, which as between themselves have no preference in respect of dividends or of amounts payable in the event of any voluntary or involuntary liquidation or winding-up of the Company, and (2) fully-paid shares of any class or classes of the share capital of the Company authorised after the Issue Date which have no preference in respect of dividends or of amounts payable in the event of any voluntary or involuntary liquidation or winding-up of the Company; provided that shares to be issued on conversion of the Bonds means only "Shares" as defined in Condition 5.1.1.

5.2 Conversion Price

- Subject to the provisions of Condition 5.3, the Bonds shall be subject to following conversion prices:

5.2.1 The price at which Shares will be issued upon Conversion as adjusted from time to time ("Conversion Price") will be at a price calculated as per the 6 months average or 15 days average, whichever is higher in line of equity issue price guidelines for new allotment of equity shares as per SEBI pricing Guidelines but will be subject to adjustment in the manner provided under the Condition 5.3. The Company shall give notice of any adjustment of the Conversion Price to the Registrar, the Exchange and the Agents immediately after the determination thereof and to the Bondholders in accordance with Condition 5.3.22 and 19. Notwithstanding the provisions of this Condition, the Company covenants that the Conversion Price shall not be reduced below such price as may be prescribed by the applicable laws and regulations for the time being in force.

5.2.2 Exchange rate on conversion

- For the purpose of this Condition 5, the exchange rate of US dollars to rupees shall be the Exchange Rate of the date of conversion.

5.3 Adjustment to Initial Conversion Price

The Initial Conversion Price will be subject to adjustment as follows:

5.3.1 Free distribution, bonus issue, division, consolidation, and reclassification of Shares:

5.3.1.1 **Adjustment:** If the Company shall (a) make a free distribution of Shares, (b) make a bonus issue of its Shares, (c) divide its outstanding Shares, (d) consolidate its outstanding Shares into a smaller number of Shares, or (e) re-classify any of its Shares into other Bonds of the Company, then the Initial Conversion Price shall be appropriately adjusted so that the holder of any Bond, the Conversion Date in respect of which occurs after the coming into effect of the adjustment described in this Condition 5.3.1 shall be entitled to receive the number of Shares and/or other Bonds of the Company which he would have held or have been entitled to receive after the happening of any of the events described above had such Bond been converted immediately prior to the happening of such event (or, if the Company has fixed a prior record date for the determination of shareholders entitled to receive any such free distribution or bonus issue of Shares or other Bonds issued upon any such division, consolidation or reclassification, immediately prior to such record date), but without prejudice to the effect of any other adjustment to the Initial Conversion Price made with effect from the date of the happening of such event (or such record date) or any time thereafter.

5.3.1.2 **Effective date of adjustment:** An adjustment made pursuant to Condition 5.3.1.1 above shall become effective immediately on the relevant event referred to above becoming effective or, if a record date is fixed therefore, immediately after such record date; provided that in the case of a free distribution or bonus issue of Shares which must, under applicable laws of India, be submitted for approval to a general meeting of shareholders or be approved by a meeting of the Board before being legally paid or made, and which is so approved after the record date fixed for the determination of shareholders entitled to receive such distribution or issue, such adjustment shall, immediately upon such approval being given by such meeting, become effective retroactively to immediately after such record date.

5.3.2 Declaration of dividend in Shares:

If the Company shall issue Shares as a dividend in Shares or make a distribution of Shares which is

treated as a capitalisation issue for accounting purposes under International Financial Reporting Standards (including but not limited to capitalisation of capital reserves and employee stock bonus), then the Conversion Price in effect when such dividend and/or distribution is declared (or, if the Company has fixed a prior record date for the determination of shareholders entitled to receive such dividend and/or distribution, on such record date) shall be adjusted in accordance with the following formula:

$$NCP = OCP \times [N/(N + n)]$$

where:

NCP = the Conversion Price after such adjustment.

OCP = the Conversion Price before such adjustment.

N = the number of Shares outstanding, at the time of issuance of such dividend and/or distribution or at the close of business in Mumbai on such record date as the case may be).

n = the number of Shares to be distributed to the shareholders as a dividend and/or distribution.

5.3.3 Concurrent adjustment events:

If the Company shall declare a dividend in, or make a free distribution or bonus issue of Shares and such dividend, issue or distribution is to be paid or made to shareholders as of a record date which is also:

5.3.3.1 the record date for the issue of any rights or warrants which requires an adjustment of the Conversion Price pursuant to Conditions 5.3.5 to 5.3.7;

5.3.3.2 the day immediately before the date of issue of any Bonds convertible into or exchangeable for Shares, which requires an adjustment of the Conversion Price pursuant to Condition 5.3.9;

5.3.3.3 the day immediately before the date of issue of any Shares which requires an adjustment of the Conversion Price pursuant to Condition 5.3.10 or, if applicable, the record date for determination of stock dividend entitlement as referred to in Condition 5.3.10;

5.3.3.4 the day immediately before the date of issue of any rights, options or warrants which requires an adjustment of the Conversion Price pursuant to Condition 5.3.11; or

5.3.3.5 determined by the Company and notified by the Company to the Principle Paying Agent and Principal Paying and Conversion Agent in writing to be the relevant date for an event or circumstance which requires an adjustment to the Conversion Price pursuant to Condition 5.3.13;

then (except where such dividend, bonus issue or free distribution gives rise to a retroactive adjustment of the Conversion Price under Conditions 5.3.1 and 5.3.2) no adjustment of the Conversion Price in respect of such dividend, bonus issue or free distribution shall be made under the Conditions 5.3.1 and 5.3.2, but in lieu thereof an adjustment shall be made under Conditions 5.3.5, 5.3.6, 5.3.7, 5.3.9, 5.3.10, 5.3.11 or 5.3.13 (as the case may require) by including in the denominator of the fraction described therein the aggregate number of Shares to be issued pursuant to such dividend, bonus issue or free distribution.

5.3.4 Extraordinary Cash Dividends:

In case the Company shall, by dividend or otherwise, distribute cash (excluding any dividend or distribution that is not an Extraordinary Cash Dividend) to all holders of Shares then, in such case, the Conversion Price shall be adjusted (with such adjustment to be effective on the record date for the determination of shareholders entitled to receive such distribution) in accordance with the following formula:

$$NCP = OCP \times [(M - C)/M]$$

where:

NCP and OCP have the meanings ascribed thereto in Condition 5.3.5 below.

M = the Current Market Price per Share on such record date.

C = the amount of cash so distributed (and not excluded as provided for above) applicable to one Share.

If such dividend or distribution is not so paid or made, the Conversion Price shall again be adjusted to be the Conversion Price which would then be in effect if such dividend or distribution had not been approved.

For purposes of this Condition 5.3.4, an Extraordinary Cash Dividend occurs if, at the effective date, the total amount of:

- a. any cash dividends paid or declared by the Company on the Shares, prior to deduction of any withholding tax plus any corporate tax attributable to that dividend; and
- b. all other cash dividends paid or declared on the Shares in the 365 consecutive day period prior to the effective date (other than any dividend or portion thereof previously deemed to be an Extraordinary Cash Dividend) (the “previous dividends”), except that where the date of announcement for dividends for two different fiscal years has occurred in such 365 day period, such dividends relating to the earlier fiscal year will be disregarded for the purpose of determining the previous dividend ((a) and (b) together being the “total current dividend”),

equals or exceeds on a per Share basis five percent of the Average Closing Price (as defined below) of the Shares during the Relevant Period (as defined below) provided that any dividend paid or declared by the Company will not constitute an Extraordinary Cash Dividend if the amount paid or declared by the Company is equal to an amount not greater than 300% of the dividends paid or declared by the Company in the previous fiscal year. For the avoidance of doubt, all amounts are on a per Share basis.

The “**Average Closing Price**” is the arithmetic average of the Closing Price per Share for each Trading Day during the Relevant Period.

The “**Relevant Period**” means the period beginning on the first Trading Day after the record date for the first cash dividend aggregated in the total current dividend, and ending on the Trading Day immediately preceding the record date for the cash dividend which caused the adjustment to the Conversion Price pursuant to this Condition 5.3.4. However, if there were no cash dividends declared during the 365 consecutive day period prior to the record date for the cash dividend which caused the adjustment to the Conversion Price pursuant to this Condition 5.3.4, the relevant period will be the entire period of 365 consecutive days.

5.3.5 Rights Issues to Shareholders and others:

Adjustment: If the Company shall grant, issue, or offer to the holders of Shares rights entitling them to subscribe for or purchase Shares, which expression shall include those Shares that are required to be offered to employees and persons other than shareholders in connection with such grant, issue or offer:

5.3.5.1 at a consideration per Share receivable by the Company (determined as provided in Condition 5.3.16) which is fixed on or prior to the record date for the determination of shareholders entitled to receive such rights and is less than the Current Market Price per Share at such record date; or

5.3.5.2 at a consideration per Share receivable by the Company which is fixed after the record date for the determination of shareholders entitled to receive such rights and is less than the Current Market Price per Share on the date the Company fixes the said consideration,

then the Conversion Price in effect (in a case within 5.3.5.1 above) on the record date for the determination of shareholders entitled to receive such rights or (in a case within 5.3.5.2 above) on the date the Company fixes the said consideration shall be adjusted in accordance with the following formula:

$$NCP = OCP \times [(N + v)/(N + n)]$$

where:

NCP = the Conversion Price after such adjustment.

OCP = the Conversion Price before such adjustment.

N = the number of Shares outstanding at the close of business in India (in a case within 5.3.5.1 above) on such record date or (in a case within 5.3.5.2 above) on the date the Company fixes the said consideration.

n = the number of Shares initially to be issued upon exercise of such rights at the said consideration being (aa) the number of Shares which underwriters have agreed to underwrite as referred to below or, as the case may be, (bb) the number of Shares for which applications are received from shareholders as referred to below save to the extent already adjusted for under (aa).

v = the number of Shares which the aggregate consideration receivable by the Company (determined as provided in Condition 5.3.16) would purchase at such Current Market Price per Share specified in 5.3.5.1 or, as the case may be, 5.3.5.2 above.

Effective date of adjustment: Subject as provided below, such adjustment shall become effective immediately after the latest date for the submission of applications for such Shares by shareholders entitled to the same pursuant to such rights or (if later) immediately after the Company fixes the said consideration but retroactively to immediately after the record date mentioned above.

Rights not taken up by Shareholders: If, in connection with a grant, issue or offer to the holders of Shares of rights entitling them to subscribe for or purchase Shares, any Shares which are not subscribed for or purchased by the persons entitled thereto are underwritten by other persons prior to the latest date for the submission of applications for such Shares, an adjustment shall be made to the Conversion Price in accordance with the above provisions which shall become effective immediately after the date the underwriters agree to underwrite the same or (if later) immediately after the Company fixes the said consideration but retroactively to immediately after the record date

mentioned above.

If, in connection with a grant, issue or offer to the holders of Shares of rights entitling them to subscribe for or purchase Shares, any such Shares which are not subscribed for or purchased by the underwriters who have agreed to underwrite as referred to above or by the shareholders entitled thereto (or persons to whom shareholders have transferred such rights) who have submitted applications for such Shares as referred to above are offered to and/or subscribed by others, no further adjustment shall be made to the Conversion Price by reason of such offer and/ or subscription.

5.3.6 Warrants issued to Shareholders:

Adjustment: If the Company shall grant, issue, or offer to the holders of Shares warrants entitling them to subscribe for or purchase Shares:

5.3.6.1 at a consideration per Share receivable by the Company (determined as provided in Condition 5.3.16) which is fixed on or prior to the record date for the determination of shareholders entitled to receive such warrants and is less than the Current Market Price per Share at such record date; or

5.3.6.2 at a consideration per Share receivable by the Company which is fixed after the record date mentioned above and is less than the Current Market Price per Share on the date the Company fixes the said consideration,

then the Conversion Price in effect (in a case within 5.3.6.1 above) on the record date for the determination of shareholders entitled to receive such warrants or (in a case within 5.3.6.2 above) on the date the Company fixes the said consideration shall be adjusted in accordance with the following formula:

$$NCP = OCP \times [(N + v)/(N + n)]$$

where:

NCP and OCP have the meanings ascribed thereto in Condition 5.3.5.

N = the number of Shares outstanding (having regard to Condition 5.3.17) at the close of business in India (in a case within 5.3.6.1 above) on such record date or (in a case within 5.3.6.2 above) on the date the Company fixes the said consideration.

n = the number of Shares to be issued upon exercise of such warrants at the said consideration which, where no applications by shareholders entitled to such warrants are required, shall be based on the number of warrants issued. Where applications by shareholders entitled to such warrants are required, the number of such Shares shall be calculated based upon (aa) the number of warrants which underwriters have agreed to underwrite as referred to below or, as the case may be, (bb) the number of warrants for which applications are received from shareholders as referred to below save to the extent already adjusted for under (aa).

v = the number of Shares which the aggregate consideration receivable by the Company (determined as provided in Condition 5.3.16) would purchase at such Current Market Price per Share specified in 5.3.6.1 or, as the case may be, 5.3.6.2) above.

Effective date of adjustment: Subject as provided below, such adjustment shall become effective (i) where no applications for such warrants are required from shareholders entitled to the same, upon their issue and (ii) where applications by shareholders entitled to the same are required as aforesaid, immediately after the latest date for the submission of such applications or (if later) immediately after

the Company fixes the said consideration but in all cases retroactively to immediately after the record date mentioned above.

Warrants not subscribed for by Shareholders: If, in connection with a grant, issue or offer to the holders of Shares of warrants entitling them to subscribe for or purchase Shares in the circumstances described in Conditions 5.3.6.1 and 5.3.6.2, any warrants which are not subscribed for or purchased by the shareholders entitled thereto are underwritten by others prior to the latest date for the submission of applications for such warrants, an adjustment shall be made to the Conversion Price in accordance with the above provisions which shall become effective immediately after the date the underwriters agree to underwrite the same or (if later) immediately after the Company fixes the said consideration but retroactively to immediately after the record date mentioned above.

If, in connection with a grant, issue or offer to the holders of Shares of warrants entitling them to subscribe for or purchase Shares, any warrants which are not subscribed for or purchased by the underwriters who have agreed to underwrite as referred to above or by the shareholders entitled thereto (or persons to whom shareholders have transferred the right to purchase such warrants) who have submitted applications for such warrants as referred to above are offered to and/or subscribed by others, no further adjustment shall be made to the Conversion Price by reason of such offer and/or subscription.

5.3.7 Issues of rights or warrants for equity related Bonds to Shareholders:

Adjustment: If the Company shall grant, issue, or offer to the holders of Shares rights or warrants entitling them to subscribe for or purchase any Bonds convertible into or exchangeable for Shares:

5.3.7.1 at a consideration per Share receivable by the Company (determined as provided in Condition 5.3.16) which is fixed on or prior to the record date mentioned below and is less than the Current Market Price per Share at such record date; or

5.3.7.2 at a consideration per Share receivable by the Company (determined as aforesaid) which is fixed after the record date mentioned below and is less than the Current Market Price per Share on the date the Company fixes the said consideration,

then the Conversion Price in effect (in a case within 5.3.7.1 above) on the record date for the determination of shareholders entitled to receive such rights or warrants or (in a case within 5.3.7.2 above) on the date the Company fixes the said consideration shall be adjusted in accordance with the following formula:

$$NCP = OCP \times \frac{(N + v)}{(N + n)}$$

where:

NCP and OCP have the meanings ascribed thereto in Condition 5.3.5.

N = the number of Shares outstanding (having regard to Condition 5.3.17) at the close of business in India (in a case within 5.3.7.1 above) on such record date or (in a case within 5.3.7.2 above) on the date the Company fixes the said consideration.

n = the number of Shares initially to be issued upon exercise of such rights or warrants and conversion or exchange of such convertible or exchangeable Bonds at the said consideration being, in the case of rights, (aa) the number of Shares initially to be issued upon conversion or exchange of the number of such convertible or exchangeable Bonds which the underwriters have agreed to underwrite as referred to below or, as the case may be, (bb) the number of Shares initially to be issued upon conversion or exchange of the number of such convertible or exchangeable Bonds for which applications are received from shareholders as referred to below save to the extent already adjusted

for under (aa) and which, in the case of warrants, where no applications by shareholders entitled to such warrants are required, shall be based on the number of warrants issued. Where applications by shareholders entitled to such warrants are required, the number of such Shares shall be calculated based upon (aa) the number of warrants which underwriters have agreed to underwrite as referred to below or, as the case may be, (bb) the number of warrants for which applications are received from shareholders as referred to below save to the extent already adjusted for under (aa).

v = the number of Shares which the aggregate consideration receivable by the Company (determined as provided in Condition 5.3.16) would purchase at such Current Market Price per Share specified in 5.3.7.1 or, as the case may be, 5.3.7.2 above.

Effective date of adjustment: Subject as provided below, such adjustment shall become effective (a) where no applications for such warrants are required from shareholders entitled to the same, upon their issue and (b) where applications by shareholders entitled to the warrants are required as aforesaid and in the case of convertible or exchangeable Bonds by shareholders entitled to the same pursuant to such rights, immediately after the latest date for the submission of such applications or (if later) immediately after the Company fixes the said consideration; but in all cases retroactively to immediately after the record date mentioned above.

Rights or warrants not taken up by Shareholders: If, in connection with a grant, issue or offer to the holders of Shares of rights or warrants entitling them to subscribe for or purchase Bonds convertible into or exchangeable for Shares in the circumstances described in this Condition 5.3.7, any convertible or exchangeable Bonds or warrants which are not subscribed for or purchased by the shareholders entitled thereto are underwritten by others prior to the latest date for the submission of applications for such convertible or exchangeable Bonds or warrants, an adjustment shall be made to the Conversion Price in accordance with the above provisions which shall become effective immediately after the date the underwriters agree to underwrite the same or (if later) immediately after the Company fixes the said consideration but retroactively to immediately after the record date mentioned above.

If, in connection with a grant, issue or offer to the holders of Shares of rights or warrants entitling them to subscribe for or purchase Bonds convertible into or exchangeable for Shares, any convertible or exchangeable Bonds or warrants which are not subscribed for or purchased by the underwriters who have agreed to underwrite as referred to above or by the shareholders entitled thereto (or persons to whom shareholders have transferred such rights or the right to purchase such warrants) who have submitted applications for such convertible or exchangeable Bonds or warrants as referred to above are offered to and/or subscribed by others, no further adjustment shall be made to the Conversion Price by reason of such offer and/ or subscription.

5.3.8 Other distributions to Shareholders:

Adjustment: If the Company shall distribute to the holders of Shares evidences of its indebtedness, or shares of capital stock of the Company (other than Shares), or assets (including any dividends in cash) or rights or warrants to subscribe for or purchase Shares or Bonds (excluding those rights and warrants referred to in Conditions 5.3.5, 5.3.6 and 5.3.7 above), then the Conversion Price in effect on the record date for the determination of shareholders entitled to receive such distribution shall be adjusted in accordance with the following formula:

$$NCP = OCP \times [(CMP - fmv)/CMP]$$

where:

NCP and OCP have the meanings ascribed thereto in Condition 5.3.5.

CMP = the Current Market Price per Share on the record date for the determination of shareholders entitled to receive such distribution.

fmv = the fair market value (as determined by the Company or, if pursuant to applicable law of India such determination is to be made by application to a court of competent jurisdiction, as determined by such court or by an appraiser appointed by such court) of the portion of the evidences of indebtedness, equity share capital shares of capital stock, assets (including cash), rights or warrants so distributed applicable to one Share less any consideration payable for the same by the relevant Shareholder.

In making a determination of the fair market value of any such evidences of indebtedness, shares of capital stock, assets (other than cash), rights or warrants, the Company shall consult an Independent Financial Institution (as defined herein) and shall take fully into account the advice received from such institution.

Effective date of adjustment: Such adjustment shall become effective immediately after the record date for the determination of shareholders entitled to receive such distribution. Provided that (a) in the case of such a distribution which must, under applicable law of India, be submitted for approval to a general meeting of shareholders or be approved by a meeting of the Board before such distribution may legally be made and is so approved after the record date fixed for the determination of shareholders entitled to receive such distribution, such adjustment shall, immediately upon such approval being given by such meeting, become effective retroactively to immediately after such record date and (b) if the fair market value of the evidences of indebtedness, shares of capital stock, assets, rights or warrants so distributed cannot be determined until after the record date fixed for the determination of shareholders entitled to receive such distribution, such adjustment shall, immediately upon such fair market value being determined, become effective retroactively to immediately after such record date.

5.3.9 Issue of convertible or exchangeable Bonds other than to Shareholders or on exercise of warrants:

Adjustment: If the Company shall issue any Bonds convertible into or exchangeable for Shares (other than the Bonds, or in any of the circumstances described in Conditions 5.3.7 and 5.3.9 or grant such rights in respect of any existing Bonds and the consideration per Share receivable by the Company (determined as provided in Condition 5.3.16) shall be less than the Current Market Price per Share on the date in India on which the Company fixes the said consideration (or, if the issue of such Bonds is subject to approval by a general meeting of shareholders, on the date on which the Board fixes the consideration to be recommended at such meeting), then the Conversion Price in effect immediately prior to the date of issue of such convertible or exchangeable Bonds shall be adjusted in accordance with the following formula:

$$NCP = OCP \times [(N + v)/(N + n)]$$

where:

NCP and OCP have the meanings ascribed thereto in Conditions 5.3.5.

N = the number of Shares outstanding (having regard to Condition 5.3.17) at the close of business in India on the day immediately prior to the date of such issue.

n = the number of Shares to be issued upon conversion or exchange of such convertible or exchangeable Bonds at the initial conversion or exchange price or rate.

v = the number of Shares which the aggregate consideration receivable by the Company would purchase at such Current Market Price per Share.

Effective date of adjustment: Such adjustment shall become effective as of the calendar day in India corresponding to the calendar day at the place of issue on which such convertible or exchangeable Bonds are issued.

5.3.10 Other issues of Shares:

Adjustment: If the Company shall issue any Shares other than Shares issued upon conversion or exchange of any convertible or exchangeable Bonds (including the Bonds) already issued by the Company or upon exercise of any rights or warrants granted, offered or issued by the Company or in any of the circumstances described in Conditions 5.3.1 and 5.3.2 or issued to shareholders of any company which merges with the Company in proportion to their shareholdings in such company immediately prior to such merger, upon such merger but including Shares issued under any employee dividend or profit-sharing arrangements for a consideration per Share receivable by the Company (determined as provided in Condition 5.3.16) less than the Current Market Price per Share on the date in India on which the Company fixes the said consideration (or, if the issue of such Shares is subject to approval by a general meeting of shareholders, on the date on which the Board fixes the consideration to be recommended at such meeting), then the Conversion Price in effect immediately prior to the issue of such additional Shares shall be adjusted in accordance with the following formula:

$$NCP = OCP \times [(N + v)/(N + n)]$$

where:

NCP and OCP have the meanings ascribed thereto in Condition 5.3.5.

N = the number of Shares outstanding (having regard to Condition 5.3.17) at the close of business in India on the day immediately prior to the date of issue of such additional Shares.

n = the number of additional Shares issued as aforesaid.

v = the number of Shares which the aggregate consideration receivable by the Company (determined as provided in Condition 5.3.16) would purchase at such Current Market Price per Share.

Effective date of adjustment: Such adjustment shall become effective as of the calendar day in India of the issue of such additional Shares.

5.3.11 Issue of equity related Bonds:

Adjustment: If the Company shall grant, issue or offer options, warrants or rights (excluding those rights and warrants referred to in Conditions 5.3.5 to 5.3.7) to subscribe for or purchase Shares or Bonds convertible into or exchangeable for Shares and the consideration per Share receivable by the Company (determined as provided in Condition 5.3.16) shall be less than the Current Market Price per Share on the date in India on which the Company fixes the said consideration (or, if the offer, grant or issue of such rights, options or warrants is subject to approval by a general meeting of shareholders, on the date on which the Board fixes the consideration to be recommended at such meeting), then the Conversion Price in effect immediately prior to the date of the offer, grant or issue of such rights, options or warrants shall be adjusted in accordance with the following formula:

$$NCP = OCP \times [(N + v)/(N + n)]$$

where:

NCP and OCP have the meanings ascribed thereto in Condition 5.3.5

N = the number of Shares outstanding (having regard to Condition 5.3.16) at the close of business in India on the day immediately prior to the date of such issue.

n = the number of Shares to be issued on exercise of such rights or warrants and (if applicable) conversion or exchange of such convertible or exchangeable Bonds at the said consideration.

v = the number of Shares which the aggregate consideration receivable by the Company (determined as provided in Condition 5.3.16) would purchase at such Current Market Price per Share.

Effective date of adjustment: Such adjustment shall become effective as of the calendar day in India corresponding to the calendar day at the place of issue on which such rights or warrants are issued.

5.3.12 Tender or Exchange Offer:

In case a tender or exchange offer made by the Company or any subsidiary of the Company for all or any portion of the Shares shall expire and such tender or exchange offer shall involve the payment by the Company or such subsidiary of consideration per Share having a Fair Market Value (as determined by the Board, whose determination shall, if made in good faith, be conclusive) at the last time (the "Expiration Date") tenders or exchanges could have been made pursuant to such tender or exchange offer (as it shall have been amended) that exceeds the Current Market Price per Share, as of the Expiration Date, the Conversion Price shall be adjusted in accordance with the following formula:

$$NCP = OCP \times [(N \times M) / a + [(N-n) \times M]]$$

where:

NCP and OCP have the meanings ascribed thereto in Condition 5.3.5 above.

N = the number of Shares outstanding (including any tendered or exchanged Shares) on the Expiration Date.

M = Current Market Price per Share as of the Expiration Date.

a = the Fair Market Value of the aggregate consideration payable to the holders of Shares based on the acceptance (up to a maximum specified in terms of the tender or exchange offer) of all Shares validly tendered or exchanged and not withdrawn as of the Expiration Date (the Shares deemed so accepted up to any such maximum, being referred to as the "Purchased Shares").

n = the number of Purchased Shares.

Such reduction to become retroactively effective immediately prior to the opening of business on the day following the Expiration Date.

If the Company is obligated to purchase Shares pursuant to any such tender or exchange offer, but the Company is permanently prevented by applicable law from effecting any such purchase or all such purchases are rescinded, the Conversion Price shall again be adjusted to be the Conversion Price which would then be in effect if such tender or exchange offer had not been made.

"Fair Market Value" means the price that could be negotiated in an arm's length free market transaction for cash between a willing buyer and a willing seller neither of which is under pressure or compulsion to complete the transaction.

5.3.13 Analogous events and modifications:

If (a) the rights of conversion or exchange, purchase or subscription attaching to any options, rights or warrants to subscribe for or purchase Shares or any Bonds convertible into or exchangeable for, or which carry rights to subscribe for or purchase shares are modified (other than pursuant to and as provided in the terms and conditions of such options, rights, warrants or Bonds) or (b) the Company determines that any other event or circumstance has occurred which has or would have an effect on the position of the Bondholders as a class compared with the position of the holders of all the Bonds (and options and rights relating thereto) of the Company, taken as a class which is analogous to any of the events referred to in Conditions 5.3.1 to 5.3.12, then, in any such case, the Company shall promptly notify the Principle Paying Agent thereof in writing and consult with an Independent Financial Institution, not being a shareholder or Bondholder as to what adjustment, if any, should be made to the Conversion Price to preserve the value of the Conversion Right of Bondholders and will make any such adjustment.

5.3.14 Simultaneous issues of different classes of Shares:

In the event of simultaneous issues of two or more classes of share capital comprising Shares or rights or warrants in respect of, or Bonds convertible into or exchangeable for, two or more classes of share capital comprising Shares, then, for the purposes of this Condition, the formula:

$$NCP = OCP \times [(N + v)/(N + n)]$$

shall be restated as:

$$NCP = OCP \times [(N + v1 + v2 + v3)/(N + n1 + n2 + n3)]$$

where v1 and n1 shall have the same meanings as “v” and “n” but by reference to one class of Shares, v2 and n2 shall have the same meanings as “v” and “n” but by reference to a second class of Shares, v3 and n3 shall have the same meanings as “v” and “n” but by reference to a third class of Shares and so on.

5.3.15 Current Market Price per Share:

For the purposes of these Conditions, the “Current Market Price” per Share on any date means the lower of:

- i) the Conversion Price prevailing on such date plus the premium so determined so as to give a YTM of 5.32% till such date on the Conversion Price prevailing on such date; or
- ii) the average of the daily closing prices (as defined below) of the relevant Shares for the 30 consecutive Trading Days (as defined below) before such date.

If the Company has more than one class of share capital comprising Shares, then the relevant Current Market Price for Shares shall be the price for that class of Shares the issue of which (or of rights or warrants in respect of, or Bonds convertible into or exchangeable for, that class of Shares) gives rise to the adjustment in question.

If during the said 30 Trading Days or any period thereafter up to but excluding the date as of which the adjustment of the Conversion Price in question shall be effected, any event (other than the event which requires the adjustment in question) shall occur which gives rise to a separate adjustment to the Conversion Price under the provisions of these Conditions, then the Current Market Price as determined above shall be adjusted in such manner and to such extent as an Independent Financial Institution shall in its absolute discretion deem appropriate and fair to compensate for the effect thereof.

For the purposes of these Conditions:

the “Closing Price” of the Shares for each Trading Day shall be the last reported transaction price of the Shares on the BSE for such day or, if no transaction takes place on such day, the average of the closing bid and offered prices of Shares for such day as furnished by a leading independent Bonds firm licensed to trade on the BSE selected from time to time by the Company and notified to the Principle Paying Agent in writing for the purpose; and

“Trading Day” means any day of the week during which the BSE is open for business, but does not include a day when (a) no such last transaction price or closing bid and offered prices is/are reported and (b) (if the Shares are not listed or admitted to trading on such exchange) no such closing bid and offered prices are furnished as aforesaid. If the Shares are no longer listed on the BSE and have been listed on another stock exchange as required by Condition 12.4, references in the above definitions to the BSE will be taken as references to that stock exchange.

5.3.16 Consideration receivable by the Company:

For the purposes of any calculation of the consideration receivable by the Company pursuant to Conditions 5.3.5 to 5.3.7 and 5.3.9 to 5.3.11 and 5.3.14 above, the following provisions shall be applicable:

- 5.3.16.1 in the case of the issue of Shares for cash, the consideration shall be the amount of such cash, provided that in no such case shall any deduction be made for any commissions or any expenses paid or incurred by the Company for any underwriting of the issue or otherwise in connection therewith;
- 5.3.16.2 in the case of the issue of Shares for a consideration in whole or in part other than cash, the consideration other than cash shall be deemed to be the fair value thereof as determined by the Company (and in making such determination the Company shall consult an Independent Financial Institution and shall take fully into account the advice received from institution) or, if pursuant to applicable law of India such determination is to be made by application to a court of competent jurisdiction, as determined by such court or an appraiser appointed by such court, irrespective of the accounting treatment thereof;
- 5.3.16.3 in the case of the issue (whether initially or upon the exercise of rights or warrants) of Bonds convertible into or exchangeable for Shares, the aggregate consideration receivable by the Company shall be deemed to be the consideration received by the Company for such Bonds and (if applicable) rights or warrants plus the additional consideration (if any) to be received by the Company upon (and assuming) the conversion or exchange of such Bonds at the initial conversion or exchange price or rate and (if applicable) the exercise of such rights or warrants at the initial subscription or purchase price (the consideration in each case to be determined in the same manner as provided in this Condition 5.3.16) and the consideration per Share receivable by the Company shall be such aggregate consideration divided by the number of Shares to be issued upon (and assuming) such conversion or exchange at the initial conversion or exchange price or rate and (if applicable) the exercise of such rights or warrants at the initial subscription or purchase price;
- 5.3.16.4 in the case of the issue of rights or warrants to subscribe for or purchase Shares, the aggregate consideration receivable by the Company shall be deemed to be the consideration received by the Company for any such rights or warrants plus the additional consideration to be received by the Company upon (and assuming) the exercise of such rights or warrants at the initial subscription or purchase price (the consideration in each case to be determined in the same manner as provided in this Condition 5.3.16) and the

consideration per Share receivable by the Company shall be such aggregate consideration divided by the number of Shares to be issued upon (and assuming) the exercise of such rights or warrants at the initial subscription or purchase price;

5.3.16.5 if any of the consideration referred to in any of the preceding paragraphs of this Condition 5.3.16 is receivable in a currency other than Rupees, such consideration shall (in any case where there is a fixed rate of exchange between Rupees and the relevant currency for the purposes of the issue of the Shares, the conversion or exchange of such Bonds or the exercise of such rights or warrants) be translated into Rupees for the purposes of this Condition 5.3.16 at such fixed rate of exchange and shall (in all other cases) be translated into Rupees at the mean of the exchange rate quotations (being quotations for the cross rate through US dollars if no direct rate is quoted) by a leading bank in India for buying and selling spot units of the relevant currency by telegraphic transfer against Rupees on the date as of which the said consideration is required to be calculated as aforesaid; and

5.3.16.6 in the case of the issue of Shares (including, without limitation, to employees under any employee bonus or profit sharing arrangements) credited as fully paid out of retained earnings or capitalisation of reserves at their par value, the aggregate consideration receivable by the Company shall be deemed to be zero (and accordingly the number of Shares which such aggregate consideration receivable by the Company could purchase at the relevant Current Market Price per Share shall also be deemed to be zero).

5.3.17 Cumulative adjustments:

If, at the time of computing an adjustment (the “**later adjustment**”) of the Conversion Price, the Conversion Price already incorporates an adjustment made (or taken or to be taken into account pursuant to the proviso to Condition 5.3.18) to reflect an issue of Shares or of Bonds convertible into or exchangeable for Shares or of rights or warrants to subscribe for or purchase Shares or Bonds, to the extent that the number of such Shares or Bonds taken into account for the purposes of calculating such adjustment exceeds the number of such Shares in issue at the time relevant for ascertaining the number of outstanding Shares for the purposes of computing the later adjustment, such excess Shares shall be deemed to be outstanding for the purposes of making such computation.

5.3.18 Minor adjustments:

No adjustment of the Conversion Price shall be required if the adjustment would be less than 1% of the Conversion Price then in effect; provided that any adjustment which by reason of this Condition 5.3.18 is not required to be made shall be carried forward and taken into account (as if such adjustment had been made at the time when it would have been made but for the provisions of this Condition 5.3.18) in any subsequent adjustment. All calculations under this Condition 5.3.18 shall be made to the nearest Rs.1. Except as otherwise set out in Condition 5.3.19, the Conversion Price may be reduced at any time by the Company.

5.3.19 Minimum Conversion Price:

Notwithstanding the provisions of this Condition, the Company covenants that Conversion Price shall not be reduced below the par value of the Shares (Rs.1 at the date hereof) as a result of any adjustment made hereunder unless under applicable law then in effect the Bonds may be converted at such reduced Conversion Price into legally issued, fully-paid and non-assessable Shares.

5.3.20 Employee share scheme:

No adjustment shall be required to the Conversion Price where Shares or other Bonds or options, rights or warrants for shares or other Bonds, are issued, offered, allotted, appropriated, modified or

granted to employees (including directors) or former employees of the Company or persons related to such employees (including directors) or former employees, directly or indirectly, pursuant to any employee share scheme generally or as required by law.

5.3.21 Reference to fixed:

Any references herein to the date on which a consideration is “fixed” shall, where the consideration is originally expressed by reference to a formula which cannot be expressed as an actual cash amount until a later date, be construed as a reference to the first day on which such actual cash amount can be ascertained.

5.3.22 Whenever the Conversion Price is adjusted as herein provided the Company shall compute the adjusted Conversion Price in accordance with Condition 5.3 and shall prepare a certificate signed by two directors of the Company setting forth the Conversion Price before adjustment, the adjusted Conversion Price including reference to which provision in Condition 5.3 has been triggered, the effective date of such adjustment and certifying that such adjustment is permitted under the prevailing applicable Indian laws and regulations and showing in reasonable detail the facts upon which such adjustment is based, and such certificate shall forthwith be delivered to the Principle Paying Agent and the Agents and will be notified to Bondholders at least ten Business Days in advance of the effective date of such adjustment.

5.3.23 Principle Paying Agent and Agents not obliged to monitor:

The Principle Paying Agent and the Agents shall not be under any duty to monitor whether any event or circumstance has happened or exists within this Condition 5 and shall assume no such event has occurred until it has express written notice from the Company of such event and will not be responsible to the Bondholders or any other person for any loss arising from any such assumption or any failure by it to monitor.

The Initial Conversion Price will be subject to adjustment in accordance with the provisions of this Condition 5.3. If the Company fails to notify the Agents of the Conversion Price or any adjustments to it in accordance with Condition 5.3.22, the Principal Paying and Conversion Agent shall have no duty to apply the adjusted Conversion Price or to convert the Bonds and shall not be liable to any person for such failure to do so. If the Company fails to notify the Principle Paying Agent of the Conversion Price or any adjustments to it in accordance with Condition 5.3.22, the Principle Paying Agent shall have no liability to any person for any of its actions or omissions under this Condition 5.

5.3.24 No adjustment for conversion of the Bonds:

No adjustment of the Conversion Price shall be required as a result of the conversion of any of the Bonds.

5.3.25 Principle Paying Agent, Agents and Lead Manager Not Liable

None of the Principle Paying Agent, the Agents and the lead manager appointed by the Company for the purpose of issuance of the Bonds (the “Lead Manager”) shall be responsible for any failure of the Company to make such payment or to issue, transfer or deliver any Shares or other Bonds or property upon the surrender of any Bond for conversion and none of the Principle Paying Agent, the Agents and the Lead Manager shall be responsible for or liable to any Bondholder or any other person for any failure of the Company to comply with any of the Company’s covenants in relation to conversion or any of the Company’s actions or omissions under this Condition 5.

Neither the Principle Paying Agent nor any of the Agents shall be responsible or liable to the Bondholders or any other person for the selection of any Independent Financial Institution made by

the Company or for any acts, decisions, or omissions of the Company as a result of any determination, calculation or advice provided by such Independent Financial Institution.

5.3.26 **Independent Financial Institution**

For the purposes of these Conditions, “**Independent Financial Institution**” means an independent investment company or a commercial bank or a chartered accountant firm of international repute in either case, not being a shareholder or a Bondholder and selected by the Company and notified in writing to the Principle Paying Agent. All costs, charges, liabilities, and expenses incurred in connection with the appointment, retention, consultation, and remuneration of any Independent Financial Institution appointed under these Conditions shall be borne by the Company.

- 5.3.27 Whenever the Conversion Price is adjusted in accordance with Condition 5.3, the Company, so long as the Bonds are listed on the AFRINEX , Mauritius and the rules of the AFRINEX Securities List so require, will also publish a notice via website of the AFRINEX, Mauritius of such adjustment to the Conversion Price at least ten Business Days in advance of the effective date of such adjustment.

5.4 **Procedure for Conversion**

- 5.4.1 A Conversion Right may be exercised by a Bondholder delivering at its own expense the relevant Certificate, if applicable, to the specified office of any of the Conversion Agents between 9:00 am and 3:00 p.m. (local time on any business day in such place) during the Conversion Period, accompanied by a duly completed and signed notice of conversion (a "Conversion Notice") in duplicate and in the form (for the time being) obtainable from the specified office of any of the Agents together with the representation by the Bondholder, in the Conversion Notice, that it is not a U.S. person or located in the United States (within the meaning of Regulation S under the Securities Act of 1933 of the United States, as amended) and any certificates and other documents as may be required under the laws of the Republic of India and the jurisdiction in which the specified office of such Conversion Agent is located. The Conversion Agent may reject any incomplete or incorrect Conversion Notice or any Conversion Notice that is not accompanied by any relevant Certificates in respect thereof.

Conversion Rights shall be exercised subject in each case to any applicable fiscal or other laws or regulations applicable in the jurisdiction in which the specified office of the relevant Conversion Agent to which the relevant Conversion Notice is delivered is located. A Conversion Notice deposited outside the hours specified above or on a day which is not a business day at the place of the specified office of the relevant Conversion Agent shall for all purposes be deemed to have been deposited with that Conversion Agent between 9:00 a.m. and 3:00 p.m. local time on the next business day. Bondholders that deposit a Conversion Notice during a Closed Period will not be permitted to convert their Bonds into Shares until the next business day following the last day of that Closed Period, which (if all other conditions to conversion have been fulfilled) will be the Conversion Date for such Bonds. The price at which such Bonds will be converted will be the Conversion Price in effect on such Conversion Date.

- 5.4.2 The conversion date in respect of a Bond (the “Conversion Date”) shall be the Business Day immediately following the date of receipt of a Conversion Notice and other applicable documents. A Conversion Notice once delivered shall be irrevocable and cannot be withdrawn and the relevant Bond the subject of such Conversion Notice shall be cancelled by the Principal Paying and Conversion Agent on the Conversion Date in accordance with the Agency Agreement.
- 5.4.3 A Bondholder delivering a Conversion Notice must pay any taxes and capital, stamp, issue and registration duties arising on conversion (other than any taxes or capital duties or stamp duties payable by the Company in respect of the allotment and issue of Shares on conversion) and such Bondholder shall pay all, if any, taxes arising by reference to any disposal of a Bond in connection

with such conversion. The Company will pay all other expenses arising on the issue of Shares on conversion of the Bonds and all charges of the Agents and the share transfer agent for the Shares in connection with conversion.

- 5.4.4 Any Bondholder exercising the Conversion Right must provide the relevant Conversion Agent and the Company with the certificate of payment of the relevant tax authorities or certify to the Principal Paying and Conversion Agent in the Conversion Notice that such Bondholder has paid or will pay taxes to the relevant authorities. None of the Principle Paying Agent nor any of the Conversion Agents shall be under any obligation to determine whether a Bondholder or the Company is liable to make any payment (and the amount of any such payment) under Condition 5.4.3 and shall not be liable for any failure by any Bondholder or the Company to make such payment to the relevant tax authorities. None of the Principle Paying Agent nor any of the Agents shall be concerned with, nor shall any of them be obliged or required to enquire into the sufficiency of any amount paid for this purpose. Furthermore, the Conversion Agent will be relying on the documents provided by the Bondholder in relation to taxation liability and the issuance of Shares on conversion of the Bonds is not a confirmation by the Conversion Agent that any taxation liability has been met and will have no liability whatsoever if the documents were later found to be insufficient.
- 5.4.5 Upon successful exercise by a Bondholder of its Conversion Right pursuant to this Condition 5, the Company will, on or with effect from the relevant Conversion Date, enter the relevant Bondholder or his/their nominee in the register of members of the Company in respect of such number of shares to be issued upon conversion (notwithstanding any retroactive adjustment of the Conversion Price referred to below prior to the time it takes effect) and will as soon as practicable, and in any event within 35 Business Days of the Conversion Date, cause the relevant Bonds account of the Bondholder exercising his Conversion Right for Shares or of his/their nominee, to be credited with such number of relevant shares to be issued upon conversion (notwithstanding any retroactive adjustment of the conversion price referred to below prior to the time it takes effect) and shall further cause the name of concerned Bondholder or its nominee to be registered accordingly, in the record of the depositors, maintained by a depository registered under the 1996 Depositories Act with whom the Company has entered into a depository agreement and subject to any applicable limitations then imposed by Indian law and regulations, shall procure the share transfer agent to, as soon as practicable, and in any event within 35 Business Days of the Conversion Date, despatch or cause to be dispatched to the order of the person named for the purpose in the relevant Conversion Notice at the place and in the manner specified in the relevant Conversion Notice (uninsured and the risk of delivery at any such place being that of the converting Bondholder), in respect of any conversion and such assignments, the documents (if any) as required by law to affect the transfer thereof.

The crediting of the shares to the relevant Bonds account of the converting Bondholder will be deemed to satisfy the Company's obligation to pay the principal and premium (if any) on the Bonds.

Notwithstanding the Conversion Right for each Bondholder in respect of each Bond, if the Company is unable to convert the Bonds into Shares within 35 Business Days after receiving the Conversion Notice, the Company shall have the option to pay to the relevant Bondholder an amount of cash in U.S. dollars equal to the Cash Settlement Amount (as defined below) in order to satisfy such Conversion Right in full or in part (in which case the other part shall be satisfied by the delivery of Shares) (the "Cash Settlement Option"). In order to exercise the Cash Settlement Option, the Company shall give written notice of the exercise of the Cash Settlement Option (the "Cash Settlement Notice") to the relevant Bondholder (with a copy to the Principle Paying Agent and the Principal Paying and Conversion Agent) as soon as practicable but no later than the 34th Business Day after receiving the Conversion Notice (the "Cash Settlement Notice Date"). The Cash Settlement Notice must specify the number of Shares in respect of which the Company will make a cash payment in the manner described in this Condition 5.4.5. The Company shall pay the Cash Settlement Amount along with any other amounts payable by it within [nine] Trading Days directly to the Bondholders following the Cash Settlement Notice Date and shall prompt notify the Principle Paying Agent and the

Principal Paying and Conversion Agent that such payment has been made. If the Company exercises its Cash Settlement Option in respect of Bonds held by more than one Bondholder which are to be converted on the same Conversion Date, the Company shall make the same proportion of cash and Shares available to such converting Bondholders.

"Cash Settlement Amount" means, in respect of the Bonds submitted for conversion by the relevant Bondholder, the US dollar amount equal to the aggregate of (i) the principal amount of such Bonds and (ii) 12 per cent per annum of the principal amount of such Bonds commencing from (and including) the date of the Conversion Notice to (but excluding) the date of payment of the Cash Settlement Amount.

As soon as practicable on or after the relevant Conversion Date, and in any event not later than 35 Business Days following the relevant Conversion Date, the Shares deliverable on conversion of the relevant Bonds shall be allotted by the Company to the Bondholder (or its nominee). The Company shall deliver to the Bondholder a letter certifying such allotment and, pursuant to the provisions of the Agency Agreement, provide confirmation of the allotment of Shares to the Principal Paying and Conversion Agent. With effect from the relevant Conversion Date the Company shall treat the Bondholder (or its nominee) as the holder of relevant number of Shares, which the exercising Bondholder is entitled upon conversion of the relevant Bonds. Immediately after each Conversion Date the Company will ensure that all necessary steps are taken for the due issue of the Shares issuable on conversion of the relevant Bonds. As soon as practicable on or after the relevant Conversion Date and in any event, not later than 35 Business Days after the Conversion Date, the Company will register the Bondholder or its nominee as holder(s) of the relevant number of Shares to be issued on conversion in the Company's share register with effect from the Conversion Date and notify in writing to the Conversion Agent of the said conversion.

If the Conversion Date in relation to any Bond is on or after a date from which an adjustment to the Conversion Price takes retroactive effect pursuant to any of the provisions referred to in Condition 5.3 and the relevant Conversion Date falls on a date when the relevant adjustment has not yet been reflected in the then current Conversion Price, the Company will use its best endeavors to procure that the provisions of this Condition 5.4.5 shall be applied, with appropriate alterations, to such number of Shares ("Additional Shares") as is equal to the excess number of Shares which would have been required to be issued on conversion of such Bond if the relevant retroactive adjustment had been made as at the said Conversion Date and in such event and in respect of such Additional Shares references in this Condition 5.4.5 to the Conversion Date shall be deemed to refer to the date upon which such retroactive adjustment becomes effective (notwithstanding that the date upon which it becomes effective falls after the end of the Conversion Period).

5.4.6 Entitlements

The Shares issued upon conversion of the Bonds will in all respects, subject to listing, rank *pari passu* with the Shares in issue on the relevant Conversion Date (except for any right excluded by mandatory provisions of applicable law) and such Shares shall be entitled to all rights, the record date for which falls on or after such Conversion Date to the same extent as all other fully paid-up shares of the Company in issue as if such Shares had been in issue throughout the period to which such rights relate. A holder of Shares issued on conversion of the Bonds shall not be entitled to any rights the record date for which precedes the relevant Conversion Date.

Shares allotted on conversion will be fully paid and will rank *pari passu* in all respects with the fully paid Shares in issue on the Conversion Date (except for any right excluded by mandatory provisions of law), except that the Shares so allotted will not rank for any dividend or other distribution declared or paid or made by reference to a record date for the payment of a dividend or other distribution with respect to the Shares prior to such Conversion Date.

5.5 Purchase by Company of its own Shares

The Articles of Association, subject to the provisions of the Companies Act, contains authority for the Company to exercise such rights as it may from time to time enjoy to purchase its own Shares without the consent of the Bondholders provided that any such purchase shall have been duly authorised by the Shareholders and is subject to compliance with applicable law.

5.6 Mergers

No consolidation, amalgamation or merger of the Company with any other corporation (other than a consolidation, amalgamation or merger in which the Company is the continuing corporation), or sale or transfer of all, or substantially all, of the assets of the Company shall take place unless the Company shall have notified the Bondholders, the Principle Paying Agent and the Agents of such event in accordance with Condition 19 and the Company and such corporation, entity or person shall have executed a RTA Agreement supplemental to the Agency Agreement (in form and substance satisfactory to the Principle Paying Agent) whereby such corporation, entity or person assumes the obligations of the Company under the RTA Agreement, the Agency Agreement and the Bonds and to ensure that the holder of each Bond then outstanding will have the right (during the period when such Bond shall be convertible) to convert such Bond into the class and amount of shares, cash and other Bonds and property receivable upon such consolidation, amalgamation, merger, sale or transfer by a holder of the number of Shares which would have become liable to be issued upon conversion of such Bond immediately prior to such consolidation, amalgamation, merger, sale or transfer. Such supplemental RTA Agreement will provide for adjustments which will be as nearly equivalent as may be practicable to the adjustments provided for in the foregoing provisions of this Condition 5. The Principle Paying Agent shall be entitled to require from the Company such opinions, consents, documents, and other matters at the expense of the Company in connection with the foregoing as it may consider appropriate. Immediately after giving effect to any such merger, no Event of Default (as defined herein) shall have occurred or be continuing or would result therefrom. The corporation formed by such merger, or the person that acquired such properties and assets, shall expressly agree, among other things, to indemnify each holder of a Bond against any tax, assessment, or governmental charge payable by withholding or deduction thereafter imposed on such holder solely as a consequence of such merger with respect to the payment of principal and premium (if any) on the Bonds.

Such supplemental RTA Agreement shall provide for adjustments which will be as nearly equivalent as may be practicable to the adjustments provided for in the foregoing provisions of Condition 5, except that if the Company is the surviving entity, no supplemental RTA Agreement will need to be executed.

The above provisions of this Condition 5.6 will apply in the same way to any subsequent consolidations, amalgamations, mergers, sales, or transfers.

6 Cancellation

All Bonds redeemed or converted or purchased by the Company pursuant to any of the provisions herein will be cancelled forthwith and may not be reissued or resold and will not be deemed to be outstanding for any of the purposes contained herein. Certificates in respect of all Bonds cancelled will be forwarded to or to the order of the Registrar.

7 Redemption and Repurchase

7.1 Maturity

Unless previously redeemed, converted, or purchased and cancelled as provided herein the Company

will redeem each bond at 100% of its principal amount to such date on 24th July, 2027 (the "Maturity Date") by way of allotment of equivalent number of underlying shares at floor price.

7.2 Redemption for Taxation Reasons

At any time the Company may, having given not less than 30 nor more than 60 days' notice to the Bondholders, the Principle Paying Agent and the Agents (which notice shall be irrevocable), redeem all but not some of the Bonds at their Early Redemption Amount and all amounts due pursuant to Condition 9 on the date fixed for redemption, if (i) the Company provides the Principle Paying Agent with an opinion of an independent legal or tax advisors of recognised international standing immediately prior to the giving of such notice that the Company has or will become obliged to pay additional amounts as provided or referred to in Condition 9 as a result of any change in, or amendment to, the laws or regulations of (1) India or any political subdivision or any authority thereof or therein having power to tax, (2) any jurisdiction from or through which any payment on the Bonds is made, or any political subdivision or authority thereof or therein having the power to tax, or (3) any other jurisdiction in which the Company or any other entity obligated to make any payment on the Bonds is organised or engaged in business for tax purposes or otherwise considered to be resident for tax purposes, or any political subdivision or authority thereof or therein having the power to tax (each of clause (1), (2) and (3) a "Relevant Taxing Jurisdiction"), or any change in the general application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Closing Date, and (ii) such obligation cannot be avoided by the Company taking reasonable measures available to it including, without limitation, changing the jurisdiction from which or through which payments are made, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Company would be obliged to pay such additional amounts were a payment in respect of the Bonds then due and unless at the time such notice is given, such obligation to pay the additional amounts remains in effect. Prior to the giving of any notice of redemption pursuant to this paragraph, the Company shall deliver to the Principle Paying Agent (a) a certificate signed by two directors of the Company stating that the obligation referred to in (i) above cannot be avoided by the Company taking reasonable measures available to it and; (b) an opinion of an independent legal or tax advisors of recognised international standing to the effect that such charge or amendment has occurred (irrespective of whether such amendment or charge is then effective) and the Principle Paying Agent shall accept and rely, without further enquiry on such certificate and opinion whether such certificate or opinion is sufficient and conclusive evidence of the satisfaction of the condition precedent set out in (ii) above in which event it shall be conclusive and binding on the Bondholders and the Principle Paying Agent will not be liable to the Bondholders on accepting the opinion and certificate provided to it by the Company nor any of its actions or omissions undertaken pursuant to this Condition 7.2

Upon expiry of such notice, the Company would be liable to redeem the Bonds at the Early Redemption Amount and all amounts due pursuant to Condition 9 on the date fixed for redemption

Under regulations of the RBI applicable to convertible bonds, the Company will require the prior approval of the RBI before providing notice for or effecting such redemption prior to the Maturity Date. Such approval may or may not be forthcoming.

7.3 Issuer Clean-up Call

At any time the Company may, having given not less than 60 days' notice to the Bondholders (which notice shall be irrevocable), redeem all but not some of the Bonds at their Early Redemption Amount and all amounts due pursuant to Condition 9 on the date fixed for redemption, if outstanding Bonds fall below 10% of the principal amount of the Bonds originally issued.

Under regulations of the RBI applicable to convertible bonds, the Company will require the prior approval of the RBI before providing notice for or effecting such redemption prior to the Maturity Date. Such approval may or may not be forthcoming.

7.4 Repurchase of Bonds in the Event of Delisting

To the extent permitted by applicable law, unless the Bonds have been previously redeemed, repurchased and cancelled or converted, in the event that the Shares cease to be listed or admitted to trading on the BSE and the NSE (a "Delisting"), the Company shall, within 10 Business Days after the Delisting, notify the Bondholders, the Principle Paying Agent and the Agents of such Delisting, and each Bondholder shall have the right (the "Delisting Repurchase Right"), at such Bondholder's option, to require the Company to repurchase all (or any portion of the principal amount thereof which is US\$100,000 or any integral multiples thereof) of such Bondholder's Bonds at a price equal to the Early Redemption Amount and all amounts due pursuant to Condition 9 (the "Delisting Repurchase Price") on the date set by the Company for such repurchase (the "Delisting Repurchase Date"), which shall be not less than 30 days nor more than 60 days following the date on which the Company notifies the Bondholders of the Delisting.

Under regulations of the RBI applicable to convertible bonds, the Company will require the prior approval of the RBI before providing notice for or effecting such redemption prior to the Maturity Date. Such approval may or may not be forthcoming.

7.5 Repurchase of Bonds in the Event of Change of Control

To the extent permitted by applicable law, if a Change of Control, as defined below, occurs with respect to the Company, each Bondholder shall have the right (the "Change of Control Repurchase Right"), at such Bondholder's option, to require the Company to repurchase all (or any portion of the principal amount thereof which is US\$100,000 or any integral multiples thereof) of such Bondholder's Bonds on the date set by the Company for such repurchase (the "Change of Control Repurchase Date"), which shall be not less than 30 days nor more than 60 days following the date on which the Company notifies the Bondholders, the Principle Paying Agent and the Agents of the Change of Control, which notice shall be delivered not later than 10 Business Days after the Company becomes aware of a Change of Control, at a price equal to the Early Redemption Amount and all amounts due pursuant to Condition 9 (the "Change of Control Repurchase Price").

In this Condition:

The term "Control" means the right to appoint and/or remove all or the majority of the members of the Board or other governing body of the Company, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise.

A "Change of Control" occurs when:

- (1) any person or persons (as defined below) acting together acquires Control of the Company if such person or persons does not or do not have, and would not be deemed to have, Control of the Company on the Closing Date;
- (2) the Company consolidates with or merges into or sells or transfers all or substantially all of the Company's assets to any other person, unless the consolidation, merger, sale, or transfer will not result in the other person or persons acquiring Control over the Company or the successor entity; or
- (3) one or more other persons acting together acquire the legal or beneficial ownership of more than 50% of the Company's Voting Stock.

However, a Change of Control will not be deemed to have occurred solely as a result of the issuance or transfer, with the Company's co-operation, of any preferred shares in the Company's capital.

For the purposes of the Change of Control Repurchase Right, a "person" includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state, or agency of a state, in each case whether or not being a separate legal entity. A "person" does not include the Board or any other governing board and does not include the Company's Subsidiaries or affiliates.

For the purposes of this Condition 7.5:

"Voting Stock" means any class or classes of Capital Stock pursuant to which the holders thereof have the general voting power under ordinary circumstances to elect members of the board of directors, managers, or Principle Paying Agents of any person (irrespective of whether or not, at the time, stock of any other class or classes shall have, or might have voting power by reason of the happening of any contingency).

"Capital Stock" means, with respect to any person, any and all shares, ownership interests, participation, or other equivalents (however designated), including all common or ordinary stock and all preferred stock, of such person.

Under regulations of the RBI applicable to convertible bonds, the Company will require the prior approval of the RBI before providing notice for or effecting such redemption prior to the Maturity Date. Such approval may or may not be forthcoming.

7.6 Repurchase of Bonds in the Event of Non-Permitted Conversion Price Adjustment

To the extent permitted by applicable law, unless the Bonds have been previously redeemed, repurchased, cancelled or converted, in the event that an event triggering an adjustment to the Conversion Price occurs and the Company is unable to provide the Principle Paying Agent with a Price Adjustment Opinion as set forth in Condition 3.2 (a "Non-Permitted Conversion Price Adjustment Event"), prior to occurrence of an event triggering an adjustment to Conversion Price, the Company shall, within 10 Business Days after the occurrence of the relevant event triggering such adjustment, notify the Bondholders, the Agents and the Principle Paying Agent of such Non-Permitted Conversion Price Adjustment Event, and each Bondholder shall have the right (the "Non-Permitted Conversion Price Adjustment Event Repurchase Right"), at such Bondholder's option, to require the Company to repurchase all (or any portion of the principal amount thereof which is USD [] or any integral multiples thereof) of such Bondholder's Bonds at a price equal to their Early Redemption Amount and all amounts due pursuant to Condition 9 (the "Non-Permitted Conversion Price Adjustment Event Repurchase Price"), on the date set by the Company for such repurchase (the "Non-Permitted Conversion Price Adjustment Event Repurchase Date"), which shall be not less than 30 days nor more than 60 days following the date on which the Company notifies the Bondholders of the Non-Permitted Conversion Price Adjustment.

Under regulations of the RBI applicable to convertible bonds, the Company will require the prior approval of the RBI before providing notice for or effecting such redemption prior to the Maturity Date. Such approval may or may not be forthcoming.

Applicable Indian regulations stipulating minimum pricing for issues of convertible bonds currently in effect have set a floor price of Rs.100 per share for this issue of Bonds as at the date of issue.

7.7 Repurchase Procedures

Promptly after becoming aware of, and in any event within 10 Business Days after a Delisting or a Change of Control or Non-Permitted Conversion Price Adjustment Event, the Company will deliver to each Bondholder a notice regarding such Delisting Repurchase Right or Change of Control Repurchase Right, as the case may be, which notice shall state, as appropriate:

- a) the Delisting Repurchase Date or the Change of Control Repurchase Date or Non-Permitted Conversion Price Adjustment Event Repurchase Date, as the case may be (each, a "Purchase Date");*
- b) in the case of a Delisting, the date of such Delisting and, briefly, the events causing such Delisting;*
- c) in the case of a Change of Control, the date of such Change of Control and, briefly, the events causing such Change of Control;*
- d) in the case of Non-Permitted Conversion Price Adjustment Event, the date of such Non-Permitted Conversion Price Adjustment Event and, briefly, the events causing such Non-Permitted Conversion Price Adjustment Event;*
- e) the date by which the Bondholder Purchase Notice must be given;*
- f) the Delisting Repurchase Price or the Change of Control Repurchase Price or Non-Permitted Conversion Price Adjustment Event Repurchase Price, as the case may be, and the method by which such amount will be paid;*
- g) the names and addresses of all Paying Agents;*
- h) the current Conversion Price;*
- i) the procedures that Bondholders must follow and the requirements that Bondholders must satisfy in order to exercise the Delisting Repurchase Right or Change of Control Repurchase Right or Non-Permitted Conversion Price Adjustment Event Repurchase Right, as the case may be, or the Conversion Right; and*
- j) that a Bondholder Purchase Notice, once validly given, may not be withdrawn.*

To exercise its right to require the Company to repurchase the Bonds, pursuant to the Delisting Repurchase Right or the Change of Control Repurchase Right or Non-Permitted Conversion Price Adjustment Event Repurchase Right, as the case may be, the Bondholder must deliver a written irrevocable notice of the exercise of such right (a "Bondholder Purchase Notice") to any Paying Agent on any Business Day prior to the close of business at the location of such Paying Agent on such day and which day is not less than 10 Business Days prior to the Purchase Date.

Payment of the Delisting Repurchase Price upon exercise of the Delisting Repurchase Right or payment of the Change of Control Repurchase Price upon exercise of the Change of Control Repurchase Right or payment of the Non-Permitted Conversion Price Adjustment Event Repurchase Price upon exercise of the Non-Permitted Conversion Price Adjustment Event Repurchase Right for any Bond for which a Bondholder Purchase Notice has been delivered is conditional upon (i) the Company obtaining all approvals required by applicable law and (ii) delivery of the Certificate relating to such Bond (together with any necessary endorsements) to any Paying Agent on any Business Day together with the delivery of such Bondholder Purchase Notice. Payment will then be made promptly following the later of the Purchase Date and the time of delivery of such Certificate. So long as the Bonds are listed on AFRINEX, Mauritius and the rules of that stock exchange so require, the Company shall, once in each year in which there has been a partial redemption of the Bonds, cause to be published in a leading newspaper of general circulation in Mauritius and via website of AFRINEX, Mauritius (<https://www.afrinexexchange.com>) which there has been a partial redemption of the Bonds, cause to be published in a leading newspaper of general circulation, a notice specifying the aggregate principal amount of Bonds outstanding and a list of the Bonds drawn for redemption but not surrendered.

Neither the Principle Paying Agent nor any of the Agents shall be required to take any steps to ascertain whether a Delisting or a Change of Control or Non-Permitted Conversion Price Adjustment Event or any events which could lead to the occurrence of a Delisting or a Change of Control or a Non-Permitted Conversion Price Adjustment Event, have occurred and shall assume no such event has

occurred until it has express written notice from the Company of such event and will not be liable to any person for any failure by it to do so.

7.8 Repurchase

The Company may, if permitted under the laws of India, at any time repurchase Bonds. The Company is required to submit to the Registrar for cancellation the Certificates in respect of any Bonds so purchased.

7.9 Early Redemption Amount

“Early Redemption Amount” means an amount equal to 100% of the principal amount of the Bonds to be redeemed plus the Redemption Premium at the relevant date fixed for redemption. “Redemption Premium” means an amount that is determined so that such Redemption Premium represents for each Bondholder a gross yield of 5% per annum (which is identical to the gross yield in the case of redemption at maturity), calculated on the basis of a 360 day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the actual number of days elapsed.

7.10 Redemption Notices

All notices to Bondholders given by or on behalf of the Company pursuant to this Condition will specify the date fixed for redemption, the redemption amount, the Conversion Price as at the date of the relevant notice, the Closing Price of the Shares, and the aggregate principal amount of the Bonds outstanding, in each case, as at the latest practicable date prior to the publication of the notice, all in accordance with Condition 19. Neither the Principle Paying Agent nor any of the Agents shall be under any duty to ascertain whether the requisite approval relating to any early redemption has been obtained.

7.11 Multiple Notices

If more than one notice of redemption is given pursuant to this [Condition 7], the first of each such notice to be given shall prevail.

7.12 Closed Periods

No notice of redemption given under Condition 7 shall be effective if it specifies a date for redemption which falls during a Closed Period or within 15 Business Days immediately after the expiry of any Closed Period. Upon the expiry of any effective notice of redemption, the Company will be bound to redeem the Bonds to which such notice relates at the date fixed for redemption.

8 **Payments; Business Day**

8.1 Subject to Condition 8.9, payments of principal, premium (if any) will be made to the Bondholder, details (including a Bondholder’s registered account and registered address) of which appear on the Register at the close of business on the record date which is 15 calendar days prior to the due date for redemption or payment, on delivery of the Certificate to any Paying Agent.

8.2 Each such payment will be made (i) by transfer to the registered account of the Bondholder or (ii) by US dollar cheque drawn on a bank in New York City mailed to the registered address of the Bondholder if it does not have a registered account (by ordinary uninsured mail and the risk of delivery being that of the Bondholder and at the expense of the Company). Payments will be subject in all cases to any applicable fiscal and other laws and regulations, but without prejudice to the provisions of Condition 9. Payment of principal and premium (if any) will only be made after surrender of the relevant Certificate at the specified office of any of the Agents.

- 8.3 If the amount of principal, premium (if any), which is due on the Bonds on any date is not paid in full, the Registrar will annotate the Register and any Certificates surrendered for payment with a record of the amount of principal, premium (if any) in fact paid and the date of such payment.
- 8.4 When making payments to Bondholders fractions of one cent will be rounded down to the nearest whole cent.
- 8.5 Bondholders will not be entitled to any payment for any delay after the due date in receiving the amount due if, and to the extent that, the due date is not a Business Day, if the Bondholder is late in surrendering its Certificate (if required to do so) or if a cheque mailed in accordance with this Condition arrives or is cleared after the due date for payment.
- 8.6 All payments in respect of the Bonds are subject in all cases to any applicable fiscal or other laws and regulations, but without prejudice to the provisions of Condition 9. No commissions or expenses shall be charged to the Bondholders in respect of such payments by the Company or its agents.
- 8.7 Where payment is to be made by transfer to a registered account, payment instructions (for value the due date or, if that date is not a Business Day, for value the following Business Day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed, (i) on the Business Day on which the relevant Certificate is surrendered at the specified office of any of the Agents or (ii) on the next Business Day following the due date.
- 8.8 No payments of principal by the Company will be made if the requisite approvals of the Reserve Bank of India have not been obtained or any other applicable Indian laws and restrictions have not been complied with, which approvals the Company will use reasonable endeavors to obtain but the Company will not be in default for not making payment if the requisite approvals have not been obtained.
- 8.9 In these conditions "Business Day" means a day on which the clearing banks in London, Mumbai and New York, are open for business and for the purpose of this Condition 8 only, in the case of the surrender of a Certificate, in the place where the Certificate is surrendered.
- 8.10 Subject to compliance with applicable Indian laws and regulations, if the amount of principal, premium (if any) or any other amounts due (including the principal amount and any additional amounts payable under these Conditions) that is due on the Bonds on any date is not paid in full, the Registrar will annotate the Register and any Certificates surrendered for payment with a record of the amount of principal, premium (if any) and any other amounts due, any amounts paid and the date of such payment.

9 Taxation

All payments of principal, premium (if any) in respect of the Bonds by the Company shall be made without deduction of, or withholding for or on account of, any present or future taxes, duties, assessments, or charges imposed by the Government of India of whatever nature imposed or levied by or in India or any political subdivision or any authority thereof or therein having power to tax, unless such deduction or withholding is required by law. In such event, the Company shall pay such additional amounts as may be necessary in order that the net amounts received by the holders of Bonds after such deduction or withholding shall equal the amounts which would have been receivable by them had no such deduction or withholding been required (except that no additional amounts shall be payable in respect of any Bond (i) held by a person resident in India for taxation purposes or (ii) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Directive 2003/48/EC, as amended from time to time or any other Directive implementing the conclusions of the ECOFIN Council Meeting of 26-27 November 2000 on

the taxation of savings income or any other law implementing or complying with or introduced in order to, conform to, such Directive).

10 Prescription

Claims in respect of principal and other sums payable in respect of the Bonds will become prescribed unless made within ten years from the date upon which such payments become due. Neither the Principle Paying Agent nor any Agent will have any responsibility, obligation, or liability with respect to any Bondholders for any amount so prescribed.

11 Undertakings

Whilst any Conversion Right remains exercisable, the Company will:

- 11.1 issue Shares to Bondholders on the exercise of Conversion Rights in accordance with these Conditions and at all times keep available for issue free from pre-emptive rights out of its authorised but unissued capital such number of Shares as would enable the Conversion Rights and all other rights of subscription and exchange for and conversion into Shares to be satisfied in full;
- 11.2 save with the approval of an Extraordinary Resolution of the Bondholders, not issue or pay up any Bonds, in either case by way of capitalisation of profits or reserves, other than (i) by the issue of fully paid Shares to the Shareholders and other holders of Shares in the capital of the Company which by their terms entitle the holders thereof to receive Shares on a capitalisation of profits or reserves or (ii) by the issue of Shares paid up in full out of profits or reserves (in accordance with applicable law) and issued wholly, ignoring fractional entitlements, in lieu of a cash dividend or (iii) by the issue of fully paid equity share capital (other than Shares) to the holders of equity share capital of the same class and other holders of Shares in the capital of the Company which by their terms entitle the holders thereof to receive equity share capital (other than Shares) on a capitalisation of profits or reserves, unless, in any such case, the same gives rise (or would, but for the fact that the adjustment would be less than 1% of the Conversion Price then in effect, give rise) to an adjustment to the Conversion Price;
- 11.3 if any offer is made to all (or as nearly as may be practicable) the Shareholders other than the offeror and/or any associate of the offeror to acquire all or a majority of the issued equity share capital of the Company, or if any person proposes a scheme with regard to such acquisition, give notice in accordance with Condition 19 of such offer or scheme to the Bondholders, the Principle Paying Agent and the Agents at the same time as any notice thereof is sent to its Shareholders (or as soon as practicable thereafter) and such notice to state that details (provided that such details have been provided to the Principal Paying and Conversion Agent by the Company) concerning such offer or scheme may be obtained from the specified offices of the Principal Paying and Conversion Agent and, where such an offer or scheme has been recommended by the Board of Directors of the Company, or where such an offer has become or been declared unconditional in all respects, use all reasonable endeavors to procure that a like offer or scheme is extended to the holders of any Shares issued during the period of the offer or shares arising out of the exercise of the Conversion Rights and/or to the holders of the Bonds;
- 11.4 use its best endeavors to ensure that the Shares issued upon conversion of any Bonds will be admitted to trading on the BSE and will be listed, quoted, or dealt in on any other stock exchange or securities market on which the Shares may then be listed, quoted, or dealt in;
- 11.5 for the above purposes, "Extraordinary Resolution" means a resolution passed at a meeting of the holders of the Bonds duly convened and held in accordance with the provisions of the RTA Agreement by a majority consisting of not less than three quarters of the votes cast thereon;

- 11.6.1 use its best endeavors (a) to obtain and maintain a listing of the Bonds on AFRINEX, Mauritius and (d) if the Company is unable to obtain or maintain such listing, to obtain and maintain a listing for all the Bonds and the Shares issued on the exercise of the Conversion Rights, on an alternate stock exchange where Bonds may be eligible to be listed, as the Company may from time to time (with the prior written consent of the Lead Manager) determine and will forthwith give notice to the Bondholders and the Principle Paying Agent in accordance with Condition 19 below of the listing or delisting of the Shares or the Bonds (as a class) by any of such stock exchanges;
- 11.6.2 pay the expenses of the issue of, and all expenses of obtaining listing for, Shares arising on conversion of the Bonds; and
- 11.6.3 not reduce the Conversion Price below the par value of the Shares of the Company as a result of any adjustment made unless under applicable law then in effect, Bonds may be converted at such reduced Conversion Price into legally issued, fully-paid and non-assessable Shares.

The Company has also given certain other undertakings in the RTA Agreement for the protection of the Conversion Right.

12 **Events of Default**

If any of the following events (an “**Event of Default**”) occurs the Principle Paying Agent at its discretion may (but shall not be obliged to), and if so requested in writing by the holders of not less than 25 percent in principal amount of the Bonds then outstanding or if so directed by an Extraordinary Resolution shall (subject to being prefunded and/or indemnified and/or provided with security by the Bondholders to its satisfaction), give notice to the Company that the Bonds are, and they shall accordingly thereby become, immediately due and repayable at their principal amounts together with the Redemption Premium determined in accordance with Condition 7.9. Provided always that, within 10 Business Days from the date of such notice, any Bondholder may, at its absolute discretion, exercise its Conversion Right in the manner provided in Condition 5. The Conversion Date shall be the Business Day immediately following the date of receipt of the Conversion Notice from such Bondholder. The Company shall register such Bondholder or his/their nominee in the register of members of the Company and credit the securities account of such Bondholder with such number of Shares to be issued upon conversion in accordance with Condition 5.4. The Company shall promptly notify the Principal Paying and Conversion Agent in writing when it has issued and allotted Shares to such Bondholder in respect of a Conversion Notice. Upon the successful exercise of such Bondholder of its Conversion Right and the delivery of such number of Shares by the Company pursuant to Condition 5 so as to satisfy the Conversion Right, the principal amount due and repayable under the notice provided by the Principle Paying Agent to the Company shall be reduced by the principal amount of Bonds for which the Conversion Right has been exercised. Provided always that the Bondholder shall exercise such Conversion Right only where the Company is able to convert the Bonds in Shares and the Cash Settlement Option described in Condition 5.4.5 shall not apply.

- 12.1 if default is made in the payment of principal, premium (if any), due on the Bonds or any of them on the due date (including Cash Settlement Amounts under Condition 5.4.5 where such amount becomes due and payable in circumstances otherwise than exercise of Conversion Option pursuant to EOD under this Condition 12), whether at maturity or on redemption or otherwise, and such default continues for a period of 10 calendar days;
- 12.2 if the Company fails to perform or observe any of its other obligations under the Bonds, these Conditions or the RTA Agreement or if any event occurs or any action is taken or fails to be taken which is (or, but for the provisions of any applicable law, would be) a breach of any of the covenants contained in Condition 12 and (where the Principle Paying Agent may (but is not obliged to do so) in its absolute discretion determine such failure is capable of remedy) in any such case such failure continues for the period of 30 days next following the service on the Company of a notice requiring

the same to be remedied;

- 12.3 the Company or any subsidiary is (or is, or could be, deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend, payment of all or substantially all of (or of a particular type of) its debts, proposes or makes an agreement for the deferral, rescheduling or other readjustment of all or substantially all of (or all of a particular type of) its debts (or of any part which it will or might otherwise be unable to pay when due), proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared or comes into effect in respect of or affecting all or any part of (or of a particular type of) the debts of the Company or any of its proposed subsidiaries, except for the purpose of and followed by a merger (i) in accordance with, and complying with the relevant provisions or (ii) on terms approved by an Extraordinary Resolution of the Bondholders;
- 12.4 if any other present or future indebtedness of the Company or any of its subsidiaries for or in respect of money borrowed or raised becomes (or becomes capable of being declared) due and payable prior to its stated maturity by reason of any default or event of default, or (ii) any such indebtedness is not paid when due or, as the case may be, within any applicable grace period, or (iii) the Company or any of its subsidiaries fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of which one or more of the events mentioned above have occurred equals or exceeds US\$5 million or its equivalent currency against the Indian Rupees as quoted by any independent leading bank of international repute on the day on which amount becomes due and payable or is not paid under any such guarantee or indemnity;
- 12.5 if a distress, attachment, execution, or other legal process is levied, enforced, or sued upon or against any material part of the property, assets, or revenues of the Company or any of its proposed subsidiaries, which is material to the Company and its subsidiaries as a whole, and is not discharged or stayed within 30 days;
- 12.6 if the Company fails to repay borrowed money (i) prior to its stated maturity by reason of an Event of Default (ii) within any applicable grace period originally provided for (iii) amount payable under any present or future guarantee or indemnity, provided that aggregate principal amount of relevant indebtedness exceeds US\$5 million, and default shall be deemed to have been waived or cured if such default is waived or cured;
- 12.7 if any order is made or an effective resolution passed for winding up or an administration order is made in relation to the Company or any of its subsidiaries (save for the purpose of amalgamation, merger, consolidation, reorganization, or other similar arrangements on terms approved by an Extraordinary Resolution of the Bondholders);
- 12.8 if the Company or any of its subsidiaries ceases or threatens to cease to carry on its business;
- 12.9 if an encumbrancer takes possession or an administrative or other receiver is appointed of the whole or any material part of the undertaking or assets of the Company or any of its subsidiaries or if a distress, execution, or any similar proceeding is levied or enforced upon or sued out against any of the chattels or property of the Company or any of its subsidiaries and in any of the foregoing cases is not discharged within 30 days;
- 12.10 if an encumbrancer takes possession or an administrative or other receiver or an administrator is appointed in respect of the whole or any substantial part of the property, assets, or revenues of the Company or any of its subsidiaries (as the case may be) and is not discharged within 30 days. Any step is taken by any person with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or a material part of the assets of the Company or any of its subsidiaries, which is material to the Company and its subsidiaries as a whole; or

- 12.11 if any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of the foregoing paragraphs.

13 Replacement of Bond Certificates

Should any Certificate be lost, stolen, mutilated, defaced, or destroyed it may be replaced at the specified office of any Agent subject to all applicable laws and stock exchange requirements upon payment by the claimant of the expenses, taxes and duties incurred in connection therewith and on such terms as to evidence as to beneficial ownership and indemnity (with or without security) as the Company and such Agent may require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

14 Meetings of Bondholders

The Agency Agreement contains provisions for convening meetings of Bondholders to consider matters affecting their interest, including the modification of any of these Conditions or any provisions of the Agency Agreement. Any such modification may be made if sanctioned by an Extraordinary Resolution. The quorum for any meeting convened to consider an Extraordinary Resolution will be two or more persons holding or representing over 50% in principal amount of the Bonds for the time being outstanding, or at any adjourned meeting two or more persons being or representing Bondholders whatever the principal amount of the Bonds held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to modify the maturity of the Bonds, (ii) to reduce or cancel the principal amount of or premium (if any) on the Bonds, (iii) to change the currency of payment of the Bonds, (iv) to modify or cancel the Conversion Right or shorten the Conversion Period, or (v) to modify the provisions concerning the quorum required at any meeting of Bondholders or the majority required to pass an Extraordinary Resolution, in which case the necessary quorum will be two or more persons holding or representing not less than two-thirds, or at any adjourned meeting two or more persons holding or representing not less than one-third, of the principal amount of the Bonds for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on all Bondholders, whether or not they were present at the meeting at which such resolution was passed and will be conclusive and binding on all future Bondholders. The Agency provides that a written resolution signed by or on behalf of the holders of not less than two-thirds of the aggregate principal amount of Bonds outstanding shall be as valid and effective as a duly passed Extraordinary Resolution.

15 Further issues of Bonds

The Company may from time to time, without the consent of the Bondholders, create and issue further notes, bonds or debentures either having the same terms and conditions in all respects as the outstanding notes, bonds or debentures of any series (including the Bonds) and so that such further notes, bonds or debentures shall be standalone and form a single series with the outstanding notes, bonds or debentures of any series (including the Bonds) or upon such terms as to interest, subordination (if any), premium, conversion, redemption and otherwise as the Company may determine at the time of their issue. Any further notes, bonds or debentures forming a single series with the outstanding notes, bonds, or debentures of any series (including the Bonds) constituted by the Agency Agreement or any deed supplemental to it shall, and any other notes, bonds or debentures may, be constituted by a deed supplemental to the Agency Agreement. The Agency Agreement contains provisions for convening a single meeting of the Bondholders and the holders of notes, bonds, or debentures of other series.

16 Enforcement

At any time after the Bonds become due and payable and amounts in respect thereof remain outstanding, the Principle Paying Agent may, at its discretion and without further notice, institute such proceedings against the Company as it may think fit to enforce the terms of the Agency Agreement and the Bonds, but it will not be bound to take any such proceedings unless (i) it shall have been so directed by an Extraordinary Resolution or so requested in writing by the Bondholders holding not less than 25 percent of the principal amount of the Bonds outstanding and (ii) it shall have been prefunded and/or indemnified and/or provided with security by the Bondholders to its satisfaction. No Bondholder may proceed directly against the Company unless (i) the Principle Paying Agent, having become bound to proceed, fails to do so and such failure shall have continued for a period of 60 days and no direction inconsistent with such written request or Extraordinary Resolution has been given to the Principle Paying Agent during such 60 day period by the holders of a majority in principal amount of the outstanding Bonds or (ii) such action relates to any failure by the Company to issue shares to such Bondholder following delivery of a Conversion Notice.

17 Modifications and Waiver

The Principle Paying Agent may (but shall not be obliged to) agree, without the consent of the Bondholders, to (i) any modification of any of the provisions of the Bonds, the RTA Agreement or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error which is proven to the Principle Paying Agent's satisfaction or in the opinion of the Principle Paying Agent, necessary to comply with mandatory provisions of law or regulation, and (ii) any other modification, and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Bonds, the RTA Agreement or the Agency Agreement which is in the opinion of the Principle Paying Agent not materially prejudicial to the interests of the Bondholders. Any such modification, authorisation, or waiver shall be binding on the Bondholders. The Principle Paying Agent's agreement may be subject to any condition that the Principle Paying Agent requires, including but not limited to obtaining, at the sole expense of the Company, an opinion of any investment bank or legal or other expert satisfactory to the Principle Paying Agent and being prefunded, indemnified and/or provided with security to its satisfaction. If the Principle Paying Agent instructs the Company, any such modification, waiver or authorisation shall be notified by the Company to the holders of the Bonds as soon as practicable thereafter in accordance with Condition 19, and for so long as the Bonds are listed on AFRINEX, Mauritius and the rules of that exchange so require, to AFRINEX, Mauritius. For the purpose of notification to the holders of the Bonds, the Principle Paying Agent is entitled to rely on any information, reports and certifications provided by ACHL, as to details of the Bond holdings and the Accountholders (as defined in the Global Certificate).

18 Entitlement of the Principle Paying Agent

In connection with the exercise of its functions (including but not limited to those in relation to any proposed modification, authorisation or waiver) the Principle Paying Agent shall have regard to the interests of the Bondholders as a class and shall not have regard to the consequences of such exercise for individual Bondholders and the Principle Paying Agent shall not be entitled to require, nor shall any Bondholder be entitled to claim from the Company any indemnification or payment in respect of any tax consequences of any such individual Bondholders. Following delivery of a Conversion Notice, the holder of the Bonds to which such Conversion Notice relates shall no longer be treated as a Bondholder in respect of such Bonds, unless the Company has failed to issue and allot shares to such Bondholder pursuant to Condition 5.

19 Notices

All notices to Bondholders shall be validly given if mailed to them at their respective addresses in the Register maintained by the Registrar and so long as the Bonds are listed on AFRINEX, Mauritius and the rules of AFRINEX, Mauritius so require, any such notice shall be deemed to have been given on the earlier of such publication and the seventh day after being so mailed. The Notices will also be

published via website of the Afrinex Mauritius of such adjustment to the Conversion Price at least ten Business Days in advance of the effective date of such adjustment.

20 Agents

The initial Agents and Registrar and their initial specified offices are listed below. Subject to the terms of the Agency Agreement, the Company reserves the right at any time to vary or terminate the appointment of any Agent and appoint additional or other Agents, provided that it will maintain (i) a Principal Paying and Conversion Agent, (ii) a Registrar outside the United Kingdom, (iii) an Agent in a European Union member state that will not be obliged to deduct tax pursuant to European Union Directive 2003/48/EC (as amended) or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings or any law implementing or complying with, or introduced in order to conform to, such Directive, (iv) an Agent having a specified office in London, (v) a share transfer agent having a specified office in India; and (vi) a paying agent, transfer agent and conversion agent upon the issue of Bonds in definitive form (as long as the Bonds are listed on AFRINEX, Mauritius and the rules of that exchange so require). Notice of any change in the Agents or their specified offices will promptly be given to the Bondholders in accordance with Condition 19.

Subject to the terms of the Agency Agreement, in acting hereunder and in connection with the Bonds, the Agents shall act solely as agents of the Company and will not thereby assume any obligations towards, or relationships of agency or trust for, any of the Bondholders.

21 Governing law

These Conditions, the Agency Agreement, the Deed, and the Bonds are governed by, and shall be construed in accordance with, laws of Mauritius. The Company has in the Deed irrevocably agreed for the benefit of the Bondholders that the courts of Mauritius are to have jurisdiction to settle any disputes which may arise out of or in connection with the Agency Agreement or the Bonds and that accordingly any suit, action or proceedings arising there from or in connection therewith (together referred to as "Proceedings") may be brought by the Bondholders in the courts of Mauritius. The Company has in the Deed irrevocably and unconditionally waived and agreed not to raise any objection which it may have now or subsequently to the laying of the venue of any Proceedings in the courts of Mauritius and any claim that any Proceedings have been brought in an inconvenient forum and has further irrevocably and unconditionally agreed that a judgment in any Proceedings brought in the courts of Mauritius shall be conclusive and binding upon the Company and may be enforced in the courts of any other jurisdiction. Nothing in this Condition shall limit any right to take Proceedings against the Company in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not.

22 Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Bonds under the Contracts (Rights of Third Parties) Act 1999 except and to the extent (if any) that these Conditions expressly provides for such Act to apply to any of its terms.

23 Indemnification

The Deed contains provisions for the indemnification of the Registrar and for its relief from responsibility, including provisions relieving it from taking proceedings to enforce repayment unless prefunded, indemnified and/or provided with security to its satisfaction. Where the Principle Paying Agent so requires, an indemnity must be provided on a joint and several basis. The Registrar is entitled

to enter into business transactions with the Company and its subsidiaries without accounting for any profit.

The Registrar may rely without liability to Bondholders on any certificate prepared by the directors or authorised officers of the Company and accompanied by a certificate or report prepared by the auditors of the Company or an internationally recognised firm of accountants or any expert called for or provided to the Registrar pursuant to the Conditions and/or the Deed satisfactory to the Registrar, whether or not addressed to the Registrar and whether or not the auditors of the Company or the internationally recognised firm of accountants' liability in respect thereof or the liability of any expert is limited by a monetary cap or otherwise limited or excluded. Any such certificate or report shall, in the absence of any manifest error, in the Principle Paying Agent's opinion, be conclusive and binding on the Company, the Principle Paying Agent and the Bondholders.

24. Information Rights

The Bondholder must have access to all information and material, financial or otherwise provided to a member of the Board. The Promoters will ensure that the Bondholder has the right to discuss / consult with the senior management of the Company.

In particular, the Company will provide all Board Members with:

- a) quarterly management accounts and financial information,
- b) consolidated annual management accounts,
- c) consolidated audited accounts,
- d) annual business plan, annual budget and projected financial statement, and
- e) such other operating statistics and other trading and financial information, MIS reports in such form as required by the Board from time to time

GLOBAL CERTIFICATES

The Global Certificate contains provisions which apply to the Bonds in respect of which the Global Certificate is issued, some of which modify the effect of the Conditions set out in this Offering Circular. Terms defined in the Conditions have the same respective meanings in the paragraphs below. The following is a summary of those provisions:

Meetings

The registered holder of the Bonds hereof shall be treated as two persons for the purposes of any quorum requirements of a meeting of Bondholders and, at any such meeting, as having one vote in respect of each US\$100,000 in principal amount of Bonds in respect of which the Global Certificate is issued. The Principle Paying Agent may allow to attend and speak (but not to vote) at any meeting of Bondholders, any accountholder (or the representative of any such person) entitled to Bonds in respect of which the Global Certificate is issued, on confirmation of entitlement and proof of his identity.

Conversion

Subject to the requirements of ACHL, Mauritius the Conversion Right attaching to Bonds in respect of which the Global Certificate is issued may be exercised by the presentation to or to the order of the Conversion Agent of one or more Conversion Notices (which may be by facsimile while the Bonds are represented by the Global Certificate) duly completed by or on behalf of an Accountholder (as defined below) in such system with an entitlement to such Bonds. Deposit of the Global Certificate with the Conversion Agent together with the relevant Conversion Notice shall not be required. The exercise of the Conversion Right shall be notified by the Conversion Agent to the Registrar and the holder of the Global Certificate.

Registrar's Powers

In considering the interests of Bondholders while the Global Certificate is registered in the name of a nominee for a clearing system the Registrar may, to the extent it considers it appropriate to do so in the circumstances, (a) have regard to such information as may have been made available to it by or on behalf of the relevant clearing system or its operator as to the identity of its accountholders (either individually or by way of category) with entitlements in respect of Bonds and (b) consider such interests on the basis that such accountholders were the holders of the Bonds in respect of which the Global Certificate is issued.

Enforcement

For all purposes, each person who is for the time being shown in the records of ACHL Mauritius as a holder of a particular principal amount of Bonds in respect of which the Global Certificate is issued, (in which regard any certificate or other document issued by ACHL, Mauritius as to the principal amount of Bonds represented by a Global Certificate standing to the account of any person shall be conclusive and binding for all purposes) shall be recognised as the holder of such principal amount of Bonds.

Cancellation

Cancellation of any Bond required by the Conditions to be cancelled following its redemption, conversion or purchase by the Issuer will be effected by reduction in the principal amount of the Bonds in the Register.

Repurchase of the Bonds at the Option of the Bondholders

The Bondholders' options in Conditions 7.4, 7.5 and 7.6 may be exercised by the holder of the Global Certificate giving written notice to the Principal Paying and Conversion Agent of the principal amount of Bonds in respect of which the option is exercised and presenting the Global Certificate for endorsement or exercise in the form specified by, and within the time limits specified in, the Conditions.

Exchange and Registration of Title

In circumstances where the Bondholders are entitled to receive definitive Certificates, the Issuer will make arrangements for the exchange of interests in the Global Certificate in whole but not in part for definitive Certificates and will cause sufficient individual definitive Certificates to be executed and delivered to the Registrar in sufficient quantities for completion, authentication, and dispatch to the relevant Bondholders. A person exchanging interests in the Global Certificate for one or more of the definitive Certificates must provide to the Registrar, through the relevant clearing system, a written request containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such individual definitive Certificates. Any definitive Certificates delivered in exchange for the Global Certificate or beneficial interests therein will be registered in the names requested, and issued in any denominations approved, by the relevant clearing system.

In the case of definitive Certificates issued in exchange for any Global Certificate, such definitive Certificates will bear, and be subject to, such legends, as the Issuer requires in order to assure compliance with any applicable law. The holder of such restricted definitive Certificates may transfer the Bonds represented by such definitive Certificates, subject to compliance with the provisions of such legend. Upon the transfer, exchange or replacement of definitive Certificates bearing the legend, or upon specific request for removal of the legend on a definitive Certificate, the Issuer will deliver only definitive Certificates that bear such legend, or will refuse to remove such legend, as the case may be, unless there is delivered to the Issuer such satisfactory evidence, which may include an opinion of counsel, as may reasonably be required by the Issuer that neither the legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

Payments

Payments of principal, premium (if any) in respect of Bonds represented by the Global Certificate will be made against presentation and, if no further payment falls to be made in respect of the Bonds, surrender of the Global Certificate to or to the order of the Principal Paying and Conversion Agent or such other Paying Agent as shall have been notified to the Bondholders for such purpose

Transfers

Transfers of interests in the Bonds with respect to which the Global Certificate is issued shall be made in accordance with the Agency Agreement.

Transfers of interests in the Bonds with respect to which the Global Certificate is issued shall be effected through the records of ACHL, Mauritius and their respective participants in accordance with the rules and procedures of ACHL, Mauritius and their respective direct and indirect participants.

The laws of certain jurisdictions require that certain purchasers of the Bonds take physical delivery of such Bonds in definitive form. Accordingly, the ability of beneficial owners to own, transfer or pledge beneficial interest in the Global Certificate may be limited by such laws.

Conversion through participants in ACHL, Mauritius will be effected in the ordinary way in accordance with their respective rules and operating procedures.

Accountholders

For so long as any of the Bonds are represented by the Global Certificate and such Global Certificate is held on behalf of ACHL, Mauritius, each person who is for the time being shown in the records of ACHL, Mauritius as the holder of a particular principal amount of such bonds (each an “**Accountholder**”) (in which regard any certificate or other document issued by SBM Fund Services Limited as to the principal amount of such Bonds standing to the account of any person shall be conclusive and binding for all purposes) shall be treated as the holder of such principal amount of such Bonds for all purposes (including for the purposes of any quorum requirements of, or in the right to demand a poll at, meetings of the Bondholders) other than with respect to the payment of principal, premium (if any) on such Bonds, the right to which shall be vested, as against the Issuer and the Registrar, solely in the holder of the Global Certificate in accordance with and subject to its terms and the terms of the Deed. Each Accountholder must look solely to the Registrar, or the Issuer as the

case may be, for its share of each payment made to the holder of the Global Certificate. The Registrar is entitled to rely on any information, reports and certifications provided by ACHL, Mauritius as to details of the holdings of Bonds and the Accountholders.

Definitive Certificate

In the case of definitive Certificates issued in exchange for any Global Certificate, such definitive Certificates will bear, and be subject to, such legends, as the Issuer requires in order to assure compliance with any applicable law. The holder of such restricted definitive Certificates may transfer the Bonds represented by such definitive Certificates, subject to compliance with the provisions of such legend. Upon the transfer or replacement of definitive Certificates bearing the legend, or upon specific request for removal of the legend on a definitive Certificate, the Issuer will deliver only definitive Certificates that bear such legend, or will refuse to remove such legend, as the case may be, unless there is delivered to the Issuer such satisfactory evidence, which may include an opinion of counsel, as may reasonably be required by the Issuer that neither the legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

Notices

So long as the Bonds are represented by the Global Certificate and the Global Certificate is held on behalf of ACHL, Mauritius, notices required to be given to Bondholders may be given by their being delivered to the relevant clearing system for communication by it to entitled Accountholders in substitution for notification, as required by the Conditions and so long as the Bonds are listed on AFRINEX and the rules of the Afrinex Securities List so require, of AFRINEX Mauritius. The Notices will also be published via website of AFRINEX, Mauritius of such adjustment to the Conversion Price at least ten Business Days in advance of the effective date of such adjustment

BOOK-ENTRY, DELIVERY AND FORM

General

The Bonds sold outside the United States pursuant to Regulation S under the U.S. Securities Act will initially be represented by one or more global certificate in registered form without interest coupons attached (the “*Regulation S Global Certificate*”). The Regulation S Global Certificate will be deposited, on the closing date, with a depository and registered in the name of the nominee of the depository for the accounts of Afrinex Clearing House Ltd.

Ownership of interests in the Regulation S Global Certificate (the “*Regulation S Book-Entry Interests*,”) will be limited to persons that have accounts with Afrinex Clearing House Ltd or persons that may hold interests through such participants. Book-Entry Interests will be shown on, and transfers thereof will be effected only through, records maintained in book-entry form by Afrinex Clearing House Ltd and their participants. The Book-Entry Interests in the Global Certificate will be issued only in denominations of USD 100,000.00 each or integral multiples of USD 100,000.00 thereof.

The Book-Entry Interests will not be held in definitive form. Instead, Afrinex Clearing House Ltd will credit on their respective book-entry registration and transfer systems the account of a participant with the interest beneficially owned by such participant. The laws of some jurisdictions, including certain states of the United States, may require that certain purchasers of securities take physical delivery of such securities in definitive form. The foregoing limitations may impair the ability to own, transfer or pledge Book-Entry Interests. In addition, while the Bonds are in global form, holders of Book-Entry Interests will not have the Bonds registered in their names, will not receive physical delivery of the Bonds in certificated form and will not be considered the registered owners or “holders” of Bonds under the RTA Agreement for any purpose.

So long as the Bonds are held in global form, the nominee of the depository for Afrinex Clearing House Limited, as applicable, will be considered the sole holders of Global Certificate for all purposes. As such, participants must rely on the procedures of ACHL and indirect participants must rely on the procedures of ACHL and the participants through which they own Book-Entry Interests in order to transfer their interests.

None of the Issuer, the Principle Paying Agent, the Paying Agent, the Transfer Agent, or the Registrar or any of their respective agents will have any responsibility or be liable for any aspect of the records relating to the Book-Entry Interests.

Payments on Global Certificate

Payments of amounts owing in respect of the Global Certificate (including principal, premium, and additional amounts) will be made by the Issuer to the Paying Agent.

Action by Owners of Book-Entry Interests

Afrinex Clearing House Ltd have advised the Issuer that they will take any action permitted to be taken by a holder of Bonds only at the direction of one or more participants to whose account the Book-Entry Interests in the Global Certificate are credited and only in respect of such portion of the aggregate principal amount of Bonds as to which such participant or participants has or have given such direction. ACHL will not exercise any discretion in the granting of consents, waivers or the taking of any other action in respect of the Global Certificate. Nevertheless, if there is an event of default under the Bonds, Afrinex Clearing House Limited reserves the right to exchange the Global Certificate for Definitive Registered Bonds in certificated form and to distribute such Definitive Registered Bonds to their respective participants.

Issuance of Definitive Registered Bonds

Owners of Book Entry Interests will receive definitive Bonds in registered form (the “*Definitive Registered Bonds*”):

- if Afrinex Clearing House Ltd notify the Issuer that it is unwilling or unable to continue to act as depository and a successor depository is not appointed by the Issuer within 120 days;
- if Afrinex Clearing House Ltd so requests following an Event of Default; or
- if the owner of a Book Entry Interest requests such exchange in writing delivered through either Afrinex Clearing House Ltd following an Event of Default.

In such an event, the Registrar will issue Definitive Registered Bonds, registered in the name or names and issued in any approved denominations, requested by or on behalf of Afrinex Clearing House Ltd, as applicable (in accordance with their respective customary procedures and based upon directions received from participants reflecting the beneficial ownership of Book Entry Interests), and such Definitive Registered Bonds will bear the restrictive legend referred to in “*Notice to Investors*,” unless that legend is not required by the applicable law.

In the case of the issue of Definitive Registered Bonds, the holder of a Definitive Registered Bond may transfer such Definitive Registered Bond by surrendering it to the Registrar. In the event of a partial transfer or a partial redemption of one Definitive Registered Bond, a new Definitive Registered Bond will be issued to the transferee in respect of the part transferred, and a new Definitive Registered Bond will be issued to the transferor or the holder, as applicable, in respect of the balance of the holding not transferred or redeemed; provided that a Definitive Registered Bond will only be issued in denominations of USD 100,000.00 each or integral multiples of thereof.

If Definitive Registered Bonds are issued and a holder thereof claims that such Definitive Registered Bonds have been lost, destroyed, or wrongfully taken, or if such Definitive Registered Bonds are mutilated and are surrendered to the Registrar or at the office of the applicable Transfer Agent, we will issue and the Principle Paying Agent or an authenticating agent appointed by the Principle Paying Agent will authenticate a replacement Definitive Registered Bond if the Principle Paying Agent’s and our requirements are met. We or the Principle Paying Agent may require a holder requesting replacement of a Definitive Registered Bond to furnish an indemnity bond sufficient in the judgment of both the Principle Paying Agent and us to protect us, the Principle Paying Agent, the Transfer Agent, the Registrar, and the applicable Paying Agent appointed pursuant to the Agency Agreement from any loss which any of them may suffer if a Definitive Registered Bond is replaced. We and/or the Principle Paying Agent may charge for expenses in replacing a Definitive Registered Bond.

Definitive Registered Bonds may be transferred and exchanged for Book-Entry Interests only in accordance with the Conditions and, if required, only after the transferor first delivers to the applicable Transfer Agent a written certification to the effect that such transfer will comply with the transfer restrictions applicable to such Bonds. See “*Notice to Investors*.”

To the extent permitted by law, we, the Principle Paying Agent, the Paying Agent, the Transfer Agent, and the Registrar shall be entitled to treat the registered holder of any Global Certificate as the absolute owner thereof and no person will be liable for treating the registered holder as such. Ownership of the Global Certificate will be evidenced through registration from time to time at the registered office of the Issuer, and such registration is a means of evidencing title to the Bonds.

We will not impose any fees or other charges in respect of the Bonds; however, owners of the Book-Entry Interests may incur fees normally payable in respect of the maintenance and operation of accounts in Euroclear and/or Clearstream Banking, as applicable.

Information Concerning Afrinex Clearing House Limited

All Book-Entry Interests will be subject to the operations and procedures of Afrinex Clearing House Limited, as applicable. The Issuer provides the following summaries of those operations and procedures solely for the convenience of investors. The operations and procedures of each settlement system are controlled by that settlement system and may be changed at any time. Neither the Issuer nor the Initial Purchasers are responsible for those operations or procedures.

Afrinex Clearing House Limited hold securities for participating organizations. They also facilitate the settlement of securities transactions between their respective participants through electronic book-entry changes in the accounts of such participants. Afrinex Clearing House Limited provide various services to their participants, including the safekeeping, administration, settlement, lending and borrowing of internationally traded securities. Afrinex Clearing House Limited interface with domestic securities markets. Afrinex Clearing House Limited participants are financial institutions such as underwriters, securities brokers and dealers, banks, trust companies and certain other organizations. Indirect access to Afrinex Clearing House Limited is also available to others such as banks, brokers, dealers, and trust companies that clear through or maintain a custodial relationship with a Afrinex Clearing House Limited participant, either directly or indirectly.

Because Afrinex Clearing House Limited can only act on behalf of participants, who in turn act on behalf of indirect participants and certain banks, the ability of an owner of a beneficial interest to pledge such interest to persons or entities that do not participate in the Afrinex Clearing House Limited systems, or otherwise take actions in respect of such interest, may be limited by the lack of a definite certificate for that interest. The laws of some jurisdictions require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer beneficial interests to such person may be limited. In addition, owners of beneficial interests through Afrinex Clearing House Limited systems will receive distributions attributable to the Global Certificate only through Afrinex Clearing House Limited participants.

Global Clearance and Settlement Under the Book-Entry System

The Bonds represented by the Global Certificate are expected to be listed on the Securities List of AFRINEX, Mauritius. Transfers of interests in the Global Certificate between participants in Afrinex Clearing House Limited will be effected in the ordinary way in accordance with their respective system's rules and operating procedures.

Although Afrinex Clearing House Limited are expected to follow the foregoing procedures in order to facilitate transfers of interests in the Global Certificate among participants in ACHL, as the case may be, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or modified at any time. None of the Issuer, the Principle Paying Agent, the Transfer Agent, the Registrar, or the Paying Agent will have any responsibility for the performance by ACHL or their respective participants or indirect participants, of their respective obligations under the rules and procedures governing their operations.

Initial Settlement

Initial settlement for the Bonds will be made in USD. Book-Entry Interests owned through Afrinex Clearing House Limited accounts will follow the settlement procedures applicable to Regulation S Bonds in registered form. Book-Entry Interests will be credited to the securities custody accounts of Afrinex Clearing House Limited holders on the business day following the settlement date against payment for value on the settlement date.

Secondary Market Trading

The Book-Entry Interests will trade through participants of Afrinex Clearing House Limited and will

settle in same-day funds. Since the purchase determines the place of delivery, it is important to establish at the time of trading of any Book-Entry Interests where the accounts of both the purchaser and the seller are located to ensure that settlement can be made on the desired value date.

Special Timing Consideration

You should be aware that investors will only be able to make and receive deliveries and other communications involving the Bonds through Afrinex Clearing House Limited on days when those systems are open for business.

TRANSFER RESTRICTIONS

You are advised to consult legal counsel prior to making any offer, resale, pledge, or other transfer of any of the Bonds offered hereby.

The Bonds have not been, and will not be, registered under the U.S. Securities Act or any state securities laws and, unless so registered, may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Bonds offered hereby are being offered and sold only to persons outside the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act.

We have not registered and will not register the Bonds under the U.S. Securities Act and, therefore, the Bonds may not be offered or sold within the United States or to, or for the account or benefit of U.S. persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. Accordingly, the Issuer is offering and selling the Bonds only to non-U.S. persons purchasing the Bonds outside the United States in accordance with Regulation S.

We use the terms “offshore transaction,” “U.S. person” and “United States” with the meanings given to them in Regulation S.

Each purchaser of Bonds, by its acceptance thereof, will be deemed to have acknowledged, represented to, and agreed with us as follows:

- (1) You understand and acknowledge that the Bonds have not been registered under the U.S. Securities Act or any other applicable securities laws and that the Bonds are being offered for sale in transactions not requiring registration under the U.S. Securities Act or any other securities law, including sales pursuant to Rule 144A, and, unless so registered, may not be offered, sold or otherwise transferred except in compliance with the registration requirements of the U.S. Securities Act or any other applicable securities law, pursuant to an exemption therefrom or in any transaction not subject thereto and in each case in compliance with the conditions for transfer set forth in paragraphs (5) and (6) below.
- (2) You are
 - (i) are a non-U.S. person purchasing the Bonds in an offshore transaction in accordance with Regulation S.
- (3) You acknowledge that none of the Issuer, nor any person representing the Issuer, has made any representation to you with respect to the offering or sale of any Bonds, other than the information contained in this Offering Memorandum, which Offering Memorandum has been delivered to you and upon which you are relying in making your investment decision with respect to the Bonds. You acknowledge that neither the Issuer nor any person representing the Issuer including the Lead Manager makes any representation or warranty as to the accuracy or completeness of this Offering Memorandum. You have had access to such financial and other information concerning us and the Bonds as you have deemed necessary in connection with your decision to purchase any of the Bonds, including an opportunity to ask questions of, and request information from, the Issuer, and the Initial Purchasers.
- (4) You are purchasing the Bonds for your own account, or for one or more investor accounts for which you are acting as a fiduciary or agent, in each case for investment, and not with a view to, or for offer or sale in connection with, any distribution thereof in violation of the U.S. Securities Act or any state securities laws, subject to any requirement of law that the disposition of its property or

the property of such investor account or accounts be at all times within your or their control and subject to your or their ability to resell such Bonds pursuant to Regulation S or any other exemption from registration available under the U.S. Securities Act.

- (5) You agree on your own behalf and on behalf of any investor account for which you are purchasing the Bonds, and each subsequent holder of the Bonds by its acceptance thereof will be deemed to agree, to offer, sell or otherwise transfer such Bonds (in the case of Regulation S Global Bonds only, 40 days after the later of the date of the original issue and the last date on which the Issuer or any affiliate of the Issuer was the owner of such Bonds (or any predecessor thereto)) only pursuant to a registration statement that has been declared effective under the U.S. Securities Act,
- (i) pursuant to offers and sales to non-U.S. persons that occur outside the United States in compliance with Regulation S under the U.S. Securities Act, or
 - (ii) prior to 40 after the later of the commencement of the offering of the Bonds and the latest closing date of the issue of the Bonds pursuant to a registration statement which has been declared effective under the U.S. Securities Act, or
 - (iii) pursuant to any other available exemption from the registration requirements of the U.S. Securities Act, subject in each of the foregoing cases to any requirement of law that the disposition of seller's property or the property of such investor account or accounts be at all times within the seller or their control and in compliance with any applicable state securities laws and any applicable local laws and regulations, and further subject to the Issuer's and the Principle Paying Agent's rights prior to any such offer, sale or transfer (I) pursuant to clauses (i) and (ii) to require the delivery of an opinion of counsel, certification and/or other information satisfactory to each of them and
 - (iv) in each of the foregoing cases, to require that a certificate of transfer in the form appearing on the reverse of the security is completed and delivered by the transferor to the Principle Paying Agent. The foregoing restrictions on resale will not apply subsequent to the Resale Restriction Termination Date. Each purchaser acknowledges that each Bond will contain a legend substantially to the following effect:

THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS SUCH TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT. THE HOLDER OF THIS SECURITY BY ITS ACCEPTANCE HEREOF AGREES ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR FOR WHICH IT HAS PURCHASED SECURITIES TO OFFER, SELL OR OTHERWISE TRANSFER SUCH SECURITY: PRIOR TO THE DATE WHICH IS 40 DAYS AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF AND THE LAST DATE ON WHICH THE ISSUER OR ANY AFFILIATE OF THE ISSUER WAS THE OWNER OF THIS SECURITY (OR ANY PREDECESSOR OF THIS SECURITY)) ONLY (A) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE U.S. SECURITIES ACT, (B) PURSUANT TO OFFERS AND SALES TO NON-U.S. PERSONS THAT OCCUR OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATION S UNDER THE U.S. SECURITIES ACT OR (C) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT, SUBJECT IN EACH OF THE FOREGOING CASES TO ANY REQUIREMENT OF LAW THAT THE DISPOSITION OF ITS PROPERTY OR THE PROPERTY OF SUCH INVESTOR ACCOUNT OR ACCOUNTS BE AT ALL TIMES WITHIN ITS OR THEIR CONTROL AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS AND ANY APPLICABLE LOCAL LAWS AND REGULATIONS AND FURTHER SUBJECT TO THE ISSUER'S AND THE

PRINCIPLE PAYING AGENT'S RIGHTS PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER (I) PURSUANT TO CLAUSE (C) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM,

(II) IN EACH OF THE FOREGOING CASES, TO REQUIRE THAT A CERTIFICATE OF TRANSFER IN THE FORM APPEARING ON THE OTHER SIDE OF THIS SECURITY IS COMPLETED AND DELIVERED BY THE TRANSFEROR TO THE PRINCIPLE PAYING AGENT AND (III) AGREES **THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.**

If you purchase Bonds, you will also be deemed to acknowledge that the foregoing restrictions apply to holders of beneficial interests in the Bonds as well as to holders of the Bonds.

- (6) You agree that you will give to each person to whom you transfer the Bonds notice of any restrictions on transfer of such Bonds.
- (7) You acknowledge that until 40 days after the commencement of the Offering, any offer or sale of the Bonds within the United States by a dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with rules under the U.S. Securities Act.
- (8) You acknowledge that the Registrar will not be required to accept for registration of transfer any Bonds except upon presentation of evidence satisfactory to us and the Principle Paying Agent that the restrictions set out therein have been complied with.
- (9) You acknowledge that the Issuer, the Lead Manager, and others will rely upon the truth and accuracy of your acknowledgements, representations, warranties, and agreements and agree that if any of the acknowledgements, representations, warranties, and agreements deemed to have been made by your purchase of the Bonds are no longer accurate, you shall promptly notify the Issuer. If you are acquiring any Bonds as a fiduciary or agent for one or more investor accounts, you represent that you have sole investment discretion with respect to each such investor account and that you have full power to make the foregoing acknowledgements, representations, and agreements on behalf of each such investor account.
- (10) You understand that no action has been taken in any jurisdiction (including the United States) by the Issuer that would result in a public offering of the Bonds or the possession, circulation or distribution of this Offering Memorandum or any other material relating to us or the Bonds in any jurisdiction where action for such purpose is required. Consequently, any transfer of the Bonds will be subject to the selling restrictions set out herein.
- (11) Each purchaser that is acquiring notes pursuant to Regulation S under the Securities Act represents that it is not acquiring the notes with a view to the resale, distribution, or other disposition thereof to a U.S. person or in the United States.

SELLING RESTRICTIONS

No action has been taken in any jurisdiction, including the United States, Canada, Spain, the United Kingdom, the EEA, Austria, Belgium, France, Germany, Italy, Luxembourg, Mauritius, the Netherlands, and Switzerland, by the Issuer or the Initial Purchasers that would permit a public offering of the Notes or the possession, circulation or distribution of this Offering Memorandum or any other material relating to the Issuer or the Notes in any jurisdiction where action for this purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Offering Memorandum nor any other offering material or advertisements in connection with the Notes may be distributed or published, in or from any country or jurisdiction, except in compliance with any applicable rules and regulations of any such country or jurisdiction. This Offering Memorandum does not constitute an offer to sell or a solicitation of an offer to purchase in any jurisdiction where such offer or solicitation would be unlawful. Persons into whose possession this Offering Memorandum comes are advised to inform themselves about and to observe any restrictions relating to the Offering, the distribution of this Offering Memorandum and resale of the Notes. See “*Notice to Investors*” and “*Transfer Restrictions*”.

PLAN OF DISTRIBUTION

The Lead Manager has, pursuant to subscription agreements dated 15th April 2024 between the Company and the Lead Manager (the “Subscription Agreements”), agreed with the Company, subject to the satisfaction of certain conditions, to use reasonable endeavors to procure subscribers for the principal amount of Bonds at 15% discount of their principal amount.

The Merchant Banker is GYR Capital Advisors Private Limited and Lead Arranger is Aries Capital Ltd.

The Subscription Agreements entitles the Lead Arranger to terminate the Subscription Agreements in certain circumstances prior to payment being made to the Company as set out therein. In such circumstances, the issue may be cancelled at any time until the Bonds are issued, and therefore the issuance and listing of the Bonds may not become effective.

The distribution of this Offering Memorandum or any offering material and the offering, sale or delivery of the Bonds is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Offering Memorandum or any offering material are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restrictions. This Offering Memorandum may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised.

In connection with this offering, the Lead Arranger (or its affiliates) may, for its own accounts, enter into asset swaps, credit derivatives or other derivative transactions relating to the Bonds or the Shares at the same time as the offer and sale of the Bonds or in secondary market transactions. As a result of such transactions, the Lead Arranger may hold long or short positions in such Bonds or derivatives or in the Shares. These transactions may comprise a substantial portion of the offering and no disclosure will be made of such positions.

The Company estimates that the Company’s portion of the total expenses of this offering will be below 4% of size of issuance of fccb’s principal amount.

The Lead Arranger expects to deliver the Bonds against payment on or about the date specified in the last paragraph of the cover page of this Offering Circular. Payment for the Bonds will be made by investors through the Lead Manager in U.S. dollars in same day funds on the Closing Date.

The Lead Arranger and its affiliates may, from time to time, engage in transactions with and perform services for the Company and/or its associated companies in the ordinary course of their business.

The Company has agreed to indemnify the Lead Arranger against certain liabilities or to contribute to payments that the Lead Arranger may be required to make because of any of those liabilities.

DESCRIPTION OF THE SHARES

Set forth below is certain information relating to the Company's share capital, including brief summaries of certain provisions of the Company's Articles of Association, the Companies Act 2013, the Securities Contracts (Regulation) Act, 1956 of India (as amended) (the "SCRA") and certain related legislation of India, all as currently in effect.

General

As at , March 31, 2024 the Company's authorised share capital is Rs. 18,00,00,000 and the issued and paid up capital is Rs. 89,700,000. All of the company's issued and paid-up shares are in registered form and substantially all are held in dematerialised form.

Dividends

Under the Companies Act, unless the Board recommends the payment of a dividend, the shareholders at a general meeting have no power to declare any dividend. Subject to certain conditions laid down by Section 123 of the Companies Act 2013, no dividend can be declared or paid by a company for any financial year except out of the profits of the company in accordance with the provisions of the Companies Act or out of the profits of the company for any previous financial year(s) arrived at after providing for depreciation in accordance with the provisions of the Companies Act and remaining undistributed or out of both or out of moneys provided by the Central or State Government for payment of dividend in pursuance of a guarantee given by that government. Under the Company's Articles of Association, the shareholders at a general meeting may declare a lower, but not higher, dividend than that recommended by the Board. Dividends are generally declared as a percentage of the par value. The dividend recommended by the Board and approved by the shareholders at a general meeting is distributed and paid to shareholders in proportion to the paid-up value of their Shares as of the record date for which such dividend is payable. In addition, as permitted by the Company's Articles of Association, the Board may announce and pay interim dividends. Under the Companies Act, dividends can only be paid in cash to shareholders listed on the register of shareholders on the date which is specified as the "record date" or "book closure date" or to those shareholders keeping their shares in dematerialised form, a list of which is provided by the National Securities Depository Limited (the "NSDL") and the Central Depository Services (India) Limited (the "CSDL"). No shareholder is entitled to a dividend while any lien in respect of unpaid calls on any of his/her Shares is outstanding.

Any dividend declared shall be deposited in a separate bank account within five days from the date of the declaration of such dividend. Dividends must be paid within 30 days from the date of the declaration and any dividend which remains unpaid or unclaimed after that period must be transferred within seven days of the expiry of the 30-day period (mentioned aforesaid) to a special unpaid dividend account held at a scheduled bank. Any money which remains unpaid or unclaimed for seven years from the date of such transfer must be transferred by the Company to the Investor Education and Protection Fund established by the Government pursuant to which no claim shall lie against the Company or the Investor Education and Protection Fund. Directors of the company may be held criminally liable for any default of the provisions.

Pre-Emptive Rights and Alteration of Share Capital

Subject to the provisions of the Companies Act, the Company may increase its share capital by issuing new Shares. Such new Shares shall be offered to existing shareholders listed on the members' register on the record date in proportion to the amount paid-up on those Shares at that date. The offer shall be made by notice specifying the number of Shares offered and the date (being not less than 15 days from the date of the offer) after which the offer, if not accepted, will be deemed to have been declined. After such date, the Board may dispose of the Shares offered in respect of which no acceptance has been received, in such manner as they think most beneficial to the Company. The offer is deemed to include a right exercisable by the person concerned to renounce the Shares offered to him/her in favour of any other person provided that the person in whose favour such Shares have been renounced is approved by the Board in their absolute discretion.

Under the provisions of the Companies Act, new Shares may be offered to any persons whether or not those persons include existing shareholders if a special resolution to that effect is passed by the shareholders of the issuer in a general meeting.

The Company may, by ordinary resolution, from time to time, alter the Company's Memorandum of Association to subdivide the Shares for a larger amount than is fixed by the Memorandum of Association provided that the same proportionate liability shall continue on the Shares so reduced or increased as existed on the original Shares before such subdivision or consolidation, or it may cancel Shares which, at the date of 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 Shares cancelled.

The Company's issued share capital may, among other things, be increased by the exercise of warrants attached to any of the Company's securities, or individually issued, entitling the holder to subscribe for the Company's shares or upon the conversion of convertible debentures issued. The issue of any convertible debentures or the taking of any convertible loans, other than from the Government and financial institutions, requires the approval of a special resolution of shareholders.

The Company can also alter its share capital by way of a reduction of its capital or by undertaking a buyback of its shares under the prescribed SEBI guidelines. The Company's Articles of Association provide that the Company may in a general meeting, from time to time increase its capital by the creation of new shares and may consolidate or sub-divide its share capital, convert all or any of its fully paid-up Shares into stock and reconvert that stock into fully paid-up Shares or cancel Shares which have not been taken up by any person. The Company may also from time to time by special resolution reduce its capital and pay capital on the grounds that it may be called up again or otherwise.

The Company's Articles of Association also provide that if at any time the Company's share capital is divided into different classes of shares, the rights attached to any one class (unless otherwise provided by the terms of issue of the shares of that class) may be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution, passed at a separate meeting of the holders of the shares of that class.

Preference Shares

Preference share capital is that part of the paid-up capital of the company which fulfils both of the following requirements, namely:

- (i) that as respects dividends, it carries or will carry a preferential right to be paid a fixed amount or an amount calculated at a fixed rate; and
- (ii) that as respects capital, it carries or will carry on a winding-up of the company, a preferential right to be repaid the amount of the capital paid up or deemed to have been paid-up.

The preference shares do not confer any further rights to participate in the Company's profits or assets. Holders of preference shares are not entitled to vote at the Company's general meetings except:

- (A) in relation to resolutions placed before the company that directly affect the rights attached to the holder's preference shares and/or
- (B) where the dividend due on such capital has remained unpaid:
 - (i) in the case of cumulative preference shares, in respect of an aggregate period of not less than two years preceding the date of commencement of the meeting; and
 - (ii) in the case of non-cumulative preference shares, either in respect of a period of not less than two years or in respect of an aggregate period of not less than three years comprised in the

six years ending with the expiry of the financial year immediately preceding the commencement of the meeting.

Under the Companies Act, the Company may issue redeemable preference shares, but (i) no such shares shall be redeemed except out of the profits which would otherwise be available for dividends or out of the proceeds of a fresh issue of shares made for the purposes of the redemption; (ii) no such shares shall be redeemed unless they are fully paid; (iii) the premium, if any, payable on redemption shall have been provided for out of the Company's profits or out of the Company's securities premium account, before the shares are redeemed; (iv) where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall be transferred, to a reserve fund to be called the Capital Redemption Reserve Account, out of profits which would otherwise have been available for dividends, a sum equal to the nominal amount of the shares redeemed; and (v) the provisions of the Companies Act relating to the reduction of the share capital of a company shall apply as if such reserve account were paid-up share capital of such company. Preference shares must be redeemable before the expiry of a period of 20 years from the date of their issue.

General Meetings of Shareholders

The Company must hold its annual general meeting each year within 15 months of the previous annual general meeting and in any event not later than six months after the end of each accounting year, unless extended by the Registrar of Companies at the Company's request for any special reason. The Board may convene an extraordinary general meeting of shareholders when necessary or at the request of a shareholder or shareholders holding in the aggregate not less than 10.0% of the Company's paid-up capital (carrying a right to vote in respect of the relevant matter on the date of the deposit of the requisition).

Written notices convening a meeting setting out the date, place and agenda of the meeting must be given to members at least 21 days prior to the date of the proposed meeting. A general meeting may be called after giving shorter notice if consent is received from all shareholders, in the case of an annual general meeting, and from shareholders holding not less than 95.0% of the Company's paid-up capital, in the case of any other general meeting. Currently, the Company gives written notices to all members and, in addition, give public notice of general meetings of shareholders in a daily newspaper of general circulation in New Delhi. General meetings are generally held in New Delhi. The quorum for a general meeting of the Company is five shareholders personally being present.

A company intending to pass a resolution relating to matters such as, but not limited to, amending the objects clause of the Memorandum, issue of shares of differential voting rights as to voting or dividend or otherwise, variation in the rights attached to a class of shares or debentures or other securities, buyback of shares under the Companies Act or giving loans or extending guarantees in excess of limits prescribed under the Companies Act and guidelines issued thereunder, is required to obtain passage of the resolution by means of a postal ballot instead of transacting the business in the general meeting of the company. A notice to all shareholders shall be sent along with a draft resolution explaining the reasons thereof and requesting each shareholder to send his/her assent or dissent in writing on a postal ballot within a period of 30 days from the date of posting the letter. Postal ballot includes voting by electronic mode.

Voting Rights

At a general meeting, upon a show of hands, every member holding shares and entitled to vote and present in person has one vote. Upon a poll, the voting rights of each shareholder entitled to vote and present in person or by proxy, are in the same proportion as the capital paid-up on each share held by such shareholder to the total paid-up capital of the company. Voting is by show of hands unless a poll is ordered by the Chairman of the meeting or demanded by a shareholder or shareholders holding at least 10.0% of the voting rights in respect of the resolution. The Chairman of the meeting has a casting vote.

Ordinary resolutions may be passed by simple majority of those present and voting at any General Meeting for which the required period of notice has been given. Special resolutions require that the votes cast in favour of the resolution by those present and voting must be at least three times the votes cast against the

resolution. Under the Companies Act some of the matters that require special resolution are amendment to the Articles of Association, members voluntary winding up, dissolutions, merger, or consolidation.

A shareholder may exercise his voting rights by proxy to be given in the form required by the Articles of Association of the company. The instrument appointing a proxy is required to be lodged with the company at least 48 hours before the time of the meeting. A shareholder may, by a single power of attorney, grant a general power of representation regarding several general meetings of shareholders. Any shareholder of the company may appoint a proxy. A corporate shareholder is also entitled to nominate a representative to attend and vote on its behalf at general meetings. A proxy may not vote except on a poll and does not have a right to speak at meetings. A shareholder which is a legal entity may appoint an authorised representative who can vote in all respects as if a member both by show of hands and by poll.

The Companies Act allows for a company to issue shares with differential rights as to dividends, voting or otherwise, subject to certain conditions. In this regard, the laws require that, for a company to issue shares with differential voting rights: (i) the company must have had distributable profits (in accordance with the requirements of the Companies Act) for the three financial years preceding the year in which it was decided to issue such shares; (ii) the Company must not have defaulted in filing annual accounts and annual returns for the three financial years immediately preceding the financial year of the year in which it was decided to issue such shares; (iii) the Articles of Association must allow for the issuance of such shares with differential voting rights; and (iv) such other conditions set forth in the Companies (Issue of Share Capital with Differential Voting Rights) Rules, 2001.

Registered holders of the Shares withdrawn from the depository arrangements will be entitled to vote and exercise other direct shareholder rights in accordance with applicable Indian law.

Convertible Securities/Warrants

The Company may from time to time issue debt instruments that are partly or fully convertible into Shares and/or warrants to purchase Shares.

Annual Reports and Financial Results

The Annual Report must be laid before the annual general meeting. This report includes certain financial information, a corporate governance section and management's discussion and analysis. It is sent to the Company's shareholders, and also made available for inspection at the Company's registered office during normal working hours for 21 days prior to the annual general meeting.

Under the Companies Act, the Company must file its Annual Report with the Registrar of Companies within 30 days from the date of the relevant annual general meeting. Under the Listing Agreement, six copies of the Annual Report and of all periodical and special reports which may be issued by the company are required to be sent to the stock exchanges on which the Company's Shares are listed and one copy to all other recognised stock exchanges in India. The Company must also publish its financial results in at least one English language daily newspaper circulating in the whole or substantially the whole of India and also in a newspaper published in the language of the region where the Company's registered office is situated.

The Company files certain information online, including its Annual Report, quarterly financial statements, report on corporate governance and the shareholding pattern statement, statement of action taken against the company by any regulatory agency and such other statements/information/report as may be specified by SEBI from time to time in accordance with the requirements of the Listing Agreement.

Transfer of Shares

Following the introduction of the Depositories Act, 1996, and the repeal of Section 22A of the SCRA, which enabled companies to refuse to register transfers of shares in some circumstances, the equity shares of a public company became freely transferable, subject only to the provisions of Section 59 of the Companies

Act. Since the Company is a public company, the provisions of Section 59 will apply to the Company. The Company's Articles of Association currently contain provisions which give the Company's Board discretion to refuse to register a transfer of shares in some circumstances. However, the enforceability of such a provision is uncertain. Furthermore, in accordance with the provisions of Section 59 of the Companies Act, the Company's Board may refuse to register a transfer of shares within two months from the date on which the instrument of transfer or intimation of transfer, as the case may be, is delivered to the company, if they have sufficient cause to do so. If the Company's Board refuses to register a transfer of Shares, the shareholder wishing to transfer his, her or its shares may file an appeal with the National Company Law Tribunal and the National Company Law Tribunal can direct the company to register such transfer.

Pursuant to Section 59(4), if a transfer of shares contravenes any of the provisions of the Securities and Exchange Board of India Act, 1992 or any other law for the time being in force, the Tribunal may, on an application made by the depository, company, depository participant, the holder of the securities or the Securities and Exchange Board, direct any company or a depository to set right the contravention and rectify its register or records concerned.

Shares held through depositories are transferred in the form of book entries or in electronic form in accordance with the regulations laid down by the SEBI. These regulations provide for the functioning of the depositories and the participants and set out the manner in which the records are to be kept and maintained and the safeguards to be followed in this system. Transfers of beneficial ownership of shares held through a depository are exempt from stamp duty. The Company has entered into an agreement for such depository services with the NSDL and the CSDL.

The SEBI requires that for trading and settlement purposes, the Company's Shares be in book-entry form for all investors, except for transactions that are not made on a stock exchange and transactions that are not required to be reported to the stock exchange.

Pursuant to the Listing Agreement, in the event the Company has not affected the transfer of Shares within one month or where the Company has failed to communicate to the transferee any valid objection to the transfer within the stipulated time period of one month, the Company is required to compensate the aggrieved party for the opportunity loss caused during the period of the delay.

Acquisition of the Company's Own Shares

The Company is prohibited from acquiring its own shares unless the consequent reduction of capital is effected by an approval of at least 75.0% of its shareholder's voting on the matter in accordance with the Companies Act and is also sanctioned by the High Court of Judicature at New Delhi (that is, the city where the Company's registered office is situated). Moreover, subject to certain conditions, a company is prohibited from giving whether directly or indirectly and whether by means of a loan, guarantee, the provision of security or otherwise, any financial assistance for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any shares in the company or its holding company.

However, pursuant to certain amendments to the Companies Act, a company is empowered to purchase its own shares or other specified securities out of its free reserves, the securities premium account or the proceeds of any shares or other specified securities (other than the kind of shares or other specified securities proposed to be bought back), subject to certain conditions, including:

- (i) the buyback should be authorised by the Company's Articles of Association;
- (ii) a special resolution should have been passed in a general meeting authorizing the buyback;
- (iii) the buyback is for less than 25.0% of the total paid-up capital and free reserves provided that the buyback of equity shares in any financial year shall not exceed 25.0% of the total paid-up equity share capital in that year;

- (iv) the debt (including all amounts of unsecured and secured debt) the Company owes is not more than twice the capital and free reserves after such buyback; and
- (v) the buyback is in accordance with the Securities and Exchange Board of India (Buyback of Securities) Regulation, 2018.

The condition mentioned in (ii) above would not be applicable if the buyback is for less than 10.0% of the total paid-up equity capital and free reserves of the company and provided that such buyback has been authorised by the board of directors of the company. Further, a company buying back its securities is not permitted to buyback any securities for a period of one year from the buyback or to issue new securities for six months from the buyback date. The aforesaid restriction relating to the one year period does not apply to a buyback authorised by a special resolution of the shareholders in general meeting. Every buyback has to be completed within a period of one year from the date of passing of the special resolution or resolution of the Board of directors as the case may be.

A company buying back its securities is required to extinguish and physically destroy the securities so bought back within seven days of the last date of completion of the buyback.

A company is also prohibited from purchasing its own shares or specified securities through any subsidiary company, including its own subsidiary companies or through any investment company (other than a purchase of shares in accordance with a scheme for the purchase of shares by Principle Paying Agents of or for shares to be held by or for the benefit of employees of the company) or if the company is defaulting on the repayment of deposit, redemption of debentures or preference shares or payment of dividend to a shareholder or repayment of any term loan or interest payable thereon to any financial institution or bank, or in the event of non-compliance with certain other provisions of the Companies Act.

The buyback of securities can be from existing security holders on a proportionate basis or from the open market or from odd lots, that is to say, where a lot of securities of a public company, whose shares are listed on a recognised stock exchange, is smaller than such marketable lot, as may be specified by the stock exchange or by purchasing securities issued to the employees of the company pursuant to a scheme of stock option or sweat equity.

Disclosure of Ownership Interest

Section 89 of the Companies Act requires beneficial owners of shares of Indian companies who are not holders of record to declare to the company details of the holder of record and the holder of record to declare details of the beneficial owner. Any person who fails to make the required declaration within 30 days may be liable for penalty. Any charge, promissory note or other collateral agreement created, executed, or entered into with respect to any share by the registered owner thereof, or any hypothecation by the registered owner of any share pursuant to which a declaration is required to be made under Section 89 shall not be enforceable by the beneficial owner or any person claiming through the beneficial owner if such declaration is not made. Failure to comply with Section 89 will, inter alia, not affect the obligation of the company to register a transfer of shares or to pay any dividends to the registered holder of any shares pursuant to which such declaration has not been made.

CERTAIN INDIAN TAX CONSIDERATIONS

The following discussion describes the material Indian income tax, stamp duty and estate duty consequences of the purchase, ownership and disposal of the Bonds and the Shares to be issued upon conversion of the Bonds. The Income Tax Act, 1961 (the "IT Act") is the law relating to taxation of income in India. The IT Act provides for the taxation of persons resident in India on their global income and persons not resident in India on income received, accruing, or arising in India or deemed to have been received, accrued, or arisen in India.

This summary is not intended to constitute a complete analysis of the Indian tax consequences to any particular individual holding a status of Non-Resident as per the Indian Income Tax Act. Individual tax consequences of an investment in the Offering may vary for Non-Residents in various circumstances. Further, the following is based on the provisions of Indian tax laws as of the date hereof, which are subject to change, possibly on a retroactive basis.

YOU SHOULD CONSULT YOUR OWN TAX ADVISORS CONCERNING THE INDIAN TAX IMPLICATIONS AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF BONDS AND THE UNDERLYING EQUITY SHARES IN YOUR PARTICULAR SITUATION AND THE JURISDICTION OF YOUR RESIDENCE AND ANY TAX TREATY BETWEEN INDIA AND YOUR COUNTRY OF RESIDENCE.

The information provided below has been prepared in accordance with the following Indian Income tax legislation in force at the date of this Offering Memorandum:

Taxation of the Bonds/Notes

The offering is in accordance with Section 115AC of the IT Act, 1961, and non-resident Investors of the Bonds will therefore have the benefit of tax concessions available under the Section 115AC of the IT Act are subject to the fulfillment of certain conditions of that section. Such tax concessions include taxation at a reduced income tax rate of 10 per cent, (which will then subject to the applicable rate of surcharge on income tax and education cess on income tax and surcharge having regard to fact that the person is a corporate or non-corporate assessee) on the amount of interest on bonds or long term capital gain arising on transfer of Bonds.

Section 115AC of the IT Act provides that payment of interest on the Bonds paid to the non-resident Bondholders will be subject to withholding tax at the rate of 10 per cent plus surcharge (if applicable) and education cess at the applicable rate. The IT Act requires that such tax be withheld at source. Under Section 47(viia) of the IT Act, the transfer of Bonds outside India by a non-resident holder to another non-resident shall not give rise to any capital gains tax in India.

Taxation of Shares Issued upon Conversion of Bonds/Notes

Under Section 47(x) of the IT Act any conversion of Bonds into Shares will not give rise to any capital gains liable to income tax in India. However, the issue of Shares by the Company upon conversion of Bonds will be chargeable to stamp duty as described below under "Stamp Duty".

Taxation of Dividends on the Shares

Section 10(34), which provides an exemption to the shareholders in respect of dividend income, is withdrawn from Assessment Year 2021-20. Thus, dividend received during the financial year 2020-21 and onwards shall now be taxable in the hands of the shareholders. Consequently, Section 115BBDA which provides for taxability of dividend in excess of Rs. 10 lakhs have no relevance as the entire amount of dividend shall be taxable in the hands of the shareholder. The taxability of dividend and tax rate thereon shall depend upon many factors like residential status of the shareholders, relevant head of income. In case of a non-resident shareholder, the provisions of Double Taxation Avoidance Agreements (DTAAs) and Multilateral Instrument (MLI) shall also come into play.

Issue of Right Shares

Distribution to non-residents of additional shares or rights to subscribe for Shares (for the purposes of this section, "Rights") made with respect to shares are not subject to Indian tax unless those rights are transferred.

Benefits available to Non-Resident Indians

Non-Resident Indians have an option to be governed by the special provisions of Chapter XIIA of the IT Act, according to which:

1. Under provisions of section 115F of the IT Act, long term capital gains (in cases not covered under section 10(38) of the IT Act) arising to a non-resident Indian, as defined in Clause (e) of Section 115C, from the transfer of shares of the Company subscribed to in convertible foreign exchange (in cases not covered under section 115E of the IT Act) shall be exempt from Income tax if the net consideration is invested in specified assets within six months after the date of transfer. If only part of the net consideration is so invested, the exemption shall be proportionately reduced. However the benefit is subject to the conditions regarding holding period specified under sub section 2 of Section 115F of the IT Act.
2. Under Section 115G of the IT Act, it shall not be necessary for the non-resident Indians to furnish their return of income, under section 139(1) of the IT Act, if their source of income is only investment income or income by way of long term capital gains or both, provided income tax deductible at source under the provisions of chapter XVII-B has been deducted from such income.
3. Under Section 115H of the IT Act, the benefit conferred on a non-resident Indian assessee will be available even after the assessee becomes a resident if declaration in writing is filed along with the return of income under Section 139(1) of the IT Act, to the effect that the provisions of Chapter XII-A shall continue to apply to him in respect of investment income derived from foreign exchange asset vide Section 115C(f)(ii)(iii)(iv) or (v) of the IT Act, until the transfer or conversion (otherwise than by transfer) into money of such assets.
4. Under Section 115-I of the IT Act, a non-resident Indian, if he elects by so declaring in the return of his income for that assessment year, not to be governed by the special provisions of chapter XII-A, then he will be entitled to tax benefit available to resident individuals.

For the purpose of computing capital gains tax on the sale of the Shares under the Section 115AC of IT Act, the cost of acquisition of the shares will be treated as the cost of acquisition of bond before conversion of bonds into shares.

Neither the Section 115AC of IT Act nor the FCCB Scheme deals with capital losses arising on a transfer of Shares in India. In general terms, losses arising from a transfer of a capital asset in India can only be set off against capital gains. A long-term capital loss can be set off only against a long term capital gain (if not exempt) and short term capital loss can be set off against any capital gain. To the extent that the losses are not absorbed in the year of transfer, they may be carried forward for a period of eight assessment years immediately succeeding the assessment year for which the loss was first determined by the assessing authority and may be set off against the capital gains assessable for such subsequent assessment years. In order to set off capital losses as above, the non-resident investor would be required to file appropriate and timely tax return in India and may undergo the usual assessment procedures.

Tax Credit

A non-resident investor would be entitled to tax credit with respect to any withholding tax paid by the Company or any other person for its account in accordance with the laws of the applicable jurisdiction.

Tax Treaties

The provisions of the Agreement for Avoidance of Double Taxation entered into by the Indian Government with the country of residence of such non-resident investor will be applicable to the extent they are more beneficial to the non-resident investor.

Stamp Duty

Under the laws of India, the transfer of shares in physical form would be subject to stamp duty at the rate of 0.25 per cent. Of the market value of the shares, and such stamp duty customarily is borne by the transferee, that is, the purchaser. In order to register a transfer of Shares in physical form, it is necessary to present a stamped deed of transfer. However, since the Company's Shares are compulsorily deliverable in dematerialised form (except for trades of up to 500 Shares, which may be delivered in physical form) there would be no stamp duty payable in India on transfer of the Shares in dematerialised form. There is no stamp duty liability on the sale or transfer of Bonds.

Education Cess

In all the above cases, the amount of income tax and surcharge as stated would be increased by an education cess of 3 per cent.

Taxation on buyback of Shares

If Shares held by a non-resident investor are purchased by the Company, the non-resident investor will be liable to pay income tax in respect of the capital gains arising on such buyback under the provisions of Indian tax laws and capital gains tax arising there from shall be withheld at source before repatriation of sale proceeds from India.

LEGAL AND OTHER INFORMATION

Except as stated in this section, there are no (i) outstanding criminal proceedings (ii) outstanding actions taken by regulatory or statutory authorities; (iii) outstanding claims related to any direct or indirect taxes in a consolidated manner; (iv) other pending litigation/ arbitration proceedings as determined to be material by our Board as per the Materiality Policy, in each case involving our Company, Promoters or Directors (“**Relevant Parties**”); or (v) outstanding litigation which has a material impact on our Company. Further, except as stated in this section, there are no disciplinary actions including penalties imposed by SEBI or stock exchanges against our Promoters in the last five Fiscals including any outstanding action.

For the purposes of (iv) above, in terms of the Materiality Policy adopted by resolution of our Board.

- A. Any pending litigation / arbitration proceedings (other than litigations mentioned in point (i) to (iii) above) involving any of the Relevant Parties shall be considered “material” for the purposes of disclosure in this Offering Memorandum, if:
- i. the aggregate monetary claim/dispute amount/ liability made by or against the Relevant Party, in any such pending litigation / arbitration proceeding is equal to or in excess of 1% of standalone turnover or 1% of consolidated restated profit after tax, whichever is lower, as per the latest fiscal year in the Standalone Financial Information. The total income of our Company for the Fiscal 2022 is ₹ 2340.31 Lakhs and profit/(loss) for the year for the Fiscal 2022 is ₹ 37.22 Lakhs and accordingly, all litigation involving the Company, Directors, Promoters, and the Subsidiaries in which the amount involved exceeds ₹ 100,000.00 have been considered as material, if any; or
 - ii. any monetary liability is not quantifiable, or which does not fulfil the threshold as specified in A(i) above, but the outcome of which could, nonetheless directly or indirectly, or together with similar other proceedings, have a material adverse effect on the business, operations, performance, prospects, financial position or reputation of our Company.
- B. Any pending litigation / arbitration proceedings (other than litigations mentioned in points (i) to (iii) above) involving any person other than the Relevant Parties shall be considered “material” for the purposes of disclosure in this Offering Memorandum, if the outcome of such litigation could have a material adverse effect on the business, operations, performance, prospects, financial position or reputation of the Company.

It is clarified that for the purposes of the above, pre-litigation notices received by our Company, Promoters, Directors from third parties (other than notices issued by statutory/regulatory/tax authorities or notices threatening criminal action) have not and shall not, unless otherwise decided by our Board, be considered as material litigation until such time that our Company, the Subsidiaries, Promoters, Directors, as the case may be, are impleaded as a defendant/s in proceedings before any judicial / arbitral forum.

Unless stated to the contrary, the information provided below is as of the date of this Offering Memorandum. All terms defined herein in a particular litigation disclosure pertain to that litigation only.

We have also disclosed matters relating to direct and indirect taxes involving the Relevant Parties in a consolidated manner giving details of number of cases and total amount involved in such claims.

Litigation involving our Company

Litigations against our Company

Actions by statutory or regulatory authorities

NIL

Civil Proceedings

NIL

Criminal proceedings

NIL

Litigations by our Company

Civil proceedings

NIL

Criminal proceedings

NIL

Matters filed by our Bank under Section 138 of the Negotiable Instruments Act, 1881

NIL

Litigation involving our Promoters

Actions by statutory or regulatory authorities

NIL

Civil proceedings

NIL

Criminal litigation

NIL

Disciplinary action taken against our Promoters in the five Fiscals preceding the date of this Offering Memorandum by SEBI or any stock exchange

NIL

Litigation involving our Directors

Actions by statutory or regulatory authorities

NIL

Civil proceedings

NIL

Criminal litigation

NIL

Tax proceedings

Set out herein below are details of claims relating to direct and indirect taxes involving our Company, Promoters and Directors.

Nature of Cases	Number of cases	Amount involved (in ₹ Lakhs)
Company		
Direct	NIL	NIL
Indirect	NIL	NIL
Directors		
Direct	NIL	NIL
Indirect	NIL	NIL
Promoters		
Direct	NIL	NIL
Indirect	NIL	NIL

Micro, small and medium enterprises or any other creditors- NIL

LIMITED REVIEW REPORT

[To be attached separately]



RRK & Associates

Chartered Accountants

#A04, IFF The Annex, 13th Phase

Near Hitech City Railway Station

KPHB, Hyderabad - 500 085, Telangana

Ph: 040 - 43748588, Cell: 90000 11445

E-mail: caruthakrishna@gmail.com

**LIMITED REVIEW REPORT ON THE UN-AUDITED FINANCIAL RESULTS OF
SAMPRE NUTRITIONS LIMITED, PURSUANT TO THE REQUIREMENTS OF
REGULATION 33 OF THE SEBI (LISTING, OBLIGATIONS AND DISCLOSURE
REQUIREMENTS) REGULATIONS, 2015.**

To
Board of Directors of **Sampre Nutritions Limited**
Hyderabad.

We have reviewed the accompanying statement of unaudited financial results of **Sampre Nutritions Limited** (the "Company") for the period ended December 31, 2022 together with notes thereon (the "Statement"). This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

This statement is the responsibility of the Company's Management and has been approved by the Board of Directors of the Company. The preparation of the statement is in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards 34, "Interim Financial Reporting" (Ind AS), prescribed under section 133 of the Companies Act, 2013 read with relevant rules there under and other accounting principles generally accepted in India. Our responsibility is to issue a report on the statement based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.



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**LIMITED REVIEW REPORT ON THE UN-AUDITED FINANCIAL RESULTS OF
SAMPRE NUTRITIONS LIMITED, PURSUANT TO THE REQUIREMENTS OF
REGULATION 33 OF THE SEBI (LISTING, OBLIGATIONS AND DISCLOSURE
REQUIREMENTS) REGULATIONS, 2015.**

Our opinion on the Statement is not modified in respect of the above matters.

For RRK & Associates
Chartered Accountants
FRN009785S



R.Radha Krishna
Partner
M.No.210777

Date: 09th February, 2023
Place: Hyderabad
DIN No: 23210777BGTJDG2848

INDEPENDENT AUDITORS

M/s. RRK & Associates, Chartered Accountants is the independent statutory auditors with respect to our Company as required by the Companies Act, 2013 and in accordance with the guidelines prescribed by ICAI.

The standalone financial statements of the Issuer as of and for each of the financial year ending on 31st March , 2020, 2021 and 2022 have been audited by M/s. RRK & Associates, Chartered Accountants.

Further, M/s. RRK & Associates, is registered with the Institute of Chartered Accountants of India under number (Firm Registration No. [009785 S] and has its registered address at #A04, IFF The Annexe, Near Hitech City Rly Station, 13th Phase, KPHB, Hyderabad-500085

SERVICE OF PROCESS AND ENFORCEMENT OF CIVIL LIABILITIES

The enforcement by investors of civil liabilities under the securities laws of jurisdictions outside India, including the ability to effect service of process and to enforce judgments of foreign courts may be affected adversely by the fact that the Company is incorporated as a limited liability company under the laws of India and a majority of the Company's executive officers, Directors and all of the experts named in this Offering Memorandum, are residents of India. A substantial part of the Company's assets and the assets of all of its executive officers, Directors and all of experts named in this Offering Memorandum, are also located in India. As a result, it may be difficult to effect service of process outside India upon the Company and these persons or to enforce foreign judgments obtained against the Company and these persons, including judgments predicated upon the civil liability provisions of the federal securities laws of the United States.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Indian Code of Civil Procedure, 1908, and subsequent amendments thereto (the "Civil Code"). Section 44A of the Civil Code provides that where a foreign judgment has been rendered by a superior court in any country or territory outside India which the Government has by notification declared to be 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. Section 44A of the Civil Code is applicable only to monetary decrees not being in the nature of amounts payable in respect of taxes or other charges of like nature or in respect of fines or other penalties and does not include arbitration awards, even if such awards are enforceable as a decree or judgment. Certain territories which inter alia include, The United Kingdom, Luxembourg, and Hong- Kong have been declared by the Government to be reciprocating territories within the meaning of Section 44A of the Civil Code. The United States and Luxemburg have not been declared by the Government to be a reciprocating territory for the purposes of Section 44A.

In the case of reciprocating territories, a judgment of a court outside India may be enforced either by initiating execution proceedings pursuant to Section 44A of the Civil Code or by a suit upon it. However, in the case of a non-reciprocating territory such as the United States and Luxemburg, a judgment of a court outside India may be enforced in India only by a suit upon the judgment, subject to Section 13 of the Civil Code and not by proceedings in execution. Section 13, which is the statutory basis for the recognition of foreign judgments (other than arbitration awards), states that a foreign judgment is conclusive as to any matter directly adjudicated upon except:

- Where the judgment has not been pronounced by a court of competent jurisdiction;
- Where the judgment has not been given on the merits of the case;
- Where the judgment appears on the face of the proceedings to be founded on an incorrect view of international law or a refusal to recognise the law of India in cases where such law is applicable;
- Where the proceedings in which the judgment was obtained were opposed to natural justice;
- Where the judgment has been obtained by fraud; or
- Where the judgment sustains a claim founded on a breach of any law in force in India.

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. Generally, there are considerable delays in the disposal of suits by Indian courts. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with Indian practice. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the RBI under FEMA to repatriate any amount recovered. We cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

LISTING AND GENERAL INFORMATION

Listing

Application will be made for the Bonds to be admitted to AFRINEX, Mauritius and to be admitted for listing on the ASL, in accordance with the rules of that exchange.

For so long as the Bonds are admitted to listing on the Securities List of AFRINEX, Mauritius and the rules of that exchange require, copies of the following documents may be inspected and obtained free of charge at the specified office of the Paying Agent and Company's registered office during normal business hours on any weekday:

- the organizational documents of the Issuer;
- the most recent audited standalone financial statements of the Issuer; and
- Agency Agreement
- A copy of the Offering Memorandum

The issuer shall ensure that notices in respect of the Bonds are duly published in a manner which complies with the rules and regulations of AFRINEX and the rules of Afrinex, Mauritius so require, notices will also be published on the website of AFRINEX, Mauritius. Any such notice shall be in English and shall be deemed to have been given on the date of such publication, or if published more than once or on different dates, on the first date on which publication is made.

We have appointed SBM Fund Services Limited, as our paying agent; its address is SBM Tower 1, Queen Elizabeth II Avenue, Port Louis, Mauritius]

The issue of the Bonds was authorised by a special resolution of the Shareholders of the Company passed through E- Voting on December 22, 2022. The terms of the offering and the issue of the Bonds were approved pursuant to a resolution contained in Company Postal Ballot dated 12th November, 2022 has been passed as 99.9% of the total votes casted were in favour of the passing of the Resolution.

Except as disclosed in this Offering Memorandum, we have not been involved in any governmental, legal or arbitration proceeding relating to claims or amounts that are material and may have or have had during the 12 months preceding the date of this Offering Memorandum, a significant effect on our financial condition nor so far as we are aware is any such litigation or arbitration pending or threatened.

As of the date of this Offering Memorandum, the most recent audited standalone financial statements available for the Issuer were as of and for the year ended March 31, 2023. Except as disclosed in this Offering Memorandum, there has been no significant or material adverse change in our financial condition or prospects since March 31, 2023.

The Principle Paying Agent will be acting in its capacity of Principle Paying Agent for the holders of the Bonds and will provide such services to the holders of the Bonds as described in the Agency Agreement

Settlement Information

The Bonds have been accepted for settlement through the facilities of Afrinex Clearing House Limited. Certain trading information with respect to the Bonds is set forth below.

ISIN: MU0000000321 **Common code**
Regulation S Foreign Currency Convertible Bonds .

General Information

1. The Company was incorporated under the Companies Act in India and is registered with the Registrar of Companies, Hyderabad. The Company's corporate identity number is L15499TG1991PLC013515. The Company's registered office is situated at Plot no 133, Industrial Estate, Medchal, Hyderabad, Telangana -- 501401.

The Company's principal object being :-

The main objects of the Company as set out in its MoA are as follows:

- a) To manufacture, produce & process food products, beverages, soft drinks, confectionary products, medicinal formulations, ayurvedic & unani formulations, cosmetics, toiletries, personal care, health care, personal hygiene, sanitary, beauty care, casual medicines etc.
- b) To buy sell, manufacture to carry on liaison work, act as agents, importers, exporters, distributors. Stockists and to represent manufacturers, producers, importers, exporters of food and other health care products, together with various allied items to market in India or abroad for both Indian & foreign companies, firms, merchants either individually or in association with any other person or persons.
- c) To acquire, develop, process and deal in scientific know-how and process of manufacturing food and other health products.
- d) To take up projects and enter into collaboration agreements in India or abroad for setting up similar industries to manufacture or to deal in food and other health products.
- e) To manufacture, fabricate machineries, import, export equipment, necessary types and dyes and any other article or articles considered necessary for manufacturing food and other health products.

The objects are set out in Clause IIIA of the Memorandum of Association. The Company operates its business in conformity with its constitutional documents.

1. The Independent Auditors who have audited the Company's standalone financial statements for fiscal 2021, 2022 and 2023, have rendered audit reports in respect of the Company's financial statements which they have audited, and these audit reports are set out on pages 120-. The qualifications referred to in their audit reports are shown in the Auditor's Reports contained in this Offering Memorandum.
2. The Company prepared its financial statements as at and for fiscal 2021, 2022 and 2023 and its unaudited financial statements as at 31st March 2023 and for the 9 months ended on 31st December, 2023, each as contained herein, in conformity with Indian GAAP which differs in certain material respects from IFRS.
3. Except as disclosed in this Offering Memorandum, there has been no significant change in the Company's financial or trading position and no material adverse change in the Company's financial position or prospects since March 31, 2023
4. Except as disclosed in this Offering Memorandum, the Company is not involved in any material litigation or arbitration proceedings that may have, or have had during the 12 months preceding the date of this Offering Memorandum, a material adverse effect on the Company's financial position, nor, so far as the Company is aware, are there any such proceedings pending or threatened.

5. The Agency Agreement and the Bonds are governed by English law. The Company's submission to the jurisdiction of the English courts and the appointment of an agent for service of process are valid and binding under Indian law.
6. The Bonds provide for the Principle Paying Agent to take action on behalf of the Bondholders in certain circumstances, but only if the Principle Paying Agent is prefunded, indemnified and/or provided with security to its satisfaction. It may not be possible for the Principle Paying Agent to take certain actions and accordingly in such circumstances the Principle Paying Agent will be unable to take such actions, notwithstanding the provision of an indemnity to it, and it will be for the Bondholders to take such actions directly. The Principle Paying Agent may require any such indemnity to be given on joint and several basis.
7. The Principle Paying Agent may rely without liability to Bondholders on any certificate prepared by the directors or authorised officers of the Company and accompanied by a certificate or report prepared by the auditors of the Company or an internationally recognized firm of accountants or any expert called for or provided to the Principle Paying Agent pursuant to the Conditions and/or the Agency Agreement satisfactory to the Principle Paying Agent, whether or not addressed to the Principle Paying Agent and whether or not the auditors of the Company or the internationally recognized firm of accountants' liability in respect thereof or the liability of any expert is limited by a monetary cap or otherwise limited or excluded. Any such certificate or report shall in the absence of manifest error be conclusive and binding on the Company, the Principle Paying Agent, and the Bondholders.
8. For so long as the Bonds are listed on AFRINEX, Mauritius and the rules of the Afrinex Securities List so require, the Company will appoint and maintain a paying agent, where the Bonds may be presented or surrendered for payment or redemption, in the event that the Global Certificate is exchanged for Certificates in definitive form. In addition, in the event that the Global Certificate is exchanged for Certificates in definitive form, announcement of such exchange shall be made by or on behalf of the Company through the AFRINEX, Mauritius and such announcement will include all material information with respect to the delivery of the Certificates in definitive form.
9. The Conditions do not provide Bondholders with any participating rights in the event of a takeover offer for the Shares.
10. The address of the Company's website is <https://www.sampreltd.com/> Information contained on this website does not constitute part of this Offering Memorandum.

INDEX TO FINANCIAL STATEMENTS

S.no.	Particulars
1	Unaudited Financial Statements as on Apr-Dec 2023
2	Standalone Audited Statement Financial Results for the year ended 31 st March, 2023
3	Standalone Balance Sheet for the year ended March 31, 2023
4	Independent Auditor's Report on Standalone Financial Statement Year ended 31 st March, 2023
5	Independent Auditor's Report on Standalone Financial Statement Year ended 31 st March, 2022
6	Standalone Balance Sheet for the year ended March 31, 2022
7	Standalone Statement of Profit and loss for year ended March 31, 2022
8	Standalone Cash Flow Statement for the year ended 31 st March, 2022
9	Standalone Statement of Change in Equity Year ended 31 st March, 2022
10	Notes to the Standalone Financial Statements Year ended 31 st March, 2022
11	Independent Auditor's Report of the Standalone Financial Statements for the Year ended 31 st March, 2021
12	Standalone Balance Sheet for the Year ended 31 st March, 2021
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15	Standalone Statement of changes in Equity for the Year ended 31 st March, 2021
16	Notes to Standalone Financial Statement for the Year ended 31 st March, 2021

SAMPRE NUTRITIONS LIMITED

CIN: L15499TG1991PLC013515

Registered Office: Plot No.133, Industrial Estate, Medchal - 501 401.

Website: www.sampreind.com; Email: gurbani@gurbanigroup.in

Statement of Standalone Un-Audited Financial Results for the Quarter & Nine Months ended 31st December, 2023

₹ (In Lakhs)

Particulars	Quarter ended			Year to date period ended		Financial Year ended
	31.12.2023	30.09.2023	31.12.2022	31.12.2023	31.12.2022	31.03.2023
	Un-Audited	Un-Audited	Un-Audited	Un-Audited	Un-Audited	Audited
I Revenue from operations	699.25	595.75	927.90	2,038.25	2,543.85	3710.66
II Other income	0.29	0.76	(0.04)	3.03	1.16	7.24
III Total Revenue (I + II)	699.54	596.51	927.86	2041.31	2545.11	3,717.90
IV Expenses:						
Cost of materials consumed	261.78	155.25	413.74	902.87	1,363.89	1521.15
Purchases of Stock-in-Trade	-	-	-	-	-	-
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	-	-	-	-	-	-
Employee benefits expense	244.47	210.73	265.41	660.85	552.20	934.49
Finance costs	46.94	48.79	31.92	144.13	133.29	188.84
Depreciation and amortization expense	30.57	30.83	77.64	91.64	139.54	182.15
Other expenses	95.89	119.00	105.52	275.80	284.47	849.54
Total expenses	679.65	560.90	894.23	2065.29	2453.39	3676.17
V Profit before exceptional and extraordinary items and tax (III - IV)	19.89	35.61	33.63	(23.98)	91.72	41.73
VI Exceptional items	-	-	-	-	-	-
VII Profit before tax (V - VI)	19.89	35.61	33.63	(23.98)	91.72	41.73
Tax expense:						
VIII (1) Current tax	-	-	16.97	-	16.97	0.00
(2) Deferred tax	-	-	-	-	(4.18)	7.03
IX Profit (Loss) for the period from continuing operations (VII-VIII)	19.89	35.61	16.66	(23.98)	78.91	34.70
X Profit/(loss) from discontinuing operations	-	-	-	-	-	-
XI Tax expense of discontinuing operations	-	-	-	-	-	-
XII Profit/(loss) from Discontinuing operations (after tax) (X-XI)	-	-	-	-	-	-
XIII Profit (Loss) for the period (IX + XII)	19.89	35.61	16.66	(23.98)	78.91	34.70
XIV Other Comprehensive Income	-	-	-	-	-	-
- Items that will not be reclassified to profit or loss	-	-	-	-	-	-
- Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	-
- Items that will be reclassified to profit or loss	-	-	-	-	-	-
- Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-
XV Total comprehensive income for the period (XIII+XIV)	19.89	35.61	16.66	(23.98)	78.91	34.70
Earnings per equity share:						
XVI (1) Basic	0.29	0.52	0.24	(0.35)	1.15	0.61
(2) Diluted	0.21	0.38	0.18	(0.25)	0.83	0.37

NOTES:

- The results have been prepared in accordance with the India Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.
- The above results have been reviewed by the Audit Committee and thereafter approved by the Board of Directors in their respective meetings held on 12.02.2024. These results have been subject to limited review by the Statutory Auditors.
- Figures of previous year have been regrouped wherever necessary to make them comparable.

Date: 12.02.2024

Place: Medchal

For SAMPRE NUTRITIONS LIMITED,

BRAHMA GURBANI
Managing Director



Regd. Off & Works : Unit-1 : Plot No. 133, I.E, Medchal - 501 401, Telangana, India. Ph : +91-8418-222428
Unit-2 : Plot No. 127, 128, Royes Building, I.E. Medchal, Malkajgiri-501 401, Telangana.
Unit-3 : Plot No. 164, IDA, Phase V, Jeedimetla, Hyderabad-500 055.
e-mail : gurbani@gurbanigroup.in, bkgurbani@gurbanigroup.in, www.gurbanigroup.in



**LIMITED REVIEW REPORT ON THE UN-AUDITED FINANCIAL RESULTS OF
SAMPRE NUTRITIONS LIMITED, PURSUANT TO THE REQUIREMENTS OF
REGULATION 33 OF THE SEBI (LISTING, OBLIGATIONS AND DISCLOSURE
REQUIREMENTS) REGULATIONS, 2015.**

To
Board of Directors of **Sampre Nutritions Limited**
Hyderabad.

We have reviewed the accompanying statement of unaudited financial results of **Sampre Nutritions Limited** (the "Company") for the period ended December 31, 2023 together with notes thereon (the "Statement"). This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

This statement is the responsibility of the Company's Management and has been approved by the Board of Directors of the Company. The preparation of the statement is in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards 34, "Interim Financial Reporting"(Ind AS), prescribed under section 133 of the Companies Act, 2013 read with relevant rules there under and other accounting principles generally accepted in India. Our responsibility is to issue a report on the statement based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.



**LIMITED REVIEW REPORT ON THE UN-AUDITED FINANCIAL RESULTS OF
SAMPRE NUTRITIONS LIMITED, PURSUANT TO THE REQUIREMENTS OF
REGULATION 33 OF THE SEBI (LISTING, OBLIGATIONS AND DISCLOSURE
REQUIREMENTS) REGULATIONS, 2015.**

Our opinion on the Statement is not modified in respect of the above matters

For RRK & Associates
Chartered Accountants
FRN009785S



R.Radha Krishna
Partner
M.No.210777
DIN No: **24210777BKASCS8767**

Date: 12th February, 2024
Place: Hyderabad

SAMPRE NUTRITIONS LIMITED

SAMPRE NUTRITIONS LIMITED

CIN: L15499TG1991PLC013615

Plot No.133, Industrial Estate, Medchal, Telangana - 501401

Statement of Standalone Audited Financial Results for the Quarter and Year ended 31st March, 2023



₹ (In Lakhs)

Particulars	Quarter ended			Financial Year ended	
	31.03.2023	31.12.2022	31.03.2022	31.03.2023	31.03.2022
	Audited	Un-Audited	Audited	Audited	Audited
I Revenue from operations	1,166.71	927.90	712.80	3,780.66	2,312.54
II Other income	6.00	(0.04)	26.10	7.24	27.77
III Total Revenue (I + II)	1,172.79	927.86	738.90	3,787.90	2,340.31
IV Expenses:					
Cost of materials consumed	157.26	413.74	460.64	1,521.15	655.49
Purchases of Stock-in-Trade	-	-	-	-	-
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	-	-	-	-	-
Employee benefits expense	382.29	265.41	157.10	934.49	665.71
Finance costs	66.55	31.02	47.24	186.84	176.82
Depreciation and amortization expense	42.61	77.64	44.38	162.16	162.43
Other expenses	585.07	105.52	74.00	849.54	637.83
Total expenses	1,223.78	894.23	783.36	3,676.17	2,303.00
V Profit before exceptional and extraordinary items and tax (III - IV)	(49.99)	33.63	(44.46)	41.73	37.23
VI Exceptional items	-	-	-	-	-
VII Profit before tax (V - VI)	(49.99)	33.63	(44.46)	41.73	37.23
Tax expenses:					
VIII (1) Current tax	(16.97)	16.87	(20.43)	-	-
(2) Deferred tax	11.19	-	(7.20)	7.03	6.44
IX Profit (Loss) for the period from continuing operations (VII-VIII)	(55.77)	16.66	(16.83)	34.70	30.79
X Profit/(loss) from discontinuing operations	-	-	-	-	-
XI Tax expense of discontinuing operations	-	-	-	-	-
XII Profit/(loss) from Discontinuing operations (after tax) (X-XI)	-	-	-	-	-
XIII Profit (Loss) for the period (IX + XII)	(55.77)	16.66	(16.83)	34.70	30.79
XIV Other Comprehensive Income	-	-	-	-	-
- Items that will not be reclassified to profit or loss	-	-	-	-	-
- Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-
- Items that will be reclassified to profit or loss	-	-	-	-	-
- Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-
XV Total comprehensive income for the period (XIII+XIV)	(55.77)	16.66	(16.83)	34.70	30.79
Earnings per equity share: (For continuing operation)					
XVI (1) Basic	(0.97)	0.29	(0.35)	0.61	0.64
(2) Diluted	(0.59)	0.18	(0.35)	0.37	0.64
Earnings per equity share: (For discontinued operation)					
XVII (1) Basic	-	-	-	-	-
(2) Diluted	-	-	-	-	-
Earnings per equity share: (For discontinued & continuing operations)					
XVIII (1) Basic	(0.97)	0.29	(0.35)	0.61	0.64
(2) Diluted	(0.59)	0.18	(0.35)	0.37	0.64

NOTES:

- The Statement include the results for the quarter ended 31.03.2023 and 31.03.2022 being the balancing figure of the audited figures in respect of the full financial year and the published year to date figures upto the third quarter of the respective financial years, which were subject to limited review by the respective auditors.
- Total income for the Current Quarter is Rs.1166.71 Lakhs as compared to Rs.712.80 Lakhs for the Corresponding Quarter of the previous year and Total income for the Financial year ended 31.03.2023 is at Rs.3787.90 Lakhs as compared to Rs.2340.31 Lakhs of the Previous year.
- The Profit (Loss) before tax for the Current Quarter is Rs.(49.99) Lakhs as compared to profit (Loss) of Rs.(44.46) Lakhs for the corresponding quarter of previous year. The Profit (Loss) before tax for the financial year ended 31.03.2023 is Rs. 41.73 Lakhs Compared to Rs.37.23 Lakhs for the Previous year.
- The Profit (Loss) After tax for the Current Quarter is Rs.(55.77) Lakhs as compared to profit (Loss) of Rs.(16.83) Lakhs for the corresponding quarter of previous year. The Profit (Loss) After tax for the financial year ended 31.03.2023 is Rs.34.70 Lakhs as compared to Profit (Loss) of Rs.30.79 Lakhs for the Previous year.
- Company operates in one segment only, so reporting of segmental revenue is not applicable and provisions for tax will be provided at the end of year.
- The aforementioned results were reviewed by the Audit Committee of the Board and subsequently taken on the record by the Board of Directors at its meeting held on 30th May, 2023. The Auditors have issued an unqualified Audit opinion on these results.

Date: 30.05.2023

Place: Medchal

Regd. Off & Works: Unit-1 : Plot No. 133, I.E. Medchal - 501 401, Telangana.
Unit-2 : Plot No. 127, 128, Royes Building, I.E. Medchal, Malkajgiri - 501 401, Telangana.
Unit-3 : Plot No. 164, IDA, Phase V, Jeedimetla, Hyderabad-500 081, Telangana.
e-mail : gurbani@gurbanigroup.in, www.gurbanigroup.in

For Sampre Nutritions Limited

Brahma Gurbani
Managing Director

For No. 133, I.E. Medchal - 501 401, Telangana.

For No. 127, 128, Royes Building, I.E. Medchal, Malkajgiri - 501 401, Telangana.

For No. 164, IDA, Phase V, Jeedimetla, Hyderabad-500 081, Telangana.

SAMPRE NUTRITIONS LIMITED



SAMPRE NUTRITIONS LIMITED

CIN: L15499TG1991PLC013515

Plot No.133, Industrial Estate, Medchal, Telangana - 501401

BALANCE SHEET AS AT 31ST MARCH, 2023

(In Lakhs)

Particulars		Financial Year ended	
		31.03.2023	31.03.2022
		Audited	Audited
I.	ASSETS		
(1)	Non-current assets		
a	Property, plant and equipment	2,052.25	2,218.46
b	Capital work-in-progress	416.13	-
c	Investment property	-	-
d	Goodwill	-	-
e	Other intangible assets	-	-
f	Intangible assets under development	-	-
g	Biological assets other than bearer plants	-	-
h	Financial assets	-	-
	- Investments	1.00	1.00
	- Trade Receivables	-	-
	- Long-term loans and advances	-	-
	- Others	-	-
i	Deferred tax assets (Net)	-	-
j	Other non-current assets	-	-
(2)	Current assets		
a	Inventories	704.04	709.33
b	Financial assets		
	- Current investments	-	-
	- Trade and other receivables	747.31	597.40
	- Cash and cash equivalents	12.59	8.25
	- Bank Balances other than above	-	-
	- Short term loans and advances	425.48	235.87
c	Assets for current tax (net)	-	-
d	Other current assets	-	-
	Total Assets	4,358.80	3,770.31
II.	EQUITY AND LIABILITIES		
	Equity		
	Equity Share capital	687.00	482.00
	Other equity	1,428.75	627.05
	Non-current liabilities		
a	Financial liabilities		
	- Long term borrowings	1,074.06	1,276.08
	- Other financial liabilities	-	-
b	Long term provisions	-	-
c	Deferred tax liabilities (Net)	47.66	51.02
d	Other non-current liabilities	-	-
	Current liabilities		
a	Financial liabilities		
	- Short term borrowings	603.04	847.24
	- Trade and other payables	384.33	381.33
	- Other financial liabilities	-	-
b	Other current liabilities	123.56	99.19
c	Short-term provisions	10.40	6.40
d	Liabilities for current tax (net)	-	-
	Total Equity & Liabilities	4,358.80	3,770.31



Regd. Off & Works : Unit-1 : Plot No. 133, I.E. Medchal - 501 401, Telangana, India. Ph : 011-2418-222428
 Unit-2 : Plot No. 127, 128, Royes Building, I.E. Medchal, Medchal, Telangana - 501 401, Telangana.
 Unit-3 : Plot No. 164, IDA, Phase V, Jeedimolfa, Hyderabad-500 055.
 e-mail : gurbani@gurbanigroup.in, www.gurbanigroup.in

M/s. Sampre Nutritions Limited

Cash flow statement

(All amounts are in Indian rupees except as otherwise stated)

₹ (In Lakhs)

	For the Year ended Mar 31, 2023	For the year ended March 31, 2022
A. Cash flow from operating activities		
Profit/ (loss) before tax	41.73	37.23
Non-cash adjustment to reconcile profit before tax to net cash flows:		
Depreciation expense	182.15	163.43
Profit / (Loss) on sale of fixed assets / CWIP	-	-
Bad debts written off	-	-
Interest income accrued	(0.17)	(0.37)
Interest Expense	177.68	167.20
Operating profit before working capital changes	401.39	367.49
Movements in Working Capital :		
(Increase)/ Decrease in inventories	5.29	19.95
(Increase)/ Decrease in Financial Assets	(320.17)	(19.42)
(Increase)/ Decrease in other non-current assets	-	-
(Increase)/ Decrease in Other Current Non Financial Assets	-	-
Increase / (Decrease) in Trade payables	2.99	(103.15)
Increase/ (decrease) in other current Financial Liabilities	24.36	8.08
Increase / (Decrease) in Other Non-Financial Liabilities	-	-
Cash generated / used in operations	113.61	272.96
Direct taxes (paid)/Refund (net)	(25.75)	(32.09)
Net cash generated/ (used) from operating activities (A)	87.86	240.86
B. Cash flow from investing activities		
Proceeds of fixed assets including Capital work - in - progress	(440.60)	(130.19)
Proceeds from sale of fixed assets	8.80	53.36
Interest received	0.17	0.37
Net cash generated/ (used) in investing activities (B)	(431.63)	(76.46)
C. Cash flow from financing activities		
Proceeds from equity	872.00	-
Proceeds from long term borrowings (Net of repayment)	(202.01)	55.48
Proceeds from short term borrowings	(244.20)	(54.17)
Interest expense paid	(177.68)	(167.20)
Net cash flow generated/ (used) in financing activities (C)	348.11	(165.89)
Net increase/ (decrease) in cash and cash equivalents (A + B+ C)	4.34	(1.48)
Cash and cash equivalents at the beginning of the year	8.25	9.73
Cash and cash equivalents at the end of the year	12.59	8.25
Components of cash and cash equivalents:		
Cash on hand	8.33	5.93
Deposits with banks	4.26	2.32
With banks - on current accounts	-	-
Cash and cash equivalents	12.59	8.25





**Independent Auditor's Report on the Quarterly and Year to Date Audited
Standalone Financial Results of the Company Pursuant to the Regulation
33 of the SEBI (Listing Obligations and Disclosure Requirements)
Regulations, 2015, as amended**

**To
The Board of Directors of
Sampre Nutritions Limited**

Opinion

We have audited the accompanying statement of quarterly and year to date standalone financial results of BSE Limited (the "Company") for the quarter and year ended March 31, 2023 ("Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- i. is presented in accordance with the requirements of the Listing Regulations in this regard; and
- ii. gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net profit, other comprehensive income and other financial information of the Company for the quarter and year ended March 31, 2023.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Standalone Financial Results" section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Standalone Financial Results

The Statement has been prepared on the basis of the standalone annual financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive income of the Company and other financial information in accordance with the applicable accounting standards prescribed



under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error. In preparing the Statement, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

The Statement includes the financial results for the quarter ended 31 March, 2023, being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subject to limited review by us.

For RRK & ASSOCIATES

Chartered Accountants

Firm Reg. No.009785S



R.Radha Krishna

Partner

M.No.210777

UDIN: 23210777BGTJLL1681



Place: Hyderabad

Date:30/05/2023

**INDEPENDENT AUDITORS' REPORT**

To The Members of **SAMPRE NUTRITIONS LIMITED**

Report on the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **SAMPRE NUTRITIONS LIMITED** ("the company"), which comprise the Balance Sheet as at **31 March 2022**, the Statement of Profit and Loss, the Cash Flow Statement and the statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2022;
- b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there were no such key audit matters to communicate in our report.

Responsibility of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of

adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Report on other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the act, we given in the 'Annexure A' statement on the matters specified in the paragraph 3 and 4 of the order, to the extent applicable.

As required by section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- c) the Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors as on 31 March, 2022, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2022, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B', and
- g) With respect to the other matters included in the Auditor's Report in accordance with the Rule 11 of the Companies (Audit and Auditors) Rules, 2014, to our best of our information and according to the explanations given to us :




- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
- ii. Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- iv. (a) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in the Note to the Standalone Financial Statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies) including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on such audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided in (a) and (b) above, contain any material misstatement.
- v. The company has not declared or paid any dividend during the year in contravention of the provisions of section 123 of the Companies Act, 2013.

With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its director during the year is in accordance with the provisions of section 197 of the Act. The remuneration paid to directors is not in excess of the limit laid down under section 197 (16) which are required to be commented upon by us.

For R R K & Associates
Chartered Accountants
FRN No. 097855



R. Radha Krishna
Partner
M.No.210777
UDIN: 22210777AJUFVL2522



Date: 28/05/2022
Place: Hyderabad

**Annexure 'A' To The Independent Auditor's Report
(This is the Annexure referred to in our Report of even date)**

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:
 - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
 - (B) The Company has maintained proper records showing full particulars of intangible assets.
 - (b) The Company has a program of physical verification of Property, Plant and Equipment and right-of-use assets so to cover all the assets once every three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) Based on our verification and according to the explanations provided to us by the Company, we report that, the title in respect of free hold land as disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.
 - (d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
 - (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii.
 - a. The physical verification of inventory (excluding stocks with third parties) has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedures of such verification by Management is appropriate. In respect of inventories of stores and spares, the Management has appropriate verification programme designed to cover all the items. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.
 - b. The Company has been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, from banks on the basis of security of current assets, according to the information and explanation given to us and on the basis of records examined by us, the quarterly returns and statements comprising stock and creditors statements, book debts and other stipulated financial information filed by the company with banks are not having material differences with the unaudited books of account of the Company for such respective quarters.
- iii. The Company has not made any investments in, or not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships, or to other parties, during the year, except for unsecured trade advances in normal course of business and hence reporting under clause 3(iii) of the Order is not applicable.
- iv. The Company has been complied with provisions of section 185 and 186 of the Companies Act, 2013 wherever applicable in respect of loans, investments, guarantees, and security.

- v. The Company has not accepted any deposits from the public, accordingly, the paragraph 3 (v) of the Order is not applicable to the Company.
- vi. In our opinion, and according to the information and explanations given to us, the company is not required to maintain cost records and accounts as provided under sub section (1) of section 148 of the Companies Act, 2013, accordingly, the paragraph 3 (vi) of the Order is not applicable to the Company.
- vii. In respect of statutory dues:
(a) According to the Information and explanations given to us and based on records provided to us, the Company has not been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities. There have been significant delays in large number of cases in depositing statutory dues with appropriate authorities.

Further according to the information and explanations given to us, except for below mentioned, there were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

Particulars	Rs. In Lakhs
EPF	13.67
ESI	2.42
TDS & TCS	14.88
Professional Tax	1.22

(b) According to the records of the Company and on the basis of the information and explanations given to us, *except for below mentioned*, there are no dues in respect of VAT, Service Tax, Duty of Excise, Income Tax, customs duty, wealth tax that have not been deposited with the appropriate authorities on account of any dispute.

Nature of Dues	Period to which the amount relates	Forum Where the dispute is pending	Amount in Lakhs.
Central Excise Act, 1944	F.Y.2010-11	DGCEI	Rs.86.24

- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. (a) According to the information and explanation given to us, as also on the basis of the books and records examined by us, the Company has not defaulted in repayment of dues to financial institutions or banks or any lenders. The Company has not taken any loan or borrowing from Government and has not issued any debentures during the year.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) According to the information and explanation given to us and on the basis of the books and records examined by us, the term loans taken during the year have been applied for the purpose for which those were obtained.



- (d) According to the information and explanation given to us and on an overall examination of the financial statements of the Company, we report that funds raised on short term basis have not been utilised for long term purposes.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its associate companies.
- (f) According to the information and explanation given to us and as per our examination, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries or associate Companies.
- x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi. (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (c) The Company has not received any whistle blower complaints during the year (and upto the date of this report), and hence reporting under clause 3(xi)(c) of the Order is not applicable.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. (a) According to the information and explanation given to us, and in our opinion the company has an adequate internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports for the year, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.
- (b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(b) of the Order is not applicable.



- xvii. The Company has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year, accordingly reporting under clause 3(xvii) of the Order is not applicable.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. The Company is not required to make provision towards Corporate Social Responsibility (CSR), accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

For R R K & Associates

Chartered Accountants

FRN No. 097855



R. Radha Krishna

Partner

M.No.210777

UDIN: 22210777AJUFVL2522



Date: 28/05/2022

Place: Hyderabad

Annexure - B to The Independent Auditor's Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **SAMPRE NUTRITIONS LIMITED** ("the Company") as of **31 March 2022** in conjunction with our audit of the IND AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS Financial Statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Date: 28/05/2022
Place: Hyderabad

For R R K & Associates
Chartered Accountants
FRN No. 097855



R. Radha Krishna
Partner
M.No. 210777
UDIN: 22210777AJUFVL2522



SAMPRE NUTRITIONS LIMITED

Balance Sheet as at March 31, 2022

SAMPRE

(Figures in Lakhs except per share data)

PARTICULARS	Notes	31-Mar-22	31-Mar-21
I. ASSETS			
1. Non-Current Assets			
a) Property, Plant & Equipment	3	2,218.45	1,774.70
b) Capital work-in-progress	4	-	530.36
c) Financial assets			
Investments in Subsidiaries & Others	5	1.00	1.00
Other Financial Assets	6	114.37	98.58
d) Other non-current assets		-	-
		2,333.82	2,404.64
2. Current Assets			
a) Inventories	7	709.23	729.29
b) Financial Assets			
Trade Receivables	8	597.40	622.22
Cash and Cash Equivalents	9	8.25	9.73
Others Current Financial Assets	10	121.50	62.77
c) Other Current Assets		-	-
		1,436.48	1,424.00
TOTAL ASSETS		3,770.30	3,828.64
II. EQUITY AND LIABILITIES			
1. EQUITY			
a) Equity Share Capital	11	482.00	482.00
b) Other Equity	12	627.05	596.26
Total Equity		1,109.05	1,078.26
2. LIABILITIES			
Deferred tax liability (net)	13	51.02	50.98
Non-current liabilities			
Financial Liabilities			
Long term borrowings	14	1,276.08	1,220.59
		1,327.10	1,271.57
Current liabilities			
Financial Liabilities			
Short-term Borrowings	15	847.24	901.41
Trade payables	16	381.33	484.49
Other current liabilities	17	99.18	91.10
Short-term provisions	18	6.40	1.81
		1,334.15	1,478.81
TOTAL EQUITY & LIABILITIES		3,770.30	3,828.64

Summary of significant accounting policies

1-2

The accompanying notes referred above form an integral part of the financial statements.

As per our report of even date attached

For RRC & Associates

Chartered Accountants

FERN 0097855

Hyderabad

R. Radha Krishna

Partner

Membership No. 210777

Place: Hyderabad

Date: 28/05/2022

For and on behalf of the Board of Directors
of Sampre Nutritions Limited

Brahma Gurbani

Managing Director

DIN: 00318180

V. Vamsi Srinivas

CFO

Vishal R Gurbani

Director

DIN: 07738635

Deepak Bisra

Company Secretary

(All amounts are in Indian rupees except as otherwise stated)

(Figures in Lakhs except per share data)

PARTICULARS	Notes	31-Mar-22	31-Mar-21
REVENUE			
Revenue from operations	19	2,312.55	1,823.33
Other income	20	27.76	3.13
		2,340.31	1,826.46
EXPENSES			
Cost of Materials Consumed	21	659.50	368.55
Manufacturing expenditure	22	1,008.18	816.37
Employee benefits expense	23	106.92	101.53
Other expenses	24	188.44	194.02
Depreciation	25	163.43	180.81
Finance costs	26	176.62	154.32
		2,303.09	1,815.60
Profit before exceptional and extraordinary items and tax		37.22	10.86
Exceptional items		-	-
Profit/ (loss) before tax		37.22	10.86
Tax expense		-	-
Current tax		-	-
Short / (Excess) Provision for Taxation		-	-
Deferred tax (credit)/ charge	33	6.44	3.29
Profit/ (loss) for the period		30.78	7.57
Other Comprehensive Income		-	-
Total Comprehensive Income for the period		30.78	7.57
<u>Earnings per equity share</u>			
Basic		0.64	0.16
Diluted		0.64	0.16
Weighted average no. of equity shares		4,820,000	4,820,000

The accompanying notes referred above form an integral part of the financial statements.

As per our report of even date attached

For RRK & Associates

Chartered Accountants

FIR No. 0097836

R. Radha Krishna

Partner

Membership No. 210777

Place: Hyderabad

Date: 28/05/2022

For and on behalf of the Board of Directors
of Sampre Nutritions Limited

Brahma Gurbani

Managing Director

DIN: 00318180

V. Vamsi Srinivas

CFO



Vishal S. Gurbani

Director

DIN: 07734685

Deepak Bissa

Company Secretary



SAMPRE NUTRITIONS LIMITED

Cash flow statement for the year ended 31st March, 2022

(All amounts are in Indian rupees except as otherwise stated)

SAMPRE

(Rupees in Lakhs except per share data)

PARTICULARS	31-Mar-22	31-Mar-21
A. Cash flow from operating activities		
Profit/ (loss) before tax	37.23	10.85
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation expense	163.43	180.51
Interest income accrued	(0.37)	(0.05)
Interest Expense	167.20	74.24
Operating profit before working capital changes	367.49	265.54
Movements in Working Capital :		
(Increase)/ Decrease in inventories	19.95	(25.60)
(Increase)/ Decrease in Financial Assets	(19.42)	(216.17)
(Increase)/ Decrease in other non-current assets	-	-
(Increase)/ Decrease in Other Current Non Financial Assets	-	-
Increase / (Decrease) in Trade payables	(103.13)	7.50
Increase/ (decrease) in other current Financial Liabilities	8.08	(28.68)
Increase / (Decrease) in Other Non-Financial Liabilities	-	-
Cash generated / used in operations	272.95	2.89
Direct taxes (paid)/Refund (net)	(32.07)	(20.60)
Net cash generated/ (used) from operating activities (A)	240.86	(17.71)
B. Cash flow from investing activities		
Proceeds of fixed assets including Capital work - in - progress	(130.19)	(235.50)
Proceeds from sale of fixed assets	53.36	145.55
Interest received	0.37	0.06
Net cash generated/ (used) in investing activities (B)	(76.46)	(89.92)
C. Cash flow from financing activities		
Proceeds from long term borrowings (Net of repayment)	55.49	82.05
Proceeds from short term borrowings	(54.17)	24.81
Interest expense paid	(167.20)	(74.24)
Net cash flow generated/ (used) in financing activities (C)	(165.88)	32.62
Net increase/ (decrease) in cash and cash equivalents (A + B+ C)	(1.43)	(75.01)
Cash and cash equivalents at the beginning of the year	9.73	84.74
Cash and cash equivalents at the end of the year	8.25	9.73
Components of cash and cash equivalents:		
Cash on hand	5.93	4.89
Deposits with banks	2.32	2.27
With banks - on current accounts	-	2.57
Cash and cash equivalents	8.25	9.73

The accompanying notes referred above form an integral part of the financial statements.

(All amounts are in Indian rupees except as otherwise stated)

For RRK & Associates

Chartered Accountants

FRN No. 009798S

R. Radha Krishna

Partner

Membership No. 210777

Place: Hyderabad

Date: 28/05/2022

 For and on behalf of the Board of Directors
of Sampre Nutritions Limited

 Brahma Gurbani
Managing Director
DIN: 00318180

 V. Vamsini Gopinivas
CFO

 Vishal R. Gurbani
Director
DIN: 07738685

 Deepak Bina
Company Secretary

SAMPRE NUTRITIONS LIMITED

Statement of Changes in Equity for the year ended 31st March, 2022

(All amounts are in Indian rupees except as otherwise stated)



a) Equity Share Capital

(1) Current reporting period

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
482.00	-	-	-	482.00

(2) Previous reporting period

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
482.00	-	-	-	482.00

b) Other Equity

(1) Current reporting period

Particulars	Reserves and Surplus		Total
	Securities premium	Retained Earnings	
Balance at the beginning of the current reporting period	37.00	551.70	588.70
Changes in accounting policy or prior period errors	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-
Total Comprehensive Income for the current year	-	7.56	7.56
Dividends	-	-	-
Transfer to retained earnings	-	-	-
Any other change	-	-	-
Balance at the end of the current reporting period	37.00	559.26	596.26

(2) Previous reporting period

Particulars	Reserves and Surplus		Total
	Securities premium	Retained Earnings	
Balance at the beginning of the current reporting period	37.00	559.26	596.26
Changes in accounting policy or prior period errors	-	-	-
Restated balance at the beginning of the current reporting period	-	-	-
Total Comprehensive Income for the current year	-	30.79	30.79
Dividends	-	-	-
Transfer to retained earnings	-	-	-
Any other change	-	-	-
Balance at the end of the current reporting period	37.00	590.05	627.05

The accompanying notes referred above form an integral part of the financial statements.

For RRK & Associates
Chartered Accountants
FRN: 009755S

R. Radha Krishna
Partner
Membership No. 210777

Place: Hyderabad
Date: 28/05/2022

For and on behalf of the Board of Directors
of Sampre Nutritions Limited

Ibrahim Gurbani
Managing Director
DIN: 00318180

Vishal R Gurbani
Director
DIN: 07738685

V. Vahid
CFO

Deepak Bisra
Company Secretary

5 Non-Current Investments

	31-Mar-22	31-Mar-21
Investment in equity instruments in other companies	-	-
Unquoted, Fully Paidup equity	-	-
1000 equity share of Rs.100 each of Cosmos Co-Op Bank Ltd	1.00	1.00
	1.00	1.00

10 Other Non-current Financial Assets

	31-Mar-22	31-Mar-21
Security deposits		
Unsecured, considered good	54.92	54.71
Other loans and advances		
Deferred Borrowing cost	12.16	-
Advances to Suppliers	47.29	43.67
	114.37	98.38

7 Inventories (valued at lower of cost and net realisable value)

	31-Mar-22	31-Mar-21
Raw Materials	405.69	419.72
Packing Materials	303.64	309.57
	709.33	729.29

8 Trade receivables

	31-Mar-22	31-Mar-21
- Unsecured, considered good		
Trade Receivables	297.65	360.02
Receivables from related parties (Refer Note 38)	299.75	262.20
Trade Receivables which have significant credit risk	-	-
	597.40	622.22

Trade receivables Ageing for trade receivables as at March 31, 2022

	Outstanding for following periods from due date of payment					Total
	< 6 Months	6 Months to 1 Year	1 to 2 Years	2 to 3 Years	> 3 Years	
Undisputed Trade receivables - considered good	380.48	216.92	-	-	-	597.40
Undisputed Trade Receivables - considered doubtful	-	-	-	-	-	-
Disputed Trade Receivables - considered good	-	-	-	-	-	-
Disputed Trade Receivables - considered doubtful	-	-	-	-	-	-
Total	380.48	216.92	-	-	-	597.40



Trade receivables Ageing for trade receivables as at March 31, 2021

	Outstanding for following periods from due date of payment					Total
	< 6 Months	6 Months to 1 Year	1 to 2 Years	2 to 3 Years	> 3 Years	
Undisputed Trade receivables - considered good	622.22	-	-	-	-	622.22
Undisputed Trade Receivables - considered doubtful	-	-	-	-	-	-
Disputed Trade Receivables -considered good	-	-	-	-	-	-
Disputed Trade Receivables -considered doubtful	-	-	-	-	-	-
Total	622.22	-	-	-	-	622.22

9 Cash and Cash Equivalents

	31-Mar-22	31-Mar-21
Cash and Cash equivalents		
Balance with banks		
- On current accounts	-	2.57
Margin money deposit	2.32	2.27
Cheques/Drafts on hand	-	-
Cash on hand	5.93	4.89
	8.25	9.73

10 Other Current Financial Assets

	31-Mar-22	31-Mar-21
Security deposits		
Unsecured, considered good	-	-
Other loans and advances		
Advances to employees	29.12	8.32
Balance with Revenue authorities	92.38	54.45
Advances to Suppliers	-	-
	121.50	62.77



11 Share Capital

	31-Mar-22	31-Mar-21
Authorised Shares		
No. 6,000,000 (March 31, 2021: 6,000,000) equity shares of Rs. 10 each	600.00	600.00
	-	-
Issued and subscribed shares		
No. 48,20,000 (March 31, 2021: 48,20,000) equity shares of Rs. 10 each	482.00	482.00
	482.00	482.00

a) Reconciliation of the equity shares outstanding at the beginning and at the end of the year

	31-Mar-22		31-Mar-21	
	No. of shares in Lacs	Amount	No. of shares in Lacs	Amount
At the beginning of the year	48.20	482.00	48.20	482.00
change during the year	-	-	-	-
Outstanding at the end of the year	48.20	482.00	48.20	482.00

b) Terms/right attached to equity shares

The Company has issued only one class of equity shares having par value of Rs 10/- per share. Each holder of equity shares is entitled to one

c) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	31-Mar-22		31-Mar-21	
	No. of shares in Lac	% shares	No. of shares in Lacs	% shares
Brahma K Gurbani	8.87	18.41	8.87	18.41
Saritha B. Gurbani	7.62	15.80	7.62	15.80
Meera B. Gurbani	5.31	11.01	5.31	11.01

As per the records of the Company, including its register of shareholders/ members, the above shareholding represents legal and beneficial ownership.

e) Disclosure of Shareholding of Promoters

Shareholding of promoters as at March 31, 2022

Sl.No.	Promoter Name	Number of Shares	% of total shares	% Change during the year
	Brahma K Gurbani	8.87	18.40%	0.00%
	Saritha B Gurbani	7.62	15.81%	0.00%
	Meera B Gurbani	5.31	11.02%	0.00%
	Saraswati Gurbani	2.22	4.61%	0.00%
	Deepa Gurbani	1.42	2.95%	0.00%
	Total	25.44		

Shareholding of promoters as at March 31, 2021

Promoter Name	Number of Shares	% of total shares	% Change during the year
Brahma K Gurbani	8.87	18.40%	0.00%
Saritha B Gurbani	7.62	15.81%	0.00%
Meera B Gurbani	5.31	11.02%	0.00%
Saraswati Gurbani	2.22	4.61%	0.00%
Deepa Gurbani	1.42	2.95%	0.00%
Total	25.44		



12 Other Equity

	31-Mar-22	31-Mar-21
Securities premium account	37.00	37.00
Surplus in the statement of profit and loss		
Balance as per last financial statements	559.26	551.70
Profit / (loss) for the period/year	30.79	7.56
Net surplus/(deficit) in the statement of profit and loss	590.05	559.26
	627.05	596.26

13 Deferred Tax Liability (Net)

	31-Mar-22	31-Mar-21
Deferred Tax Liability, Net	66.34	59.90
Deferred Tax Asset, Net	-	-
Mat Credit Entitlement (Net)	(15.32)	(8.92)
	51.02	50.98

14 Long-term borrowings

	31-Mar-22	31-Mar-21
Secured Loans		
Term Loans (Refer Note No.28)		
- Term loans From Banks	713.48	667.88
- Vehicle Loans From Banks	9.56	23.89
- Other Vehicle Loan from financial institutions	68.76	54.73
Less: Current Maturities of long term borrowings (Included in Note No.15)	60.46	72.00
	731.34	674.50
Unsecured Loans		
Loans from Directors and relatives	544.74	546.09
	1,276.08	1,220.59

- There has no default in repayment of loan and interest as at Balance Sheet.



[Handwritten signature]

15 Short term borrowings

	31-Mar-22	31-Mar-21
The South Indian Bank Bill Discounting	263.26	300.00
The South Indian Bank Cash Credit	523.52	529.41
Current maturities of Long term borrowings	60.46	72.00
	847.24	901.41

Notes:

a. Working capital limits are availed from The south Indian Bank are secured by Hypothecation of entire Current Assets of the Company and equitable mortgage of Company land at effective interest rate of 10.75 % pa and repayable on demand.

b. There has no default in repayment of loan and interest as at Balance Sheet.

16 Trade payables

	31-Mar-22	31-Mar-21
a. Trade Creditors	155.80	75.03
b. Creditor for Expenses	225.53	105.59
c. Creditors for Capital Goods	-	303.67
	381.33	484.49

Trade Payables ageing schedule as at March 31, 2022

	< 1 Year	1 to 2 Years	2 to 3 Years	> 3 Years	Total
MSME	-	-	-	-	-
	381.33	-	-	-	381.33
Others	-	-	-	-	-
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
	381.33	-	-	-	381.33

Trade Payables ageing schedule as at March 31, 2021

	< 1 Year	1 to 2 Years	2 to 3 Years	> 3 Years	Total
MSME	-	-	-	-	-
Others	484.49	-	-	-	484.49
Disputed dues - MSME	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-
	484.49	-	-	-	484.49

Note:

Details of dues to micro and small enterprises as defined under the MSMED ACT, 2006

Based on information available with the Company, there are no suppliers who are registered as micro, small or medium enterprises under

"The Micro, Small and Medium Enterprises Development Act, 2006 as at March 31, 2022.



Signature

17 Other current liabilities

	31-Mar-22	31-Mar-21
Advances from customers	29.99	5.00
Dues to employees	56.60	78.59
Other statutory liabilities	2.96	5.46
Provision for gratuity	-	-
Provision for expenses	9.63	2.05
	99.18	91.10

18 Short term provisions

	31-Mar-22	31-Mar-21
Provision for income tax	6.40	1.81
	6.40	1.81

19 Revenue from operations

	31-Mar-22	31-Mar-21
Sales	2,312.55	1,823.33
	2,312.55	1,823.33

20 Other income

	31-Mar-22	31-Mar-21
Interest Income	0.37	0.06
Other non operating income	27.39	3.07
	27.76	3.13

21 Cost of Materials Consumed

	31-Mar-22	31-Mar-21
Opening Stock	729.29	703.69
Add: Purchases	639.54	394.15
Less: Closing stock	709.33	729.29
	659.50	368.55



(Signature)

22 Manufacturing expenditure

	31-Mar-22	31-Mar-21
Fuel & Power consumption	192.60	157.02
Factory salaries and Wages	306.52	358.46
Factory Expenses	266.79	254.73
Transport & Hamali Charges	24.31	10.07
Repairs & Maintenance	17.66	35.60
Packing Expenses	-	0.49
	1,808.18	816.37

23 Employee benefits expense

	31-Mar-22	31-Mar-21
Salaries, bonus and allowances	48.39	49.02
Staff Welfare Expenses	23.84	17.82
Directors Remuneration	34.69	34.69
	106.92	101.53

24 Other expenses

	31-Mar-22	31-Mar-21
Advertisement Expenses	1.97	0.55
AGM Expenses	0.83	0.34
Building Maintenance	0.43	5.10
Business Promotion Expenses	-	3.84
Computer Maintenance	1.27	1.03
Communication Expenses	1.99	0.34
Donations	-	0.06
General Expenses	10.99	15.28
Insurance	8.42	6.27
Key Man Insurance Exp	20.02	20.09
Legal and professional	5.50	10.61
Loss on sale of Asset	2.31	0.26
Membership and Subscription Fee	0.09	0.05
Office Expenses	5.56	4.81
Payments to auditors	2.05	2.05
Printing and stationery	3.54	4.17
Rates and taxes	3.35	7.18
Rental Charges	81.77	72.37
Repairs and maintenance	0.08	0.05
Security Services	24.70	25.69
Sitting Fee	2.05	2.06
Telephone Expenses	2.19	2.12
Travelling and conveyance	5.05	4.37
Vehicle Maintenance	3.87	5.26
Membership Fee (Non GST)	0.11	0.05
	188.44	194.02



25 Depreciation

	31-Mar-22	31-Mar-21
Depreciation on property, plant and equipments	163.43	180.81
	163.43	180.81

26 Finance costs

	31-Mar-22	31-Mar-21
Interest on Term Loans	68.94	74.34
Interest on Working Capital loans	92.60	73.51
Interest on Vehicle Loans	5.66	1.18
Interest on Statutory Payments	4.35	4.51
Bank charges	5.07	1.28
	176.62	154.82



SAMPRE NUTRITIONS LIMITED

Notes to financial statements

(All amounts are in Indian rupees except as otherwise stated)

3 Property Plant and Equipment

(Figures in Lakhs)

	Freehold Land	Misc Fixed Assets	Electrical Equipment	Factory Buildings	Plant and machinery	Office Buildings	Office Equipment	Computer equipment	Furniture and fixtures	Vehicles	Total fixed assets
Gross Carrying Amount											
As at March 31, 2020	21.24	6.39	222.77	597.56	2,272.44	310.93	44.90	4.97	151.60	248.58	3,721.85
Additions	-	-	9.16	21.32	133.29	-	7.27	2.60	8.55	72.88	246.87
Deletions	-	-	-	-	(599.51)	-	-	-	-	(11.92)	(311.43)
As at March 31, 2021	21.24	6.39	231.93	618.88	1,806.22	310.93	52.17	7.57	151.95	339.54	3,357.52
Additions	-	-	18.63	306.37	314.83	-	-	1.70	-	19.02	660.55
Deletions	-	-	-	-	(53.68)	-	-	-	-	(12.90)	(65.98)
As at March 31, 2022	21.24	6.39	250.56	925.25	2,068.47	310.93	52.17	9.27	151.95	335.66	3,451.89
Accumulated Depreciation											
As at March 31, 2020	-	6.19	166.13	337.25	1,015.66	14.19	38.78	4.96	71.70	205.83	1,867.69
Adjustment to opening Reserve	-	0.09	7.63	28.38	116.22	2.38	1.19	0.25	10.45	14.22	140.81
Charge for the year	-	-	-	-	(462.05)	-	-	-	-	(3.83)	(465.88)
Deletions	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2021	-	6.28	173.76	365.63	669.83	16.57	39.97	5.21	82.15	216.22	1,582.62
Adjustment to opening Reserve	-	0.02	8.91	33.32	80.33	2.38	1.82	1.00	10.46	16.10	163.43
Charge for the period	-	-	-	-	(7.45)	-	-	-	-	(5.16)	(12.61)
Deletions	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2022	-	6.30	182.67	398.95	751.71	18.95	41.79	6.20	92.61	227.16	1,733.44
Net Carrying Amount											
As at March 31, 2020	21.24	0.20	56.64	260.31	1,257.28	116.74	6.12	0.01	72.90	62.73	1,864.19
As at March 31, 2021	21.24	0.11	58.17	253.25	1,136.39	114.26	12.50	2.36	62.40	113.32	1,774.70
As at March 31, 2022	21.24	0.09	67.89	526.30	1,316.76	111.98	10.38	2.97	59.34	148.50	2,218.45

4 Capital work-in-progress

As at March 31, 2021

As at March 31, 2022

330.36

-

M/s.Sampre Nutritions Limited

Depreciation statement as per Income tax Act, 1961 For the Asst. Year 2022-23

Particulars	WDV		Additions		Deletions / adjustments	Depreciation For the year	WDV		%
	As at 1st April 2021	Before Sep	After Sep				As at March 31, 2022	As at March 31, 2022	
Tangible Assets									
Free Hold Land	2,124,162	-			-	-	2,124,162	2,124,162	0%
Buildings	25,925,879	514,788	30,122,677		-	4,150,201	52,413,143	52,413,143	10%
Plant and Machinery	92,044,413	313,028	31,169,631		-	16,191,338	107,335,733	107,335,733	15%
Electrical Equipments	5,134,075	70,561	1,792,468		-	610,087	6,387,017	6,387,017	10%
Air Conditioning	1,565,827	-	-		-	234,874	1,330,953	1,330,953	15%
Furniture and Fixtures	7,334,192	-	-		-	733,419	6,600,773	6,600,773	10%
Laboratory Equipment	1,194,514	-	-		-	179,177	1,015,337	1,015,337	15%
Office Equipment	146,684	-	-		-	22,003	124,682	124,682	15%
Vehicles	14,303,025	-	1,901,913		-	2,288,097	13,916,841	13,916,841	15%
Computers and Printers	368,538	90,587	79,024		-	199,455	338,694	338,694	40%
Generator	488,423	-	-		-	73,263	415,160	415,160	15%
Office & Canteen Building	2,206,485	-	-		-	220,648	1,985,836	1,985,836	10%
Misc. Fixed Assets	250,343	-	-		-	25,034	225,309	225,309	10%
E.T.P	207,734	-	-		-	31,160	176,574	176,574	15%
Sub-total	153,294,294	988,964	65,065,713		-	24,958,757	219,348,971	194,390,214	
Intangible Assets									
Website	-	-	-		-	-	-	-	

27. Contingent liabilities not provided for in respect of:

The company was in receipt of demand order in respect of Central Excise for FY 2010-11, against the said order, the company has filed an appeal before the appellate authorities in respective forums. The Company is expecting a favorable result from the appellate authority.

28. Secured Loans (Refer Note No.14)

a. Term loans from Banks:

The term loans from banks were availed for acquisition of Plant & Machinery, constructions of factory building from 'The South Indian Bank Ltd'. During the year, the Company executed restructuring of existing term loans under RBI Covid-19 scheme as under;

Particulars	Rs. in Lakhs	Rate of Interest	Repayment terms
Term loans - Machinery & Factory Building	489.11	10.25%	Repayable in range of 58 months to 111 months including moratorium period of 14 months.
Working Capital Term Loan-(WCTL-1)	122.79	10.25%	Repayable in 79 months including moratorium period of 14 months.
Funded interest term loan (FCTL 1, 2 & 3)	159.30	10.25%	Repayable in 78 months including moratorium period of 18 months.

The above stated terms loans were secured by equitable mortgage of Industrial Property of land & building situated in plot no.133, Industrial estates, Medchal of the Company, further secured by collateral assets in the form of immovable properties belonging to the Promoter Directors and their relatives. It is further secured by personal guarantees of the directors and their relatives.

b. Vehicle Loans from Banks:

Vehicle Loans from banks are from Yes Bank Ltd under hire purchase schemes, secured by hypothecation of vehicles owned by the Company.

c. Other Vehicle Loan

Other vehicle loans were obtained from M/s.Daimler Financial Services India Pvt.Ltd, Mahindra & Mahindra Financial Services Ltd and M/s.Toyota Financial Service Ltd under hire purchase schemes, secured by hypothecation of vehicles owned by the Company.

29. Dues to Micro and Small Enterprises

As per the information available with the company, it appears that no dues outstanding for more than 30 days in excess of Rs.1.00 Lakh as on 31st March 2022 in respect of Small Scale Industrial Undertakings. It is reported that there are no specific claims on the company from the small scale industrial supplier under the "Interest on Delayed Payments to small Scale and Ancillary Industrial Undertaking Act, 1993" during the said year.

30. Payment to Auditors:

Particulars	31 st March, 2022	31 st March, 2021
Audit Fee	1.55	1.55
Tax Audit Matters	0.30	0.30
Certification & Other Services	0.20	0.20
Total	2.05	2.05

31. There are no debts outstanding as on 31st March 2022 from Directors or other officers of the company other than imprest cash in order to meet running expenses.

32. Segment Reporting:

a) Business Segment

The company's business consists of one primary reportable business segment of manufacturing of sugar boiled candies & toffees and consists of major revenue on account of processing charges; hence no separate disclosure is required in the context of Indian Accounting Standard 108 "Operating Segment".

b) Geographical Segment:

During the period under report, the Company has engaged in its business primarily within India with two manufacturing facilities including of leasehold unit. The conditions prevailing in India being uniform, no separate geographical disclosure is considered necessary.

33. Deferred Tax Asset / (Liability):

The movement of Provision of Deferred Tax for the year ended 31-03-2022 is as given below:

Particulars	Asset/ (Liability) As on 31.03.2021	Recognised in Profit & Loss Account	Others	Asset/ (Liability) As on 31.03.2022
Timing Differences on account of Depreciation	(72.53)	(1.14)	-	(71.38)
Unabsorbed Tax Losses (Depreciation Loss)	12.63	(7.58)	-	5.05
MAT Credit Entitlement/ (Utilisation)	8.92	6.40	-	15.32
Total	(50.98)	(2.33)	-	(51.02)

34. Earnings per Share (EPS)

The earnings considered in ascertaining the company's Earnings per share comprise of net profit after tax. The number of shares used in computing Basic earnings per share is the weighted average number of shares outstanding during the year. The numerators and denominators used to calculate earnings per share.

Particulars	2021-22	2020-21
Profit attributable to Equity Share Holders (A) (Rs. in Lakhs)	30.79	7.55
Basic / Weighted Average Number of Equity Shares outstanding during the year (B) (No. s in Lakhs)	48.20	48.20
Nominal value of each equity Share	Rs.10/-	Rs.10/-
Earnings Per share	0.64	0.16
Diluted EPS	0.64	0.16

35. Taxes on income

The company made necessary provision for income tax as per the provisions of income tax act, 1961.

36. Financial risk management and policies

36.1 Capital risk management

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep optimum gearing ratio. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations.

	Year ended March 31, 2022	Year ended March 31, 2021
Borrowings (including Current maturities of long terms debts)	2,123.32	2,122.00
Trade payables	381.53	484.49
Other financial liabilities	105.58	92.91
Less: Cash and cash equivalent	8.23	9.73
Net debts (A)	2,601.98	2,689.67
Total Equity(B)	1,109.05	1,878.26
Capital and net debt(C=A+B)	3,711.03	3,767.93
Gearing Ratio (%) (A/C)	0.70	0.71

36.2 Financial risk management

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance and support the Company's operations. The Company's principal financial assets comprise investments, cash and bank balance, trade and other receivables.

The Company is exposed to various financial risks such as market risk, credit risk and liquidity risk. The financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

a. **Market risk**

The Company's activities expose it primarily to the financial risk of changes in foreign currency exchange rates and changes in interest rates. There have been no changes to the Company's exposure to market risk or the manner in which it manages and measures the risk in recent past.

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and currency risk. Financial instruments affected by market risk include borrowings and bank deposits.

i. **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates is limited as the Company has only fixed deposit with bank.

ii. **Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's Financial Liabilities. The Company's foreign currency risks are identified, measured and managed at periodic intervals in accordance with the Company's policies.

b. **Credit risk**

Credit risk is the risk that counterparty will default on its contractual obligations resulting in financial loss to the company. The Company has adopted a policy of only dealing with creditworthy customers.

In many cases an appropriate advance or letter of credit / bank guarantee is taken from the customers to cover the risk. In other cases credit limit is granted to customer after assessing the credit worthiness based on the information supplied by credit rating agencies, publicly available financial information or its own past trading records and trends.

At March 31, 2022, the company did not consider there to be any significant concentration of credit risk, which had not been adequately provided for. The carrying amount of the financial assets recorded in the financial statements, grossed up for any allowances for losses, represents the maximum exposure to credit risk.

A handwritten signature in blue ink is written over a circular blue ink stamp. The stamp contains text that is partially legible, including "SAMPRE NUTRITIONS LIMITED" and "13".

c. Liquidity risk

The Company manages liquidity risk by maintaining adequate reserves and banking facilities, by continuously monitoring forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities for the Company. The Company has established an appropriate liquidity risk management framework for its short-term, medium term and long-term funding requirement.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

(Rs. in lakh)				
Particulars	Carrying Value	Less than 1 year	1-5 years	> 5 years
March 31, 2022				
Borrowings	2,123.32	847.24		
Trade and other payables	381.33	381.33	-	-
Other financial liabilities	105.58	105.58	-	-
March 31, 2021				
Borrowings	2,122.60	901.41		
Trade and other payables	484.49	484.49	-	-
Other financial liabilities	92.91	92.91	-	-

37. Fair Value measurement

The fair value of the financial assets are included at amounts at which the instruments could be exchanged in a current transaction between willing parties other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair value:

- Fair value of cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities, approximate their carrying amounts largely due to the short-term maturities of these instruments.
- Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

A. Financial instruments by category

The carrying value and fair value of financial instruments by categories as at March 31, 2022 were as follows:

Particulars	Note No	Amortised cost	Financial assets/liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total Carrying value	Total fair value
			Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory		
Assets:								
(a) Trade receivables	8	597.40					597.40	597.40
(b) Other financial assets	10	121.50					121.50	121.50
(c) Cash and cash equivalent	9	8.25					8.25	8.25
(d) Bank balances (other than cash and cash equivalent)		-					-	-
Liabilities:								
(a) Borrowings	14 & 15	2,123.32					2,123.32	2,123.32
(b) Trade and other payables	16	381.33					381.33	381.33
(c) Other financial liabilities	17 & 18	105.58					105.58	105.58

B. The carrying value and fair value of financial instruments by categories as at March 31, 2021 were as follows:

Particulars	Note No	Amortised cost	Financial assets/liabilities at fair value through profit or loss		Financial assets/liabilities at fair value through OCI		Total Carrying value	Total fair value
			Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory		
Assets:								
(a) Trade receivables	8	622.22					622.22	622.22
(b) Other financial assets	10	62.77					62.77	62.77
(c) Cash and cash equivalent	9	9.73					9.73	9.73
(d) Bank balances (other than cash and cash equivalent)		-					-	-
Liabilities:								
(a) Borrowings	14 & 15	2,122.00					2,122.00	2,122.00
(b) Trade and other payables	16	484.49					484.49	484.49
(c) Other financial liabilities	17 & 18	92.91					92.91	92.91

38. Related Party Disclosures

"Related Party Disclosures" issued by the Institute of Chartered Accountants of India are as follows:

Name of the related parties and description of relationship

- a) Enterprise which are owner or have significant influence of or are partners with key management personnel and their relative:

M/s. Royes Industries Limited
M/s. Naturalle Health Products Pvt. Ltd.

- b) Key Managerial Personnel
Shri Brahma K Gurbani (MD)
Shri Vishal R Gurbani (WTD-VP)

a) Related Party Transactions:

Name of Related Party	Nature of transaction	Current Year	Previous Year
Shri. Brahma K Gurbani	Managerial Remuneration	24.00	24.00
Shri Vishal R Gurbani	Managerial Remuneration	10.69	10.69
Shri. Brahma K Gurbani	Unsecured Borrowings	7.66	89.56
Smt. Meera B Gurbani	Unsecured Borrowings	(9.02)	1.37
Royes Industries Limited	Lease Rentals	60.00	60.00
Royes Industries Limited	Purchases of Raw Material	381.29	42.87
Royes Industries Limited	Sale of Raw Materials	423.05	-
Royes Industries Limited	Sales of Machinery	—	162.02

b) Balances receivable /Payable

Name of Related Party	Nature of transaction	As at March 31, 2022	As at March 31, 2021
Royes Industries Limited	Receivables	270.20	241.67
Naturalle Health Products Pvt Ltd	Receivables	29.55	20.53
Shri. Brahma K Gurbani	Unsecured Borrowings	447.63	439.97
Smt. Meera B Gurbani	Unsecured Borrowings	97.10	1,06.12

c) Disclosure of Unsecured Loans received from Directors and Relatives of Directors Pursuant to Rule 16A of Companies (Acceptance of Deposits) Rules 2014 is as follows.

S No.	Name of Lender	Nature of Relation	Amount
1	Shri. Brahma K Gurbani	Director	447.63
2	Smt. Meera B Gurbani	Relative of Director	97.10

39. CIF Value of Imports	FY 2021-22 (Rs.)	2020-21 (Rs.)
Raw materials	—	—
Packing materials	—	—
Traded goods	—	—
Capital goods	—	—

40. Previous year's figures have been re grouped / and or re-arranged wherever necessary to confirm with the current year classification.
41. Provision for accruing liability for Super Annuation / Retirement benefits have been made in the basis of the liability as actually determined as at the year end.
42. Depreciation has been provided on the straight-line method as per the rates prescribed as of Schedule II of The Companies Act 2013.
43. There were no employees drawing remuneration of Rs.60.00 lacs or more per annum or Rs.5.00 lacs or more per month, if employed for part of the year.
44. Micro and Medium Scale Business Entities: There are no micro, small and medium enterprises, to whom the company owes dues, which are outstanding for more than 45 days as at 31st March 2022. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.

45. Ratios

Particulars	Numerator	Denominator	As at		Variance in %	Notes
			31.03.2022	31.03.2021		
(a) Current Ratio (In times)	Current assets	Current liabilities	1.1	1.0	11.8%	
(b) Debt-Equity Ratio ¹⁾	Total Debt	Share Holders Equity	2.0	2.0	-2.7%	
(c) Debt Service Coverage Ratio	Earnings Available for Debt Service	Debt Service	1.6	1.2	26.5%	1
(d) Return on Equity Ratio (In%)	Net Profit after Tax	Avg. Share Holders Equity	1.5%	0.5%	288.9%	2
(e) Inventory turnover ratio (In times)	Turnover	Average Inventory	2.2	1.7	27.7%	3
(f) Trade Receivables turnover ratio (In times)	Turnover	Average Trade Receivables	2.5	2.3	11.8%	
(g) Trade payables turnover ratio (In times)	Purchases	Average Trade Payables	1.0	0.1	646.6%	4
(h) Net capital turnover ratio (In times)	Turnover	Working Capital	27.4	(13.3)	167.9%	5
(i) Net profit ratio (In %)	Net Profit after Tax	Turnover	1.4%	0.4%	213.2%	6
(j) Return on Capital employed (In %)	Earnings before Interest and Taxes	Capital Employed	8.8%	7.0%	24.9%	
(k) Return on investment (In %)	-	-	-	-	-	

Notes:

- 1) Due to higher margins ratio improved during the year.
- 2) Ratio is improved with increased sales / margins during the year after Covid impact.
- 3) Ratio is improved with increased sales / margins during the year after Covid impact.
- 4) Due to decrease in job work sales and increase in sales during the year
- 5) Ratio is improved due to better workings capital management
- 6) Ratio is improved with increased sales / margins during the year after Covid impact.

46. Additional Information pursuant to provisions of the Companies Act, 2013.

- a) The Company does not have any Benami property, where any proceedings has been initiated or pending against the Company for holding Benami property.
- b) The Company has a working capital limits of 790.00 Lakhs comprising of fund based limits of Rs 525.00 Lakhs and non-fund based limits of Rs. 265.00 Lakhs. For the said credit facilities, the company has submitted stock and book debt statements to the lender bank on monthly/quarterly basis and there is no material differences with the books of accounts for the year.
- c) The Company has not been declared as a wilful defaulter by any bank or financial institution or any other lender.
- d) The Company do not have any such transactions which has not been recorded in the books of accounts but has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as search or survey or any other relevant provisions of the Income Tax Act, 1961)
- e) The Company does not have any transactions with struck off Companies.
- f) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- g) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year
- h) Quantitative Details;

(As certified by Management of the Company)

Particulars	FY 2021-22		FY 2020-21	
	Quantity (Kg)	Value (Rs. Lakhs)	Quantity (Kg)	Value (Rs. Lakhs)
Opening Stock	651151	729.29	758226	703.69
Production (Sugar based candies)	7509728	N.A	6772491	N.A
Closing Stock	646452	709.33	651151	729.29
Sales - Own product (Sugar based candies Confectionery) & Job Work	7514427	2312.55	6879566	1823.33
Sales - Job Work	-	-	-	-

The quantitative detail indicated above includes production & dispatches made on principal to principal basis and Loan license basis.

Material Consumed	FY 2021-22		FY 2020-21	
	Quantity (Kg)	Value in Lakhs	Quantity (Kg)	Value in Lakhs
Raw Material (No. / Kgs)				
- Sugar	532987	195.92	333117	121.62
- Glucose	443584	93.77	277240	58.00
- Flavors & Others	852494	215.16	532809	134.48
Total	1829065	504.85	1143166	314.10
Primary packing Materials	57915	154.64	18938	54.45
Others			-	-
Total	1886980	659.49	1162104	368.55

B. Value of Imports on CIF Basis	N.A	Nil	Nil	Nil
C. Expenses on Foreign Currency	Nil	Nil	Nil	Nil

D. Value of Imported and Indigenous Materials consumed and % of each to total Consumption

Particulars	Year ended March 31, 2022		Period ended March 31, 2021		
	Value	%		Value	%
Indigenous	659.49	100	Indigenous	368.55	100
Imported	-	-	Imported	-	-
Total	659.49	100	Total	368.55	100

The accompanying notes referred above form an integral part of the financial statements.

As per our report of even date attached

For RRK & Associates
Chartered Accountants
FR No. 009714/S

R.Radha Krishna
Partner
Membership No. 210777

Place: Hyderabad
Date : 28th May, 2022

For and on behalf of the Board of Directors
of Sampre Nutritions Limited

Brahma Gurbani
Managing Director
DIN: 00318180

Vishal R Gurbani
Director
DIN: 07738685

V.Vamsi Srinivas
CFO

Deepak Bissa
Company Secretary

SAMPRE NUTRITIONS LIMITED

Notes to financial statements for the year ended 31st, March, 2022

1 Company Overview and Significant Accounting Policies:

a) Company Overview

Sampre Nutritions Ltd' (the company) is a public limited company incorporated under the provisions of the Companies Act applicable in India. The Company's shares are listed on Bombay Stock Exchange. The Company is into the activity of manufacturing of Sugar Candies. The principal place of business is situated at 133, TSIC Industrial Estate, Medchal-500401, Medchal Malkajgiri Dist, Telangana.

b) Basis of preparation of Financials Statements

The financial statements are separate financial statements prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). The Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). The standalone financial statements have been prepared on the historical cost basis, except for the following assets and liabilities which have been measured at fair value

Certain financial assets and liabilities are measured at fair value (refer accounting policy regarding financial instruments). The standalone financial statements are presented in INR (Rupees)

2 A) Significant Accounting Policies

a) Property, Plant and Equipment & Depreciation

i) Recognition and Measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. The 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 costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

If significant part 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.

Property, plant and equipment are derecognised from financial statement, either on disposal or when no economic benefits are expected from its use or disposal. The gain or loss arising from disposal of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment recognised in the statement of profit and loss account in the year of occurrence.

ii) Subsequent expenditure

Subsequent expenditure is capitalised only if its is probable that the future economic benefits associated with the expenditure will flow to the company.



SAMPRE NUTRITIONS LIMITED

Notes to financial statements for the year ended 31st, March, 2022

iii) Depreciation

Depreciation amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on assets has been provided on Straight line basis at the useful lives specified in the Schedule II of the Companies Act, 2013. Depreciation on additions / deductions is calculated pro-rata from / to the month of additions / deductions.

Assets costing less than INR 5,000/- are depreciated at 100% in the year of acquisition.

f) Revenue recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment.

Interest income: Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

g) Inventories

Raw materials and stores, work-in-progress, traded and finished goods are stated at the lower of cost, calculated on weighted average basis, and net realizable value. Cost of raw materials and stores comprise of cost of purchase. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other cost incurred in bringing the inventories to their present location and condition. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Items held for use in the production of inventory are not written below cost if the finished product in which these will be incorporated are expected to be sold at or above cost.



h) Foreign Currencies

Functional currency: The functional currency of the Company is the Indian rupee.

Transactions and translations: Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign-currency-denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from such translations are included in net profit in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

i) Income tax

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current tax: Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred tax: Deferred income tax is recognised using the Balance Sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognised only to the extent it is probable that either future taxable profits or reversal of deferred tax liabilities will be available, against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of a deferred tax asset is reviewed at the end of each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.



SAMPRE NUTRITIONS LIMITED

Notes to financial statements for the year ended 31st, March, 2022

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

j) Impairment of Assets

Non Financial Assets: The carrying value of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve for that asset.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods which no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets, such reversal is not recognised.

Financial assets: The Company assesses on a forward-looking basis the expected credit losses associated with its financial assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.



SAMPRE NUTRITIONS LIMITED

Notes to financial statements for the year ended 31st, March, 2022

k) Provisions and Contingent Liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

Contingent assets are not recognised in the Financial Statements.

A handwritten signature in blue ink is written over a circular blue stamp. The stamp contains text that is partially obscured by the signature, but it appears to be an official seal or stamp of the company.

1) Non-derivative financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

(a) Financial assets

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.

Trade Receivables and Loans: Trade receivables are initially recognised at fair value. Subsequently, these assets are held at amortised cost, using the effective interest rate (EIR) method net of any expected credit losses. The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

Debt Instruments: Debt instruments are initially measured at amortised cost, fair value through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVTPL') till derecognition on the basis of (i) the entity's business model for managing the financial assets and (ii) the contractual cash flow characteristics of the financial asset.

Equity Instruments: All investments in equity instruments classified under financial assets are initially measured at fair value, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis.

(b) Financial assets- Subsequent measurement

Financial assets at amortised cost: Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order 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.

Financial assets at fair value through other comprehensive income (FVTOCI): Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets.

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SAMPRE NUTRITIONS LIMITED

Notes to financial statements for the year ended 31st, March, 2022

Financial assets at fair value through profit or loss (FVTPL): Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.



SAMPRE NUTRITIONS LIMITED

Notes to financial statements for the year ended 31st, March, 2022

(c) Financial liabilities

Loans and borrowings: After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost on accrual basis.

Financial guarantee contracts: Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

(d) Financial liabilities - Subsequent measurement

Financial liabilities are measured at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, carrying amounts approximate the fair value due to the short maturity of these instruments.

(e) Derecognition

The Company de-recognizes a financial assets when the contractual rights to the cash flows from the financial asset expires or it transfers the financial assets and the transfer qualifies for derecognition under Indian Accounting Standard 109 "Financial Instruments". A financial liability (or a part of financial liability) is de-recognised from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

(f) Offsetting of financial instruments

Financial assets and financial liabilities are offsetted and the net amount is reported in financial statements if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

m) Earnings Per Share

Basic EPS is computed by dividing the profit or loss attributable to the equity shareholders of the Company by the weighted average number of Ordinary shares outstanding during the year. Diluted EPS is computed by adjusting the profit or loss attributable to the ordinary equity shareholders and the weighted average number of ordinary equity shares, for the effects of all dilutive potential Ordinary shares.

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B) Critical accounting judgments and key sources of estimation uncertainty

- a** The preparation of the financial statements in conformity with the Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures as at date of the financial statements and the reported amounts of the revenues and expenses for the years presented. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Although these estimates are based upon management's best knowledge of current events, actual results may differ from these estimates under different assumptions and conditions.
- b** The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.
- c** **Critical Judgements** In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements:
- d** **Key sources of estimation uncertainty :** The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:
- e** **Key sources of estimation uncertainty :** The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:
- f** **Income taxes:** The Company's tax jurisdiction is India. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions.

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SAMPRE NUTRITIONS LIMITED

Notes to financial statements for the year ended 31st, March, 2022

g Operating Cycle and Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification in accordance with Part-I of Division- II of Schedule III of the Companies Act, 2013.

An asset is treated as current when (a) It is expected to be realised or intended to be sold or consumed in normal operating cycle; (b) It is held primarily for the purpose of trading; or (c) It is expected to be realised within twelve months after the reporting period, or (d) The asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when (a) It is expected to be settled in normal operating cycle; or (b) It is held primarily for the purpose of trading; or (c) It is due to be settled within twelve months after the reporting period, or (d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, results in its settlement by the issue of equity instruments do not affect its classification. The Company classifies all other liabilities as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its normal operating cycle.

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**INDEPENDENT AUDITORS' REPORT**

To The Members of **SAMPRE NUTRITIONS LIMITED**

Report on the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **SAMPRE NUTRITIONS LIMITED** ("the company"), which comprise the Balance Sheet as at **31 March 2021**, the Statement of Profit and Loss, the Cash Flow Statement and the statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2021;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there were no such key audit matters to communicate in our report.



Responsibility of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Report on other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the act, we given in the 'Annexure A' statement on the matters specified in the paragraph 3 and 4 of the order, to the extent applicable.

As required by section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- c) the Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.



- e) On the basis of written representations received from the directors as on 31 March, 2021, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2021, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B', and
- g) With respect to the other matters included in the Auditor's Report in accordance with the Rule 11 of the Companies (Audit and Auditors) Rules, 2014, to our best of our information and according to the explanations given to us :
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
 - ii. Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For R R K & Associates
Chartered Accountants
FRN No. 09785S



R. Radha Krishna
Partner
M.No.210777
UDIN: 21210777AAAALU1034



Date: 29/06/2021
Place: Hyderabad

**Annexure 'A' To The Independent Auditor's Report
(This is the Annexure referred to in our Report of even date)**

- i.
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. All fixed assets have been physically verified by the Management during the year, in our opinion, is reasonable having regard to the size of the Company and the nature of it's Assets. No material discrepancies were noticed on such verification.
 - c. According to the information and explanations given to us all the title deeds of immovable properties are held in the name of the company.
- ii.
 - a. The Management has conducted physical verification of inventory at reasonable intervals during the year.
 - b. The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- iii. The Company has not granted any loans to the parties covered in the register maintained under section 189 of the Companies Act, 2013, except for unsecured trade advances in normal course of business.
- iv. The Company has been complied with provisions of section 185 and 186 of the Companies Act, 2013 wherever applicable in respect of loans, investments, guarantees, and security.
- v. The Company has not accepted any deposits from the public.
- vi. In our opinion, and according to the information and explanations given to us, the company is not required to maintain cost records and accounts as provided under sub section (1) of section 148 of the Companies Act, 2013.
- vii.
 - a. According to the records provided to us, the Company is regular except for following cases in depositing undisputed statutory dues including Income Tax, GST Tax, Wealth Tax, Custom Duty, Excise Duty, Cess and any other statutory dues applicable to it with appropriate authorities and according to the information and explanations given to us, no undisputed amounts payable in respect of Income- tax, Sales-tax, Wealth-tax, Service Tax, Customs Duty, Excise Duty and Cess were in arrears as at 31st March, 2021 for a period of more than six months from the date they became payable.

Particulars	Amount in Rs.
Tax Deducted at Source	1,58,237
Employees Provident Fund	8,70,200
Professional Tax	1,23,150



- b. According to the records of the Company and on the basis of the information and explanations given to us, *except for below mentioned*, there are no dues in respect of VAT, Service Tax, Duty of Excise, Income Tax, customs duty, wealth tax that have not been deposited with the appropriate authorities on account of any dispute.

Name of the Statute	Nature of the Dues	Amount Rs.	Period to relates	Forum where pending
Central Excise Act, 1944	Excise Duty	Excise Duty on Valuation for Rs.85,23,672/-	F.Y.2010-11	DGCEI

- viii. The Company has not defaulted in repayment of loans or borrowings to the financial institutions or banks or government or dues to debenture holders.
- ix. In our opinion, Term Loans were applied for the purpose for which the said loans were obtained.
- x. As per the checks carried out by us, no fraud on or by the company has been noticed or reported during the year under report.
- xi. According to the records of the Company and on the basis of the information and explanations given to us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V of the Companies Act, 2013.
- xii. The Company is not a Nidhi Company.
- xiii. In our opinion, and according to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Ind AS Financial Statements etc., as required by the applicable accounting standards;
- xiv. In our opinion, and according to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- xv. In our opinion, and according to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him.
- xvi. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Date: 29/06/2021
Place: Hyderabad

For R R K & Associates
Chartered Accountants
FRN No. 097855



R. Radha Krishna
Partner

M.No.210777

UDIN: 21210777AAAALU1034



Annexure - B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **SAMPRE NUTRITIONS LIMITED** ("the Company") as of **31 March 2021** in conjunction with our audit of the Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the



transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS Financial Statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

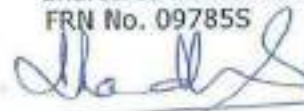
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Date: 29/06/2021
Place: Hyderabad

For R R K & Associates
Chartered Accountants
FRN No. 097855



R. Radha Krishna
Partner
M.No.210777
UDIN: 21210777AAAALU1034



SAMPRE NUTRITIONS LIMITED

Balance Sheet as at March 31, 2021

(All amounts are in Indian rupees except as otherwise stated)

PARTICULARS	Notes	31-Mar-21	31-Mar-20
I. ASSETS			
1. Non-Current Assets			
a) Property, Plant & Equipment	3	17,74,70,844	18,54,19,737
b) Capital work-in-progress	4	5,30,33,586	5,41,69,906
c) Financial assets			
Investments in Subsidiaries & Others	5	1,00,000	1,00,000
Other Financial Assets	6	98,57,552	48,19,195
d) Other non-current assets		-	-
		24,04,63,981	24,45,08,838
2. Current Assets			
a) Inventories	7	7,29,28,688	7,03,69,074
b) Financial Assets			
Trade Receivables	8	6,22,21,670	3,57,75,182
Cash and Cash Equivalents	9	9,73,124	84,74,386
Others Current Financial Assets	6	62,76,642	1,47,96,113
c) Other Current Assets		-	-
		14,24,00,124	12,94,14,755
TOTAL ASSETS		38,28,64,105	37,39,23,592
II. EQUITY AND LIABILITIES			
1. EQUITY			
a) Equity Share Capital	10	4,82,00,000	4,82,00,000
b) Other Equity	11	5,96,25,723	5,88,69,947
Total Equity		10,78,25,723	10,70,69,947
2. LIABILITIES			
Deferred tax liability (net)	12	50,98,134	49,49,674
Non-current liabilities			
Financial Liabilities			
Long term borrowings	13	12,20,59,916	10,79,79,077
		12,71,58,050	11,29,28,752
Current liabilities			
Financial Liabilities			
Short-term Borrowings	14	5,29,40,912	8,04,59,781
Trade payables	15	4,84,48,655	4,76,98,301
Other current liabilities	16	1,63,09,997	2,50,55,408
Short-term provisions	17	1,80,768	7,11,404
		14,78,80,333	15,39,24,894
TOTAL EQUITY & LIABILITIES		38,28,64,105	37,39,23,592

Summary of significant accounting policies

1-2

The accompanying notes referred above form an integral part of the financial statements.

As per our report of even date attached

For RRK & Associates

Chartered Accountants

FRN No. 009785S



R. Radha Krishna

Partner

Membership No. 210777

Place: Hyderabad

Date : 29th June, 2021



For and on behalf of the Board of Directors
of Sampre Nutritions Limited



Brahma Gurbani

Managing Director

DIN: 00378180



V. Vamsi Srinivas

CFO

Vishal R Gurbani

Director

DIN: 07738685



Deepak Bissa

Company Secretary

SAMPRE NUTRITIONS LIMITED
Statement of profit and loss for the year ended March 31, 2021

(All amounts are in Indian rupees except as otherwise stated)

PARTICULARS	Notes	31-Mar-21	31-Mar-20
REVENUE			
Revenue from operations	18	18,23,32,970	24,85,45,815
Other income	19	3,12,435	17,95,000
		18,26,45,405	25,03,40,815
EXPENSES			
Cost of Materials Consumed	20	3,68,55,262	8,24,53,206
Manufacturing expenditure	21	8,12,68,517	9,38,92,768
Employee benefits expense	22	83,71,313	88,68,993
Other expenses	23	2,15,52,783	2,43,08,038
Depreciation	3	1,80,81,172	1,49,25,823
Finance costs	24	1,54,31,354	2,13,31,702
		18,15,60,401	24,57,80,530
Profit before exceptional and extraordinary items and tax		10,85,004	45,60,285
Exceptional Items		-	-
Profit before Extraordinary Items and Tax		10,85,004	45,60,285
Profit/ (loss) before tax		10,85,004	45,60,285
<u>Tax expense</u>		-	-
Current tax		-	-
Short / (Excess) Provision for Taxation		-	4,465
Deferred tax (credit)/charge	31	3,29,227	11,98,573
Profit/ (loss) for the period		7,55,776	33,57,247
Other Comprehensive Income		-	-
Total Comprehensive Income for the period		7,55,776	33,57,247
<u>Earnings per equity share</u>			
Basic		0.16	0.70
Diluted		0.16	0.70
Weighted average no. of equity shares		48,20,000	48,20,000

The accompanying notes referred above form an integral part of the financial statements.

As per our report of even date attached

For RRK & Associates

Chartered Accountants

FRNo.009785S



R. Radha Krishna

Partner

Membership No. 210777

Place: Hyderabad

Date : 29th June, 2021


 For and on behalf of the Board of Directors
of Sampre Nutritions Limited

 Brahma Gurbani
Managing Director
DIN: 00018180

 Vishal R Gurbani
Director
DIN: 07738685

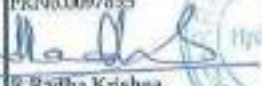





 V. Vamsi Srinivas
CFO

 Deepak Bissa
Company Secretary

SAMPRE NUTRITIONS LIMITED

Cash flow statement for the year ended 31st March, 2021

(All amounts are in Indian rupees except as otherwise stated)

PARTICULARS	31-Mar-21	31-Mar-20
A. Cash flow from operating activities		
Profit/ (loss) before tax	10,83,004	49,60,285
Non-cash adjustment to reconcile profit before tax to net cash flows:		
Depreciation expense	1,80,81,172	1,49,25,823
Profit / (Loss) on sale of fixed assets / CWIP	-	16,466
Bad debts written off	-	-
Interest income accrued	(5,738)	(1,81,616)
Interest Expense	74,23,558	91,62,412
Operating profit before working capital changes	2,65,83,896	2,84,63,370
Movements in Working Capital :		
(Increase)/ Decrease in inventories	(25,59,614)	(1,10,73,470)
(Increase)/ Decrease in Financial Assets	(2,16,16,929)	2,24,94,988
(Increase)/ Decrease in other non-current assets	-	3,11,869
(Increase)/ Decrease in Other Current Non Financial Assets	-	-
Increase / (Decrease) in Trade payables	7,50,305	(1,41,07,508)
Increase/ (decrease) in other current Financial Liabilities	(28,69,440)	22,19,483
Increase / (Decrease) in Other Non-Financial Liabilities	-	-
Cash generated/ used in operations	2,88,368	2,83,28,732
Direct taxes (paid)/ Refund (net)	(20,59,849)	(29,40,684)
Net cash generated/ (used) from operating activities (A)	(17,71,482)	2,57,88,048
B. Cash flow from investing activities		
Proceeds of fixed assets including Capital work - in - progress	(2,35,53,229)	(1,77,58,939)
Proceeds from sale of fixed assets	1,45,55,270	9,94,215
Interest received	5,738	1,81,616
Net cash generated/ (used) in investing activities (B)	(89,92,221)	(1,25,83,108)
C. Cash flow from financing activities		
Proceeds from long term borrowings (Net of repayment)	82,04,868	(72,28,470)
Proceeds from short term borrowings	24,81,131	82,24,904
Interest expense paid	(74,23,558)	(91,62,412)
Net cash flow generated/ (used) in financing activities (C)	32,62,441	(81,65,978)
Net increase/ (decrease) in cash and cash equivalents (A + B+ C)	(75,01,262)	50,34,962
Cash and cash equivalents at the beginning of the year	84,74,386	34,35,424
Cash and cash equivalents at the end of the year	9,73,124	84,74,386
Components of cash and cash equivalents:		
Cash on hand	4,88,792	80,955
Deposits with banks	2,27,262	2,33,000
With banks - on current accounts	2,57,070	81,60,392
Cash and cash equivalents	9,73,124	84,74,386
The accompanying notes referred above form an integral part of the financial statements.		
For IKK & Associates Chartered Accountants FRNo.0097855  R. Radha Krishna Partner Membership No. 210777  Place: Hyderabad Date : 29th June, 2021	For and on behalf of the Board of Directors of Sampre Nutritions Limited :  Erahina Gurbani Managing Director DIN: 00348380  V. Venkatesh Prudhviraj CFO  Vishal R Gurbani Director DIN: 07738685  Deepak Bissa Company Secretary	

SAMPRE NUTRITIONS LIMITED

Statement of Changes in Equity for the year ended 31st March, 2021

(All amounts are in Indian rupees except as otherwise stated)

a) Equity Share Capital

Particulars	No. of Shares	In Rupees
Balance as at April, 01 2019	48,20,000	4,82,00,000
Changes in equity share capital during 2019-20	-	-
Balance as at March 31, 2020	48,20,000	4,82,00,000
Balance as at April 01, 2020	48,20,000	4,82,00,000
Changes in equity share capital during 2020-21	-	-
Balance as at March 31, 2021	48,20,000	4,82,00,000

b) Other Equity

Particulars	OTHER EQUITY		
	Securities premium	Retained Earnings	Total
Balance as at April, 01 2019	37,00,000	5,18,12,700	5,55,12,700
Total Comprehensive Income for the Year	-	-	-
i) Additions during the year	-	-	-
ii) Utilisation during the year	-	-	-
iii) Profit / (Loss) for the year	-	33,57,247	33,57,247
iv) Other Comprehensive Income	-	-	-
Balance as at March 31, 2020	37,00,000	5,51,69,947	5,88,69,947
Balance as at April 01, 2020	37,00,000	5,51,69,947	5,88,69,947
Total Comprehensive Income for the Year	-	-	-
i) Additions during the year	-	-	-
ii) Utilisation during the year	-	-	-
iii) Profit / (Loss) for the year	-	7,55,776	7,55,776
iv) Other Comprehensive Income	-	-	-
Balance as at March 31, 2021	37,00,000	11,10,95,670	11,47,95,670

The accompanying notes referred above form an integral part of the financial statements.

For RRK & Associates

Chartered Accountants

FRNo.0097855

R. Radha Krishna

Partner

Membership No. 210777

Place: Hyderabad

Date : 29th June, 2021

For and on behalf of the Board of Directors
of Sampre Nutritions Limited

Brahma Gurbani

Managing Director

DIN: 00318180

V. Vamsi Srinivas

CFO

Vishal R Gurbani

Director

DIN: 07738685

Deepak Bissa

Company Secretary

SAMPRE NUTRITIONS LIMITED

Notes to financial statements for the year ended March 31, 2021

1 Company Overview and Significant Accounting Policies:

a) Company Overview

Sampre Nutritions Ltd' (the company) is a public limited company incorporated under the provisions of the Companies Act applicable in India. The Company's shares are listed on Bombay Stock Exchange. The Company is into the activity of manufacturing of Sugar Candies. The principal place of business is situated at 133, TSIC Industrial Estate, Medchal-500401, Medchal Malkajgiri Dist, Telangana.

b) Basis of preparation of Financials Statements

The financial statements are separate financial statements prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time). The Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). The standalone financial statements have been prepared on the historical cost basis, except for the following assets and liabilities which have been measured at fair value

Certain financial assets and liabilities are measured at fair value (refer accounting policy regarding financial instruments). The standalone financial statements are presented in INR (Rupees)

2A Significant Accounting Policies

a) Property, Plant and Equipment & Depreciation

i) Recognition and Measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. The 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 costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

If significant part 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.

Property, plant and equipment are derecognised from financial statement, either on disposal or when no economic benefits are expected from its use or disposal. The gain or loss arising from disposal of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment recognised in the statement of profit and loss account in the year of occurrence.

ii) Subsequent expenditure



Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the company.

iii) Depreciation

Depreciation amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on assets has been provided on Straight line basis at the useful lives specified in the Schedule II of the Companies Act, 2013. Depreciation on additions / deductions is calculated pro-rata from / to the month of additions / deductions.

Assets costing less than INR 5,000/- are depreciated at 100% in the year of acquisition.

f) Revenue recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment.

Interest income: Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

g) Inventories

Raw materials and stores, work-in-progress, traded and finished goods are stated at the lower of cost, calculated on weighted average basis, and net realizable value. Cost of raw materials and stores comprise of cost of purchase. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other cost incurred in bringing the inventories to their present location and condition. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Items held for use in the production of inventory are not written below cost if the finished product in which these will be incorporated are expected to be sold at or above cost.

h) Foreign Currencies

Functional currency: The functional currency of the Company is the Indian rupee.

Transactions and translations: Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign-currency-denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from such translations are included in net profit in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.



Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

i) Income tax

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current tax: Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred tax: Deferred income tax is recognised using the Balance Sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognised only to the extent it is probable that either future taxable profits or reversal of deferred tax liabilities will be available, against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of a deferred tax asset is reviewed at the end of each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

j) Impairment of Assets

Non Financial Assets: The carrying value of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists.



If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve for that asset.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods which no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets, such reversal is not recognised.

Financial assets: The Company assesses on a forward-looking basis the expected credit losses associated with its financial assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

k) Provisions and Contingent Liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

Contingent assets are not recognised in the Financial Statements.



1) Non-derivative financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

(a) Financial assets

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.

Trade Receivables and Loans: Trade receivables are initially recognised at fair value. Subsequently, these assets are held at amortised cost, using the effective interest rate (EIR) method net of any expected credit losses. The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

Debt Instruments: Debt instruments are initially measured at amortised cost, fair value through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVTPL') till derecognition on the basis of (i) the entity's business model for managing the financial assets and (ii) the contractual cash flow characteristics of the financial asset.

Equity Instruments: All investments in equity instruments classified under financial assets are initially measured at fair value, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis.

(b) Financial assets- Subsequent measurement

Financial assets at amortised cost: Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order 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.

Financial assets at fair value through other comprehensive income (FVTOCI): Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets.



Financial assets at fair value through profit or loss (FVTPL): Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

(c) Financial liabilities

Loans and borrowings: After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost on accrual basis.

Financial guarantee contracts: Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

(d) Financial liabilities - Subsequent measurement

Financial liabilities are measured at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, carrying amounts approximate the fair value due to the short maturity of these instruments.

(e) Derecognition

The Company de-recognizes a financial assets when the contractual rights to the cash flows from the financial asset expires or it transfers the financial assets and the transfer qualifies for derecognition under Indian Accounting Standard 109 "Financial Instruments". A financial liability (or a part of financial liability) is de-recognised from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

(f) Offsetting of financial instruments

Financial assets and financial liabilities are offsetted and the net amount is reported in financial statements if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

m) Earnings Per Share

Basic EPS is computed by dividing the profit or loss attributable to the equity shareholders of the Company by the weighted average number of Ordinary shares outstanding during the year. Diluted EPS is computed by adjusting the profit or loss attributable to the ordinary equity shareholders and the weighted average number of ordinary equity shares, for the effects of all dilutive potential Ordinary shares.



2B Critical accounting judgments and key sources of estimation uncertainty

- a** The preparation of the financial statements in conformity with the Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures as at date of the financial statements and the reported amounts of the revenues and expenses for the years presented. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Although these estimates are based upon management's best knowledge of current events, actual results may differ from these estimates under different assumptions and conditions.
- b** The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.
- c Critical Judgements** In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements:
- d Key sources of estimation uncertainty :** The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:
- e Key sources of estimation uncertainty :** The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:
- f Income taxes:** The Company's tax jurisdiction is India. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions.

g Operating Cycle and Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification in accordance with Part-I of Division- II of Schedule III of the Companies Act, 2013.

An asset is treated as current when (a) It is expected to be realised or intended to be sold or consumed in normal operating cycle; (b) It is held primarily for the purpose of trading; or (c) It is expected to be realised within twelve months after the reporting period, or (d) The asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.



A liability is current when (a) It is expected to be settled in normal operating cycle; or (b) It is held primarily for the purpose of trading; or (c) It is due to be settled within twelve months after the reporting period, or (d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, results in its settlement by the issue of equity instruments do not affect its classification. The Company classifies all other liabilities as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its normal operating cycle.



SAMPRE NUTRITIONS LIMITED

Notes to financial statements

(All amounts are in Indian rupees except as otherwise stated)

3 Property Plant and Equipment

Following are the changes in the carrying value of Property, Plant and Equipment for the Year Ended 31st March 2021

	Freehold Land	Misc Fixed Assets	Electrical Equipment	Factory Buildings	Plant and machinery	Office Buildings	Office Equipment	Computer equipment	Furniture and fixtures	Vehicle	Total fixed assets
Cost											
As at April 1, 2019	21,24,153	638,801	2,22,59,387	5,97,55,932	18,12,35,020	1,30,92,632	44,37,284	4,87,107	1,50,94,103	2,81,94,949	32,33,49,194
Additions	-	-	18,000	6,42,000	4,60,68,990	-	33,120	-	65,000	6,15,875	4,84,33,895
Deletions	-	-	-	(8,42,000)	-	-	-	-	-	(9,52,500)	(15,94,500)
As at March 31, 2020	21,24,153	638,801	2,22,77,387	5,97,55,932	22,72,93,910	1,30,92,632	44,90,414	4,87,107	1,51,60,163	2,88,58,370	37,21,83,579
Additions	-	-	8,16,136	21,39,272	1,30,28,758	-	7,50,968	2,65,677	35,409	72,00,300	2,46,87,849
Deletions	-	-	-	-	(5,90,51,024)	-	-	-	-	(11,92,001)	(6,11,43,025)
As at March 31, 2021	21,24,153	638,801	2,31,93,523	6,18,87,904	18,06,71,642	1,30,92,632	52,17,412	7,58,784	1,51,95,563	3,29,54,677	33,67,33,103
Depreciation											
As at April 1, 2019	-	6,09,358	1,88,60,066	3,08,86,362	9,20,32,640	11,80,585	37,57,517	4,95,111	68,30,414	1,98,74,716	17,24,28,898
Adjustment to opening	-	-	-	-	-	-	-	-	-	-	-
Reserve	-	9,401	7,02,906	28,38,220	85,33,384	2,38,418	1,10,293	1,002	10,39,556	12,52,061	1,49,25,823
Charge for the year	-	-	-	-	-	-	-	-	-	(8,63,819)	(8,63,819)
Deletions	-	6,18,740	1,88,12,983	3,37,24,572	10,15,68,713	14,19,003	38,77,810	4,98,113	78,70,379	2,89,32,957	18,57,63,842
As at March 31, 2020	-	-	-	-	-	-	-	-	-	-	-
Adjustment to opening	-	6,401	7,62,972	28,38,220	1,18,21,710	2,38,418	1,18,075	24,500	10,44,889	14,21,886	1,80,81,172
Reserve	-	-	-	-	(4,62,04,538)	-	-	-	-	(3,82,817)	(4,65,87,355)
Charge for the period	-	-	-	-	-	-	-	-	-	-	-
Deletions	-	6,28,141	1,73,75,939	3,85,82,792	8,69,82,588	16,37,421	39,96,888	8,20,814	89,15,268	2,16,22,128	15,82,82,259
As at March 31, 2021	-	-	-	-	-	-	-	-	-	-	-
Net Block											
As at April 1, 2019	21,24,153	29,463	64,09,331	2,88,59,260	8,63,02,371	1,19,12,047	6,89,677	1,938	82,53,749	83,20,230	15,29,22,356
As at March 31, 2020	21,24,153	20,061	58,64,424	2,80,31,080	12,57,27,699	1,16,73,629	6,12,504	894	72,85,793	82,78,413	18,54,19,737
As at March 31, 2021	21,24,153	10,660	58,17,690	2,53,25,112	11,36,88,656	1,14,35,211	12,20,427	2,38,170	62,80,304	1,13,32,551	17,74,73,844

4 Capital work - in - progress

	(Amount in ')
As at April 1, 2019	8,83,44,851
As at March 31, 2020	5,41,69,906
As at March 31, 2021	5,30,35,586



SAMPRE NUTRITIONS LIMITED
Notes to financial statements

(All amounts are in Indian rupees except as otherwise stated)

5 Non-Current Investments

	31-Mar-21	31-Mar-20
Investment in equity instruments in other companies	-	-
Unquoted, Fully Paidup equity instruments	1,00,000	1,00,000
1000 equity share of Rs.100 each of Cosmos Co-Op Bank Ltd	1,00,000	1,00,000

6 Other Non-current and Current Financial Assets

	Non-current		Current	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
Security deposits				
Unsecured, considered good	54,70,607	48,19,195	-	-
Other loans and advances				
Advances to employees	-	-	8,31,840	14,34,212
Balance with Revenue authorities	-	-	54,44,802	1,16,66,917
Advances to Suppliers	43,86,945	-	-	16,94,984
	98,57,552	48,19,195	62,76,642	1,47,96,113

7 Inventories (valued at lower of cost and net realisable value)

	31-Mar-21	31-Mar-20
Raw Materials	4,19,71,561	3,83,85,697
Packing Materials	3,09,57,127	3,19,83,277
	7,29,28,688	7,03,69,074

8 Trade receivables

	31-Mar-21	31-Mar-20
- Unsecured, considered good		
Trade Receivables (Outstanding for a period of more than six months)	-	-
Less than Six Months	6,22,21,670	3,57,75,182
	6,22,21,670	3,57,75,182

9 Cash and Cash Equivalents

	31-Mar-21	31-Mar-20
Cash and Cash equivalents		
Balance with banks		
- On current accounts	2,57,070	81,60,847
Margin money deposit	2,27,262	2,33,000
Cash on hand	4,88,790	80,993
	9,73,124	84,74,840



SAMPRE NUTRITIONS LIMITED
Notes to financial statements

(All amounts are in Indian rupees except as otherwise stated)

10 Share Capital

	31-Mar-21	31-Mar-20		
Authorised Shares				
6,000,000 (March 31, 2020: 6,000,000) equity shares of Rs. 10 each	6,00,00,000	6,00,00,000		
Issued and subscribed shares				
48,20,000 (March 31, 2020: 48,20,000) equity shares of Rs. 10 each	4,82,00,000	4,82,00,000		
	4,82,00,000	4,82,00,000		
a) Reconciliation of the equity shares outstanding at the beginning and at the end of the year				
	31-Mar-21		31-Mar-20	
	No. of shares	Amount	No. of shares	Amount
At the beginning of the year	48,20,000	4,82,00,000	48,20,000	48,20,000
change during the year	-	-	-	-
Outstanding at the end of the year	48,20,000	4,82,00,000	48,20,000	48,20,000

b) Terms/right attached to equity shares

The Company has issued 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 dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	31-Mar-21		31-Mar-20	
	No. of shares	%	No. of shares	%
Brahma K. Gurbani	8,87,416	18.41	8,87,416	18.41
Saritha. D. Gurbani	7,61,762	15.80	7,61,762	15.80
Meera B. Gurbani	5,30,762	11.01	5,30,762	11.01

As per the records of the Company, including its register of shareholders/members, the above shareholding represents legal and beneficial ownership.

11 Other Equity

	31-Mar-21	31-Mar-20
Securities premium account	37,00,000	37,00,000
Surplus in the statement of profit and loss		
Balance as per last financial statements	5,51,69,947	5,18,12,700
Profit / (loss) for the period/year	7,55,776	30,52,247
Net surplus/(deficit) in the statement of profit and loss	5,59,25,723	5,51,69,947
	5,96,25,723	5,88,69,947

12 Deferred Tax Liability (Net) - (Refer Note No.31)

	31-Mar-21	31-Mar-20
Deferred Tax Liability, Net	59,90,306	56,61,079
Deferred Tax Asset, Net	-	-
	-	-
Mat Credit Entitlement (Net)	(8,92,172)	(7,11,404)
	50,98,134	49,49,674



SAMPRE NUTRITIONS LIMITED

Notes to financial statements

(All amounts are in Indian rupees except as otherwise stated)

13 Long-term borrowings

	31-Mar-21	31-Mar-20
Secured Loans		
Term Loans (Refer Note No.26)		
- Term loans From Banks	6,67,88,147	7,31,16,004
- Vehicle Loans From Banks	23,89,497	10,87,743
- Other Vehicle Loan from financial institutions	54,73,188	13,35,072
Less: Current Maturities of long term borrowings	72,00,000	1,30,75,970
	6,74,50,832	6,24,62,849
Unsecured Loans		
Loans from Directors and relatives	5,46,09,084	4,55,16,228
	12,20,59,916	10,79,79,077

Notes:

- Vehicle Loans From Banks:

Vehicle loans were obtained from Yes Bank under hire purchase schemes, secured by hypothecation of vehicles owned by the company.

- Other Vehicle Loan

Other Vehicle loans were obtained from 'Daimler Financial Services India Private Ltd' & Toyota Financial Services, under hire purchase schemes, secured by hypothecation of vehicles owned by the company.

- There has no default in repayment of loan and interest as at Balance Sheet.

14 Short term borrowings

	31-Mar-21	31-Mar-20
The South Indian Bank Bill Discounting	3,00,00,000	3,00,00,000
The South Indian Bank Cash Credit	5,29,40,912	5,04,59,781
	8,29,40,912	8,04,59,781

Notes:

a. Working capital limits are availed from The south Indian Bank are as takeover of existing limits from The Cosmos Co-Op Bank

b. There has no default in repayment of loan and interest as at Balance Sheet.



SAMPRE NUTRITIONS LIMITED**Notes to financial statements**

(All amounts are in Indian rupees except as otherwise stated)

15 Trade payables

	31-Mar-21	31-Mar-20
a. Trade Creditors.	75,02,862	2,86,34,266
b. Creditor for Expenses	1,05,58,750	78,08,620
c. Creditors for Capital Goods	3,03,87,043	1,12,55,414
	4,84,48,655	4,76,98,301

Note:

Details of dues to micro and small enterprises as defined under the MSMED ACT, 2006

Based on information available with the Company, there are no suppliers who are registered as micro, small or medium

16 Other current liabilities

	31-Mar-21	31-Mar-20
Current maturities of long term debt	72,00,000	1,30,75,570
Advances from customers	5,00,000	11,80,840
Dues to employees	78,58,627	63,15,446
Other statutory liabilities	5,46,370	44,83,151
Provision for expenses	2,05,000	-
	1,63,09,997	2,30,55,408

17 Short term provisions

	31-Mar-21	31-Mar-20
Provision for income tax	1,80,768	7,11,404
	1,80,768	7,11,404



SAMPRE NUTRITIONS LIMITED

Notes to financial statements

(All amounts are in Indian rupees except as otherwise stated)

18 Revenue from operations

	31-Mar-21	31-Mar-20
Sales	3,92,14,622	8,73,34,916
Job work sales	14,31,18,348	16,12,10,899
	18,23,32,970	24,85,45,815

19 Other income

	31-Mar-21	31-Mar-20
Interest Income	5,738	1,81,616
Other non operating income	3,06,697	16,13,384
	3,12,435	17,95,000

20 Cost of Materials Consumed

	31-Mar-21	31-Mar-20
Opening Stock	7,03,69,074	5,92,95,604
Add: Purchases	3,94,14,876	9,35,26,676
Less: Closing stock	7,29,28,688	7,03,69,074
	3,68,55,262	8,24,53,206

21 Manufacturing expenditure

	31-Mar-21	31-Mar-20
Fuel & Power consumption	1,57,02,271	1,81,25,043
Factory salaries and Wages	3,58,45,868	3,74,06,073
Factory Expenses	2,54,73,097	3,23,55,868
Transport & Hamali Charges	6,38,127	12,00,993
Repairs & Maintenance	35,60,373	48,04,791
Packing Expenses	48,781	-
	8,12,68,517	9,38,92,768

22 Employee benefits expense

	31-Mar-21	31-Mar-20
Salaries, bonus and allowances	49,02,113	53,99,793
Directors Remuneration	34,69,200	34,69,200
	83,71,313	88,68,993



SAMPRE NUTRITIONS LIMITED
Notes to financial statements

(All amounts are in Indian rupees except as otherwise stated)

23 Other expenses

	31-Mar-21	31-Mar-20
Advertisement Expenses	55,027	53,600
AGM Expenses	34,200	9,900
Building Maintenance	5,10,110	5,82,353
Business Promotion Expenses	3,84,488	4,08,149
Computer Maintenance	1,05,468	1,95,075
Communication Expenses	33,970	1,09,995
Donations	6,000	39,333
Electricity Charges	82,636	3,84,141
General Expenses	18,96,842	16,21,696
Insurance	6,26,873	10,47,482
Key Man Insurance Exp	20,08,770	24,35,020
Legal and professional	10,61,098	4,93,730
Loss on sale of Asset	26,086	64,853
Medical Expenses	2,60,970	2,56,295
Membership and Subscription Fee	4,500	6,860
Office Expenses	3,98,097	7,48,602
Payments to auditors	2,05,000	2,05,000
Printing and stationery	4,16,869	3,06,879
Professional Tax	2,500	1,04,000
Rates and taxes	7,13,680	12,66,594
Rental Charges	72,37,400	68,26,258
Repairs and maintenance	4,615	2,465
Security Services	25,69,357	26,91,591
Siting Fee	2,05,500	1,94,985
Staff Welfare Expenses	15,21,282	26,67,673
Telephone Expenses	2,11,588	2,95,591
Travelling and conveyance	4,37,086	8,89,001
Vehicle Maintenance	5,25,770	4,00,917
Membership Fee (Non GST)	5,000	-
	2,15,52,783	2,43,08,038

24 Finance costs

	31-Mar-21	31-Mar-20
Interest on Term Loans	74,23,558	91,62,412
Interest on Working Capital loans	73,30,856	93,83,327
Interest on Vehicle Loans	1,17,824	4,48,170
Interest on Statutory Payments	4,30,999	9,44,239
Bank charges	1,28,117	13,93,555
	1,54,31,354	2,13,31,702



SAMPRE NUTRITIONS LIMITED

Notes to Financial Statements for the year ended March, 2021

25. Contingent liabilities not provided for in respect of:

The company is in receipt of assessment orders in respect of Central Excise and Income tax for various years, against the said assessment order, the company has preferred for appeal before the appellate authorities in respective forums. The Company is expecting a favorable result from the appellate authority.

26. Secured Loans (Refer Note No.13)

Term loans From Banks:

- a. The term loan from banks includes Rs.12,20,59,916/- from 'The South Indian Bank Ltd', which were availed for acquisition of Plant & Machinery at 9.20% p.a. rate of interest, and is secured by equitable mortgage of Industrial Property of land & building situated in plot no.133, Industrial estates, Medchal of the Company.
- b. All term loans are repayable as per the repayment schedule as stipulated in sanction letter of the bank.

Vehicle Loans from Banks:

Vehicle loans were obtained from Yes Bank under hire purchase schemes, secured by hypothecation of vehicles owned by the company.

Other Vehicle Loan

Other Vehicle loans were obtained from 'Daimler Financial Services India Private Ltd' & Toyota Financial Services, under hire purchase schemes, secured by hypothecation of vehicles owned by the company.

27. Dues to Micro and Small Enterprises

As per the information available with the company, it appears that no dues outstanding for more than 30 days in excess of Rs.1,00,000/- as on 31st March 2021 in respect of Small Scale Industrial Undertakings. It is reported that there are no specific claims on the company from the small scale industrial supplier under the "Interest on Delayed Payments to small Scale and Ancillary Industrial Undertaking Act, 1993" during the said year.

28. Payment to Auditors:

Particulars	31 st March, 2021 (Amount in Rs.)	31 st March, 2020 (Amount in Rs.)
Audit Fee	1,55,000	1,55,000
Tax Audit Matters	30,000	30,000
Certification & Other Services	20,000	20,000
Total	2,05,000	2,05,000



29. There are no debts outstanding as on 31st March 2021 from Directors or other officers of the company other than imprest cash in order to meet running expenses.

30. Segment Reporting:

a) Business Segment

The company's business consists of one primary reportable business segment of manufacturing of sugar boiled candies & toffees and consists of major revenue on account of processing charges, hence no separate disclosure is required in the context of Indian Accounting Standard 108 "Operating Segment".

b) Geographical Segment:

During the period under report, the Company has engaged in its business primarily within India with two manufacturing facilities including of leasehold unit. The conditions prevailing in India being uniform, no separate geographical disclosure is considered necessary.

31. Deferred Tax Asset / (Liability):

The movement of Provision of Deferred Tax for the year ended 31-03-2021 is as given below:

Particulars	Asset / (Liability) As on 31.03.2020	Recognised in Profit & Loss Account	Others	Asset / (Liability) As on 31.03.2021
Timing Differences on account of Depreciation	(69,59,774)	(2,93,190)	-	(72,52,965)
Unabsorbed Tax Losses (Depreciation Loss)	12,98,696	(36,037)	-	12,62,658
MAT Credit Entitlement/ (Utilisation)	7,11,404	1,80,768	-	8,92,172
Total	(49,49,674)	(1,48,459)	-	(50,98,134)



32. Earnings per Share (EPS)

The earnings considered in ascertaining the company's Earnings per share comprise of net profit after tax. The number of shares used in computing Basic earnings per share is the weighted average number of shares outstanding during the year. The numerators and denominators used to calculate earnings per share.

Particulars	2020-21	2019-20
Profit attributable to Equity Share Holders (A)	7,55,776	33,57,247
Basic / Weighted Average Number of Equity Shares outstanding during the year (No. s) (B)	48,20,000	48,20,000
Nominal value of each equity Share	Rs.10/-	Rs.10/-
Earnings Per share	0.16	0.70
Diluted EPS	0.16	0.70

33. Taxes on income

The company made necessary provision for income tax as per the provisions of income tax act, 1961.

34. Related Party Disclosures

"Related Party Disclosures" issued by the Institute of Chartered Accountants of India are as follows:

Name of the related parties and description of relationship

- a) Enterprise which are owner or have significant influence of or are partners with key management personnel and their relative:

M/s. Royes Industries Limited
M/s. Naturalle Health Products Pvt. Ltd.

- b) Key Managerial Personnel
Shri Brahma K Gurbani (MD)
Shri Vishal R Gurbani (WTD-VP)

a) Related Party Transactions:

Name of Related Party	Nature of transaction	Current Year	Previous Year
Shri. Brahma K Gurbani	Managerial Remuneration	24,00,000	24,00,000
Shri Vishal R Gurbani	Managerial Remuneration	10,69,200	10,69,200
Shri. Brahma K Gurbani	Unsecured Borrowings	89,55,629	1,19,31,393
Smt. Meera B Gurbani	Unsecured Borrowings	1,37,227	57,94,362
Royes Industries Limited	Lease Rentals	60,00,000	60,00,000
Royes Industries Limited	Purchases of Raw Material	-	42,86,766
Royes Industries Limited	Sales of Machinery	1,62,01,742	-



b) Balances receivable / Payable

Name of Related Party	Nature of transaction	As at March 31, 2021	As at March 31, 2020
Royes Industries Limited	Advances Receivables	2,41,67,082	1,00,05,664
Natural Health Products Pvt Ltd	Advances Receivables	20,52,672	15,50,138
Shri. Brahma K Gurbani	Unsecured Borrowings	4,39,97,032	3,50,41,403
Smt. Meera B Gurbani	Unsecured Borrowings	1,06,12,052	1,04,74,825

c) Disclosure of Unsecured Loans received from Directors and Relatives of Directors Pursuant to Rule 16A of Companies (Acceptance of Deposits) Rules 2014 is as follows.

S No.	Name of Lender	Nature of Relation	Amount
1	Shri. Brahma K Gurbani	Director	4,39,97,032
2	Smt. Meera B Gurbani	Relative of Director	1,06,12,052

35. CIF Value of Imports

FY 2020-21(Rs.) 2019-20(Rs.)

Raw materials

Packing materials

Traded goods

Capital goods

36. Previous year's figures have been re grouped / and or re-arranged wherever necessary to confirm with the current year classification.

37. Provision for accruing liability for Super Annuation / Retirement benefits have been made in the basis of the liability as actually determined as at the year end.

38. Depreciation has been provided on the straight-line method as per the rates prescribed as of Schedule II of The Companies Act 2013.

39. There were no employees drawing remuneration of Rs.60.00 lacs or more per annum or Rs.5.00 lacs or more per month, if employed for part of the year.

40. Paisa is rounded off to nearest rupee.

41. Micro and Medium Scale Business Entities: There are no micro, small and medium enterprises, to whom the company owes dues, which are outstanding for more than 45 days as at 31st March 2021. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined



to the extent such parties have been identified on the basis of information available with the company.

42. Additional Information pursuant to provisions of the Companies Act, 2013.

(As certified by Management of the Company)

Particulars	FY 2020-21		FY 2019-20	
	Quantity (Kg)	Value (Rs. Lakhs)	Quantity (Kg)	Value (Rs. Lakhs)
Opening Stock	758226	703.69	638962	592.95
Production (Sugar based candies)	6772491	N.A	8467985	N.A
Closing Stock	651151	729.29	758226	703.69
Sales - Own product (Sugar based candies Confectionery) & Job Work	6879566	1823.33	8348721	2499.26
Sales - Job Work	-	-	-	-

The quantitative detail indicated above includes production & dispatches made on principal to principal basis and Loan license basis.

Material Consumed	FY 2020-21		FY 2019-20	
	Quantity (Kg)	Value	Quantity (Kg)	Value
Raw Material (No. / Kgs)				
- Sugar	333117	121.62	668340	243.94
- Glucose	277240	58.00	620518	129.81
- Flavors & Others	532809	134.48	1192422	300.95
Total	1143166	314.10	2481280	674.70
Primary packing Materials	18938	54.45	52114	149.83
Others	-	-	-	-
Total	1162104	368.55	2533394	824.53

B. Value of Imports on CIF Basis	N.A	Nil	Nil	Nil
C. Expenses on Foreign Currency	Nil	Nil	Nil	Nil

D. Value of Imported and Indigenous Materials consumed and % of each to total Consumption.

Particulars	Year ended March 31, 2021		Period ended March 31, 2020		
	Value	%		Value	%
Indigenous	3,68,55,262	100	Indigenous	8,24,53,206	100
Imported	-	-	Imported	-	-
Total	3,68,55,262	100	Total	8,24,53,206	100

The accompanying notes referred above form an integral part of the financial statements.

As per our report of even date attached

For RRK & Associates

For and on behalf of the Board of Directors



Chartered Accountants
FRNo.009785S

Sd/-

R.Radha Krishna

Partner

Membership No. 210777

Place: Hyderabad

Date : 29th June, 2021

of Sampre Nutritions Limited

Sd/-

Brahma Gurbani

Managing Director

DIN: 00318180

Sd/-

V.Vamshi Srinivas

CFO

Sd/-

Vishal R Gurbani

Director

DIN: 07738685

Sd/-

Deepak Bissa

Company Secretary

**INDEPENDENT AUDITORS' REPORT**

To The Members of **SAMPRE NUTRITIONS LIMITED**

Report on the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **SAMPRE NUTRITIONS LIMITED** ("the company"), which comprise the Balance Sheet as at **31 March 2020**, the Statement of Profit and Loss, the Cash Flow Statement and the statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2020;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics Issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there were no such key audit matters to communicate in our report.



Responsibility of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Report on other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the act, we given in the 'Annexure A' statement on the matters specified in the paragraph 3 and 4 of the order, to the extent applicable.

As required by section 143(3) of the Act, we report that:

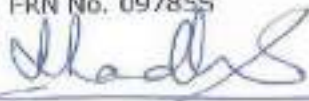
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- c) the Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.



- e) On the basis of written representations received from the directors as on 31 March, 2020, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2020, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B', and
- g) With respect to the other matters included in the Auditor's Report in accordance with the Rule 11 of the Companies (Audit and Auditors) Rules, 2014, to our best of our information and according to the explanations given to us :
- The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
 - Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses
 - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For R R K & Associates

Chartered Accountants
FRN No. 097855



R. Radha Krishna

Partner

M.No.210777

UDIN: 20210777AAAAHJ5548



Date: 29/06/2020

Place: Hyderabad

**Annexure 'A' To The Independent Auditor's Report
(This is the Annexure referred to in our Report of even date)**

- i.
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. All fixed assets have been physically verified by the Management during the year, in our opinion, is reasonable having regard to the size of the Company and the nature of its Assets. No material discrepancies were noticed on such verification.
 - c. According to the information and explanations given to us all the title deeds of immovable properties are held in the name of the company.
- ii.
 - a. The Management has conducted physical verification of inventory at reasonable intervals during the year.
 - b. The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- iii. The Company has not granted any loans to the parties covered in the register maintained under section 189 of the Companies Act, 2013, except for unsecured trade advances in normal course of business.
- iv. The Company has been complied with provisions of section 185 and 186 of the Companies Act, 2013 wherever applicable in respect of loans, investments, guarantees, and security.
- v. The Company has not accepted any deposits from the public.
- vi. In our opinion, and according to the information and explanations given to us, the company is not required to maintain cost records and accounts as provided under sub section (1) of section 148 of the Companies Act, 2013.
- vii.
 - a. According to the records provided to us, the Company is regular *except for following cases* in depositing undisputed statutory dues including Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other statutory dues applicable to it with appropriate authorities and according to the information and explanations given to us, no undisputed amounts payable in respect of Income-tax, Sales-tax, Wealth-tax, Service Tax, Customs Duty, Excise Duty and Cess were in arrears as at 31st March, 2020 for a period of more than six months from the date they became payable.

Particulars	Amount in Rs.
Tax Deducted at Source	105,625
Professional Tax	15,000



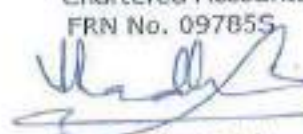
- b. According to the records of the Company and on the basis of the information and explanations given to us, *except for below mentioned*, there are no dues in respect of VAT, Service Tax, Duty of Excise, Income Tax, customs duty, wealth tax that have not been deposited with the appropriate authorities on account of any dispute.

Name of the Statute	Nature of the Dues	Amount Rs.	Period to relates	Forum where pending
Central Excise Act, 1944	Excise Duty	Excise Duty on Valuation for Rs.86,23,672/-	F.Y.2010-11	DGCEI
Income Tax Act, 1961	Income Tax	Rs.42 Lakhs	A.Y.2005-06	CIT (A), Circle 3(1), Hyderabad

- viii. The Company has not defaulted in repayment of loans or borrowings to the financial institutions or banks or government or dues to debenture holders.
- ix. In our opinion, Term Loans were applied for the purpose for which the said loans were obtained.
- x. As per the checks carried out by us, no fraud on or by the company has been noticed or reported during the year under report.
- xi. According to the records of the Company and on the basis of the information and explanations given to us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V of the Companies Act, 2013.
- xii. The Company is not a Nidhi Company.
- xiii. In our opinion, and according to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Ind AS Financial Statements etc., as required by the applicable accounting standards;
- xiv. In our opinion, and according to the information and explanations given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- xv. In our opinion, and according to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him.
- xvi. The company is not required to be registered under section 45-1A of the Reserve Bank of India Act, 1934.

Date:29/06/2020
Place: Hyderabad

For R R K & Associates
Chartered Accountants
FRN No. 097855



R. Radha Krishna
Partner

M.No.210777

UDIN: 20210777AAAAHJ5548



Annexure - B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **SAMPRE NUTRITIONS LIMITED** ("the Company") as of **31 March 2020** in conjunction with our audit of the Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS Financial Statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the



transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS Financial Statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For R R K & Associates
Chartered Accountants
FRN No. 09785S



R. Radha Krishna
Partner
M.No.210777



Date:29/06/2020
Place: Hyderabad

UDIN: 20210777AAAAHJ5548

SAMPRE NUTRITIONS LIMITED
Balance Sheet as at March 31, 2020
 (All amounts are in Indian rupees except as otherwise stated)

PARTICULARS	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
I. ASSETS			
1. Non-Current Assets			
a) Property, Plant & Equipment	3	185,419,757	152,922,356
b) Capital work-in-progress	4	54,169,906	88,844,851
c) Financial assets			
Investments in Subsidiaries & Others	5	100,000	100,000
Other Financial Assets	6	4,819,195	7,119,936
d) Other non-current assets	7	-	311,669
		244,508,838	249,299,013
2. Current Assets			
a) Inventories	8	70,369,074	59,795,604
b) Financial Assets			
Trade Receivables	9	35,775,182	49,890,234
Cash and Cash Equivalents	10	8,474,386	3,435,424
Others Financial Assets	6	14,796,113	18,798,950
c) Other Current Assets		-	-
		129,414,754	131,420,212
		373,923,592	380,719,225
EQUITY AND LIABILITIES			
I. EQUITY AND LIABILITIES			
1. EQUITY			
a) Equity Share Capital	11	48,200,000	48,200,000
b) Other Equity	12	58,869,947	55,512,700
Total Equity		107,069,947	103,712,700
2. LIABILITIES			
Deferred tax liability (net)	13	4,949,674	4,462,506
Non-current liabilities			
Financial Liabilities			
Long term borrowings	14	107,979,077	109,755,409
		112,928,751	114,217,915
Current liabilities			
Financial Liabilities			
Short-term Borrowings	15	80,459,781	72,234,877
Trade payables	16	47,698,301	61,805,809
Other current liabilities	17	25,055,408	28,283,063
Short-term provisions	18	711,404	459,861
		153,924,894	162,783,610
		373,923,592	380,719,225

Summary of significant accounting policies

1-44

The accompanying notes referred above form an integral part of the financial statements.

As per our report of even date attached

For RRK & Associates

Chartered Accountants

FRNo.0097858

R. Radha Krishna
 Partner

Membership No. 210777



For and on behalf of the Board of Directors of Sampre Nutritions Limited

Brahma Gurnani
 Managing Director
 DIN: 00318180

Vishal Ratan Gurbani
 Director
 DIN: 07738685

V. Vanghi Srinivas
 CFO

Place: Hyderabad

Date : 29th June, 2020

SAMPRE NUTRITIONS LIMITED

Statement of profit and loss for the year ended March 31, 2020

(All amounts are in Indian rupees except as otherwise stated)

	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
INCOME			
Revenue from operations	19	248,545,815	286,804,132
Other income	20	1,795,000	349,967
		250,340,815	287,154,099
EXPENSES			
Cost of Materials Consumed	21	82,453,206	184,263,647
Manufacturing expenditure	22	93,892,768	36,637,442
Employee benefits expense	23	8,868,999	7,045,066
Other expenses	24	24,308,038	21,571,338
Depreciation	25	14,925,823	13,956,132
Finance costs	26	21,331,702	21,267,118
		245,780,530	284,740,763
Profit/ (loss) before tax		4,560,285	2,413,336
Tax expense			
Current tax		-	459,851
Short / (Excess) Provision for Taxation		4,463	511,099
Deferred tax (credit)/charge	33	1,198,573	(869,364)
Total tax expense		1,203,038	101,596
Profit/ (loss) for the period/year		3,357,247	2,311,740
Other Comprehensive Income			
Total Comprehensive Income for the Year		3,357,247	2,311,740
Earnings per equity share			
[Nominal value of equity share Rs. 10]			
Basic and Diluted (Rs.)	34	0.70	0.48
Weighted average no. of equity shares		4,820,000	4,820,000

The accompanying notes referred above form an integral part of the financial statements.

1.44

As per our report of even date attached

For RKK & Associates
Chartered Accountants

FRNo.0097835

R-Rishika Krishna

Partner

Membership No. 210777

Place: Hyderabad

Date : 29th June, 2020

For and on behalf of the Board of Directors
of Sampre Nutritions Limited

Brahma Gurbani

Managing Director

DIN: 00318180

Vishal Ratan Gurbani

Director

DIN: 07738685

V. Venkatesh Srinivas

CFO

SAMPRE NUTRITIONS LIMITED
Cash flow statement
 (All amounts are in Indian rupees except as otherwise stated)

	For the year ended March 31, 2020	For the year ended March 31, 2019
A. Cash flow from operating activities		
Profit/(loss) before tax	4,560,285	2,413,336
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation expense	14,925,823	13,956,132
Profit/(Loss) on sale of fixed assets / CWT	16,466	161,320
Interest income accrued	(141,646)	(245,331)
Interest Expenses	9,162,412	12,366,019
Operating profit before working capital changes	28,483,370	28,351,295
Movements in Working Capital :		
(Increase)/ Decrease in inventories	(11,073,470)	(10,032,032)
(Increase)/ Decrease in Financial Assets	21,730,863	(7,595,494)
(Increase)/ Decrease in other non-current assets	311,869	388,375
(Increase)/ Decrease in Other Current Non-Financial Assets	-	49,071
Increase/(Decrease) in Trade payables	(14,807,508)	45,910,416
Increase/(decrease) in other current Financial Liabilities	2,214,381	1,639,297
Increase/(Decrease) in Other Non-Financial Liabilities	0	0
Cash generated/ used in operations	27,564,607	59,210,929
Direct taxes (paid)/Refund (net)	(1,776,559)	(2,388,707)
Net cash generated/ (used) from operating activities (A)	25,788,048	56,822,222
B. Cash flow from investing activities		
Proceeds of fixed assets including Capital work - in progress	(13,358,939)	(103,325,627)
Proceeds from sale of fixed assets	994,215	180,000
Interest received	131,616	245,331
Net cash generated/ (used) in investing activities (B)	(12,583,108)	(102,900,296)
C. Cash flow from financing activities		
Proceeds from long-term borrowings (Net of repayment)	(7,228,470)	27,781,661
Proceeds from short-term borrowings	8,224,904	31,928,230
Interest expense paid	(9,162,412)	(12,566,019)
Net cash flow generated/ (used) in financing activities (C)	(8,165,978)	47,143,872
Net increase/ (decrease) in cash and cash equivalents (A + B + C)	5,038,962	1,065,798
Cash and cash equivalents at the beginning of the year	3,435,424	2,369,626
Cash and cash equivalents at the end of the year	8,474,386	3,435,424
Components of cash and cash equivalents:		
Cash on hand	80,991	86,575
Deposits with banks	233,000	2,240,642
With banks - on current accounts	8,160,392	1,108,107
Cash and cash equivalents	8,474,386	3,435,424

The accompanying notes referred above form an integral part of the financial statements.

As per our report of even date

As per our report of even date attached

For RRK & Associates

Chartered Accountants

RRNo.0097955

R. Krishna Krishna

Partner

Membership No. 210777

Place: Hyderabad

Date : 29th June, 2020

For and on behalf of the Board of Directors of
 of Sampre Nutritions Limited

Brahma Garbani

Managing Director

DIN: 00318180

Vishal Ratan Garbani

Director

DIN: 07738685

V. Venkatesh Srinivas
 CFO

SAMPRE NUTRITIONS LIMITED

Statement of Changes in Equity for the year ended March 31, 2020

a) Equity Share Capital

For the year ended 31st March, 2019	4,820,000
Balance as at 01st April, 2018	-
Changes in equity share capital during the year	4,820,000
Balance as at 31st March, 2019	
For the year ended 31st March, 2020	4,820,000
Balance as at 01st April, 2019	-
Changes in equity share capital during the year	4,820,000
Balance as at 31st March, 2020	

b) Other Equity

Particulars	Reserves & Surplus		
	Capital Reserve	Retained Earnings	Total
Balance as at April 1, 2018	3,700,000	49,500,960	53,200,960
Total Comprehensive Income for the Year	-	-	-
i) Additions during the year	-	-	-
ii) Utilisation during the year	-	-	-
iii) Profit / (Loss) for the year	-	2,311,740	2,311,740
iv) Other Comprehensive Income	-	-	-
Balance as at March 31, 2019	3,700,000	51,812,700	55,512,700
Total Comprehensive Income for the Year	-	-	-
i) Additions during the year	-	-	-
ii) Utilisation during the year	-	-	-
iii) Profit / (Loss) for the year	-	3,357,247	3,357,247
iv) Other Comprehensive Income	-	-	-
Balance as at March 31, 2020	3,700,000	55,169,947	58,869,947

The accompanying notes referred above form an integral part of the financial statements.

As per our report of even date attached

For RRK & Associates

Chartered Accountants

FRNo.009785S


R. Radha Krishna
 Partner
 Membership No. 210777



Place: Hyderabad
 Date : 29th June, 2020

For and on behalf of the Board of Directors
 of Sampre Nutritions Limited


Brahma Garbani
 Managing Director
 DIN: 00318180


Vishal Ratan Garbani
 Director
 DIN: 07738685




V. Vamsi Srinivas
 CFO

SAMPRE NUTRITIONS LIMITED

Notes to financial statements for the year ended March 31, 2020

1. Basis of accounting and preparation of Financial Statements

a) Company Overview

Sampre Nutritions Limited is a Public Limited Company domiciled in the State of Telangana, Hyderabad incorporated under the Provisions of the Companies Act, 1956. The Company is engaged in the activity of manufacturing of confectionery products. The Equity shares of the company are listed with the BSE Limited.

The principal place of business is situated at 133, TSUC Industrial Estate, Medchal-501401, Medchal Malkajgiri Dist, Telangana.

b) Basis of accounting and preparation of Financial Statements

These financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs (MCA) pursuant to Section 133 of the Companies Act 2013, read with Companies (Indian Accounting Standards) Rules 2015 as amended and other relevant provisions of the Act. The Company has consistently applied the accounting policies during the period presented in the financial statements.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy atherio in use.

c) Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements in conformity with the Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures as at date of the financial statements and the reported amounts of the revenues and expenses for the years presented. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Although these estimates are based upon management's best knowledge of current events, actual results may differ from these estimates under different assumptions and conditions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical Judgements In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements:

Key sources of estimation uncertainty : The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Key sources of estimation uncertainty : The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:



Income taxes: The Company's tax jurisdiction is India. Significant judgments are involved in determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions.

d) Operating Cycle and Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification in accordance with Part-I of Division- II of Schedule III of the Companies Act, 2013.

An asset is treated as current when (a) It is expected to be realised or intended to be sold or consumed in normal operating cycle; (b) It is held primarily for the purpose of trading; or (c) It is expected to be realised within twelve months after the reporting period, or (d) The asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when (a) It is expected to be settled in normal operating cycle; or (b) It is held primarily for the purpose of trading; or (c) It is due to be settled within twelve months after the reporting period, or (d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, results in its settlement by the issue of equity instruments do not affect its classification. The Company classifies all other liabilities as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its normal operating cycle.

e) Standards issued but not yet effective

On 30th March 2019, the Ministry of Corporate (MCA) has notified the Ind AS 116 'Leases', and issued amendments to the Ind AS 12 'Income Taxes', Ind AS 19 'Employee Benefits'.

The effective date for adoption and application of above stated is annual period beginning from on or after 01st April, 2019. The Company does not have any impact on account of this amendments.

2

a) Property, Plant and Equipment & Depreciation

i) Recognition and Measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. The 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 costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

If significant part 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.



Property, plant and equipment are derecognised from financial statement, either on disposal or when no economic benefits are expected from its use or disposal. The gain or loss arising from disposal of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment recognised in the statement of profit and loss account in the year of occurrence.

ii) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the company.

iii) Depreciation

Depreciation amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on assets has been provided on Straight line basis at the useful lives specified in the Schedule II of the Companies Act, 2013. Depreciation on additions / deductions is calculated pro-rata from / to the month of additions / deductions.

Assets costing less than INR 5,000/- are depreciated at 100% in the year of acquisition.

b) Revenue recognition

Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment.

Interest income: Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

c) Inventories

Raw materials and stores, work-in-progress, traded and finished goods are stated at the lower of cost, calculated on weighted average basis, and net realizable value. Cost of raw materials and stores comprise of cost of purchase. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other cost incurred in bringing the inventories to their present location and condition. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Items held for use in the production of inventory are not written below cost if the finished product in which these will be incorporated are expected to be sold at or above cost.



d) Foreign Currencies

Functional currency: The functional currency of the Company is the Indian rupee.

Transactions and translations: Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign-currency-denominated monetary assets and liabilities are translated into the relevant functional currency at exchange rates in effect at the Balance Sheet date. The gains or losses resulting from such translations are included in net profit in the Statement of Profit and Loss. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of the transaction.

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which the transaction is settled. Revenue, expense and cash flow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.

e) Income tax

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current tax: Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred tax: Deferred income tax is recognised using the Balance Sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognised only to the extent it is probable that either future taxable profits or reversal of deferred tax liabilities will be available, against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of a deferred tax asset is reviewed at the end of each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

f) Impairment of Assets

Non Financial Assets: The carrying value of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists.



If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve for that asset.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods which no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets, such reversal is not recognised.

Financial assets: The Company assesses on a forward-looking basis the expected credit losses associated with its financial assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

g) Provisions and Contingent Liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

Contingent assets are not recognised in the Financial Statements.



h) Non-derivative financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

i) Financial assets

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.

Trade Receivables and Loans: Trade receivables are initially recognised at fair value. Subsequently, these assets are held at amortised cost, using the effective interest rate (EIR) method net of any expected credit losses. The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument.

Debt Instruments: Debt instruments are initially measured at amortised cost, fair value through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVTPL') till derecognition on the basis of (i) the entity's business model for managing the financial assets and (ii) the contractual cash flow characteristics of the financial asset.

Equity Instruments: All investments in equity instruments classified under financial assets are initially measured at fair value, the Company may, on initial recognition, irrevocably elect to measure the same either at FVOCI or FVTPL. The Company makes such election on an instrument-by-instrument basis.

ii) Financial assets- Subsequent measurement

Financial assets at amortised cost: Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order 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.



Financial assets at fair value through other comprehensive income (FVTOCI): Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets.

Financial assets at fair value through profit or loss (FVTPL): Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

iii) Financial liabilities

Loans and borrowings: After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost on accrual basis.

Financial guarantee contracts: Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

iv) Financial liabilities - Subsequent measurement

Financial liabilities are measured at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, carrying amounts approximate the fair value due to the short maturity of these instruments.

v) Derecognition

The Company de-recognizes a financial assets when the contractual rights to the cash flows from the financial asset expires or it transfers the financial assets and the transfer qualifies for derecognition under Indian Accounting Standard 109 "Financial Instruments". A financial liability (or a part of financial liability) is de-recognised from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

vi) Offsetting of financial instruments

Financial assets and financial liabilities are offsetted and the net amount is reported in financial statements if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

i) Earnings Per Share

Basic EPS is computed by dividing the profit or loss attributable to the equity shareholders of the Company by the weighted average number of Ordinary shares outstanding during the year. Diluted EPS is computed by adjusting the profit or loss attributable to the ordinary equity shareholders and the weighted average number of ordinary equity shares, for the effects of all dilutive potential Ordinary shares.



SANPRE NUTRITIONS LIMITED

Notes to financial statements

(All amounts are in Indian rupees except as otherwise stated)

3. Property, Plant and Equipment

	Freehold Land	Misc Fixed Assets	Electrical Equipment	Factory Buildings	Plant and machinery	Office Buildings	Office Equipment	Computer equipment	Furniture and fixtures	Vehicles	Total fixed assets
As at April 1, 2018											
Cost	2,124,163	638,801	22,253,687	38,745,552	160,440,184	5,554,210	4,457,294	487,107	14,994,583	26,782,005	287,398,118
Additions	-	-	6,700	-	30,464,324	7,438,262	-	-	10,030	75,000	39,473,079
Disposals	-	-	-	-	-	-	-	-	-	(850,000)	(850,000)
As at March 31, 2019											
Cost	2,124,163	638,801	22,260,387	38,745,552	190,904,508	12,992,472	4,457,294	487,107	15,004,613	26,927,005	326,349,141
Additions	-	-	15,000	842,300	45,358,090	-	53,120	-	66,000	1,616,675	48,433,865
Disposals	-	-	-	(542,000)	-	-	-	-	-	(850,000)	(542,000)
As at March 31, 2020											
Cost	2,124,163	638,801	22,275,387	38,693,552	237,252,598	13,002,472	4,457,294	487,107	15,070,613	28,323,675	371,186,579
Depreciation											
As at April 1, 2018	-	566,937	15,005,594	25,048,131	85,474,667	1,051,272	3,949,453	657,358	5,604,209	18,345,400	166,776,306
Adjustment to opening	-	-	-	-	-	-	-	-	-	-	-
Reserve	-	9,401	161,472	2,858,220	7,457,782	119,512	118,154	37,713	1,622,906	3,336,135	13,684,152
Charge for the year	-	-	15,159,006	30,691,352	52,603,649	1,180,585	3,767,817	693,111	8,430,414	18,374,741	105,850,800
As at March 31, 2019											
Cost	-	9,401	162,000	2,858,220	88,338,064	238,416	118,205	1,002	1,002,209	1,292,051	14,935,022
Adjustment to opening	-	-	-	-	-	-	-	-	-	(393,618)	(393,618)
Reserve	-	9,401	162,000	2,858,220	88,338,064	238,416	118,205	1,002	1,002,209	1,292,051	14,935,022
Charge for the year	-	9,401	162,000	2,858,220	88,338,064	238,416	118,205	1,002	1,002,209	1,292,051	14,935,022
Disposals	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2020											
Cost	-	9,401	162,000	2,858,220	88,338,064	238,416	118,205	1,002	1,002,209	1,292,051	14,935,022
Adjustment to opening	-	-	-	-	-	-	-	-	-	-	-
Reserve	-	9,401	162,000	2,858,220	88,338,064	238,416	118,205	1,002	1,002,209	1,292,051	14,935,022
Charge for the year	-	9,401	162,000	2,858,220	88,338,064	238,416	118,205	1,002	1,002,209	1,292,051	14,935,022
Disposals	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2020											
Cost	-	9,401	162,000	2,858,220	88,338,064	238,416	118,205	1,002	1,002,209	1,292,051	14,935,022
Adjustment to opening	-	-	-	-	-	-	-	-	-	-	-
Reserve	-	9,401	162,000	2,858,220	88,338,064	238,416	118,205	1,002	1,002,209	1,292,051	14,935,022
Charge for the year	-	9,401	162,000	2,858,220	88,338,064	238,416	118,205	1,002	1,002,209	1,292,051	14,935,022
Disposals	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2020											
Cost	-	9,401	162,000	2,858,220	88,338,064	238,416	118,205	1,002	1,002,209	1,292,051	14,935,022
Adjustment to opening	-	-	-	-	-	-	-	-	-	-	-
Reserve	-	9,401	162,000	2,858,220	88,338,064	238,416	118,205	1,002	1,002,209	1,292,051	14,935,022
Charge for the year	-	9,401	162,000	2,858,220	88,338,064	238,416	118,205	1,002	1,002,209	1,292,051	14,935,022
Disposals	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2020											
Cost	-	9,401	162,000	2,858,220	88,338,064	238,416	118,205	1,002	1,002,209	1,292,051	14,935,022
Adjustment to opening	-	-	-	-	-	-	-	-	-	-	-
Reserve	-	9,401	162,000	2,858,220	88,338,064	238,416	118,205	1,002	1,002,209	1,292,051	14,935,022
Charge for the year	-	9,401	162,000	2,858,220	88,338,064	238,416	118,205	1,002	1,002,209	1,292,051	14,935,022
Disposals	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2020											
Cost	-	9,401	162,000	2,858,220	88,338,064	238,416	118,205	1,002	1,002,209	1,292,051	14,935,022
Adjustment to opening	-	-	-	-	-	-	-	-	-	-	-
Reserve	-	9,401	162,000	2,858,220	88,338,064	238,416	118,205	1,002	1,002,209	1,292,051	14,935,022
Charge for the year	-	9,401	162,000	2,858,220	88,338,064	238,416	118,205	1,002	1,002,209	1,292,051	14,935,022
Disposals	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2020											
Cost	-	9,401	162,000	2,858,220	88,338,064	238,416	118,205	1,002	1,002,209	1,292,051	14,935,022
Adjustment to opening	-	-	-	-	-	-	-	-	-	-	-
Reserve	-	9,401	162,000	2,858,220	88,338,064	238,416	118,205	1,002	1,002,209	1,292,051	14,935,022
Charge for the year	-	9,401	162,000	2,858,220	88,338,064	238,416	118,205	1,002	1,002,209	1,292,051	14,935,022
Disposals	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2020											
Cost	-	9,401	162,000	2,858,220	88,338,064	238,416	118,205	1,002	1,002,209	1,292,051	14,935,022
Adjustment to opening	-	-	-	-	-	-	-	-	-	-	-
Reserve	-	9,401	162,000	2,858,220	88,338,064	238,416	118,205	1,002	1,002,209	1,292,051	14,935,022
Charge for the year	-	9,401	162,000	2,858,220	88,338,064	238,416	118,205	1,002	1,002,209	1,292,051	14,935,022
Disposals	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2020											
Cost	-	9,401	162,000	2,858,220	88,338,064	238,416	118,205	1,002	1,002,209	1,292,051	14,935,022
Adjustment to opening	-	-	-	-	-	-	-	-	-	-	-
Reserve	-	9,401	162,000	2,858,220	88,338,064	238,416	118,205	1,002	1,002,209	1,292,051	14,935,022
Charge for the year	-	9,401	162,000	2,858,220	88,338,064	238,416	118,205	1,002	1,002,209	1,292,051	14,935,022
Disposals	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2020											
Cost	-	9,401	162,000	2,858,220	88,338,064	238,416	118,205	1,002	1,002,209	1,292,051	14,935,022
Adjustment to opening	-	-	-	-	-	-	-	-	-	-	-
Reserve	-	9,401	162,000	2,858,220	88,338,064	238,416	118,205	1,002	1,002,209	1,292,051	14,935,022
Charge for the year	-	9,401	162,000	2,858,220	88,338,064	238,416	118,205	1,002	1,002,209	1,292,051	14,935,022
Disposals	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2020											
Cost	-	9,401	162,000	2,858,220	88,338,064	238,416	118,205	1,002	1,002,209	1,292,051	14,935,022
Adjustment to opening	-	-	-	-	-	-	-	-	-	-	-
Reserve	-	9,401	162,000	2,858,220	88,338,064	238,416	118,205	1,002	1,002,209	1,292,051	14,935,022
Charge for the year	-	9,401	162,000	2,858,220	88,338,064	238,416	118,205	1,002	1,002,209	1,292,051	14,935,022
Disposals	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2020											
Cost	-	9,401	162,000	2,858,220	88,338,064	238,416	118,205	1,002	1,002,209	1,292,051	14,935,022
Adjustment to opening	-	-	-	-	-	-	-	-	-	-	-
Reserve	-	9,401	162,000	2,858,220	88,338,064	238,416	118,205	1,002	1,002,209	1,292,051	14,935,022
Charge for the year	-	9,401	162,000	2,858,220	88,338,064	238,416	118,205	1,002	1,002,209	1,292,051	14,935,022
Disposals	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2020											
Cost	-	9,401	162,000	2,858,220	88,338,064	238,416	118,205	1,002	1,002,209	1,292,051	14,935,022
Adjustment to opening	-	-	-	-	-	-	-	-	-	-	-
Reserve	-	9,401	162,000	2,858,220	88,338,064	238,416	118,205	1,002	1,002,209	1,292,051	14,935,022
Charge for the year	-	9,401	162,000	2,858,220	88,338,064	238,416	118,205	1,002	1,002,209	1,292,051	14,935,022
Disposals	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2020											
Cost	-	9,401	162,000	2,858,220	88,338,064	238,416	118,205	1,002	1,002,209	1,292,051	14,935,022
Adjustment to opening	-	-	-	-	-	-	-	-	-	-	-
Reserve	-	9,401	162,000	2,858,220	88,338,064	238,416	118,205	1,002	1,002,209	1,292,051	14,935,022
Charge for the year	-	9,401	162,000	2,858,220	88,338,064	238,416	118,205	1,002	1,002,209	1,292,051	14,935,022
Disposals	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2020											
Cost	-	9,401	162,000	2,858,220	88,338,064	238,416	118,205	1,002	1,002,209	1,292,051	14,935,022
Adjustment to opening	-	-	-	-	-	-	-	-	-	-	-
Reserve	-	9,401	162,000	2,858,220	88,338,064	238,416	118,205	1,002	1,002,209	1,292,051	14,935,022
Charge for the year	-	9,401	162,000	2,858,220	88,338,064	238,416	118,205	1,002	1,002,209	1,292,051	14,935,022
Disposals	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2020											
Cost	-	9,401	162,000	2,858,220	88,338,064	238,416	118,205	1,002	1,002,209	1,292,051	14,935,022
Adjustment to opening	-	-	-	-	-	-	-	-	-	-	-
Reserve	-	9,401	162,000	2,858,220	88,338,064	238,416	118,205	1,002	1,002,209	1,292,051	14,935,022
Charge for the year	-	9,401	162,000	2,858,220	88,338,064	238,416	118,205	1,002	1,002,209	1,292,051	14,935,022</

SAMPRE NUTRITIONS LIMITED
Notes to financial statements

(All amounts are in Indian rupees, except as otherwise stated)

5 Non-Current Investments

	As at March 31, 2020	As at March 31, 2019
Investment in equity instruments in other companies		
Unquoted, Fully Paidup equity instruments		
1000 equity share of Rs.100 each of Common Co-Op Bank Ltd	100,000	100,000
	<u>100,000</u>	<u>100,000</u>

6 Other Non-current and Current Financial Assets (Security Deposit and Service Tax Input Credit)

		Non-current	Current
		As at March 31, 2020	As at March 31, 2019
Security deposits			
Unsecured, considered good	(A)	4,819,195	7,119,936
		<u>4,819,195</u>	<u>7,119,936</u>
Other loans and advances			
Advances to employees		-	1,434,212
Balance with Revenue authorities		-	11,666,917
Advances to Suppliers		-	1,694,983
	(B)	<u>-</u>	<u>14,796,113</u>
	(A+B)	<u>4,819,195</u>	<u>18,798,950</u>

7 Other Non-current and Current Assets

		Non-current	Current
Other Assets			
Misc Expenditure to the extent not written off	A	-	311,869
		<u>-</u>	<u>311,869</u>
Advances recoverable in cash or kind			
Unsecured, considered good		-	-
Prepaid Expenses	B	<u>-</u>	<u>-</u>
	(A+B)	<u>-</u>	<u>311,869</u>

8 Inventories (valued at lower of cost and net realizable value) (Refer note 30)

	As at March 31, 2020	As at March 31, 2019
Raw Materials	38,385,697	15,004,406
Packing Materials	31,983,377	24,291,198
	<u>70,369,074</u>	<u>39,295,604</u>



SAMPLE NUTRITIONS LIMITED

Notes to financial statements

(All amounts are in Indian rupees except as otherwise stated)

9 Trade receivables

	As at March 31, 2020	As at March 31, 2019
- Unsecured, considered good		
Trade Receivables (Outstanding for a period of more than six months)	35,775,182	49,890,234
Others		
	<u>35,775,182</u>	<u>49,890,234</u>

10 Cash and Cash Equivalents

	As at March 31, 2020	As at March 31, 2019
Cash and Cash equivalents		
Balance with banks	1,160,292	1,138,107
- On current accounts	233,000	2,240,642
Margin money deposit	20,995	10,572
Cash on hand	<u>8,474,386</u>	<u>3,415,424</u>

11 Share Capital

	As at March 31, 2020	As at March 31, 2019
Authorized Shares		
6,000,000 (March 31, 2019: 6,000,000) equity shares of Rs. 10 each	<u>60,000,000</u>	<u>60,000,000</u>
Issued and subscribed shares		
48,200,000 (March 31, 2019: 48,200,000) equity shares of Rs. 10 each	<u>48,200,000</u>	<u>48,200,000</u>
	<u>48,200,000</u>	<u>48,200,000</u>

a) Reconciliation of the equity shares outstanding at the beginning and at the end of the year

	March 31, 2020		March 31, 2019	
	Number	Amount in Rs.	Number	Amount in Rs.
At the beginning of the year	4,820,000	48,200,000	4,820,000	48,200,000
Outstanding at the end of the year	<u>4,820,000</u>	<u>48,200,000</u>	<u>4,820,000</u>	<u>48,200,000</u>

b) Terms/right attached to equity shares

The Company has issued 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 dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	March 31, 2020		March 31, 2019	
	Number	% holding in the class	Number	% holding in the class
Equity shares of Rs. 10 each fully paid				
Brahma K. Gurbani	887,416	18.41	887,916	18.42
Saritha B. Gurbani	761,762	15.80	761,762	15.80
Meera B. Gurbani	530,762	11.01	530,762	11.01

As per the records of the Company, including its register of shareholders/members, the above shareholding represents legal and beneficial ownership.



SAMPRE NUTRITIONS LIMITED

Notes to financial statements

(All amounts are in Indian rupees except as otherwise stated)

11 Other Equity

	As at March 31, 2020	As at March 31, 2019
Securities premium account	3,700,809	3,700,000
Surplus in the statement of profit and loss		
Balance as per last financial statements	51,312,700	49,500,960
Profit/(Loss) for the period/year	3,357,347	2,311,740
Add/Less: Transfer of balances	-	-
Net surplus/deficit in the statement of profit and loss	55,169,947	51,812,700
	58,989,947	55,512,700

12 Deferred Tax Liability (Net) - (Refer Note No.32)

	As at March 31, 2020	As at March 31, 2019
Deferred Tax Liability, Net	5,661,079	4,462,506
Deferred Tax Asset, Net	-	-
	(711,404)	-
Mat Credit Entitlement (Net)		
Total	4,949,674	4,462,506

14 Long-term borrowings

	As at March 31, 2020	As at March 31, 2019
Term Loans (Secured) (Refer Note No.28)		
- Term loans From Banks	73,116,004	91,938,744
- Vehicle Loans From Banks	1,087,743	1,336,706
- Other Vehicle Loan	1,335,072	1,225,594
Loans & Advances from related persons	45,516,228	27,790,473
	121,055,047	122,283,517
Less: Current Maturities of long term borrowings	13,075,970	13,538,108
	107,979,077	109,755,409

Note: There has no default in repayment of loan and interest as at Balance Sheet.

Vehicle loan from Banks & others

Vehicle loans are issued by Hypothecation of vehicles purchased out of current financial and personal guarantees of Directors.

15 Short term borrowings

	As at March 31, 2020	As at March 31, 2019
The South Indian Bank Bill Discounting	30,000,000	29,969,783
The South Indian Bank Cash Credit	50,489,781	42,235,054
	80,489,781	72,234,877

Notes:

- Working capital limits are availed from The South Indian Bank, secured by Hypothecation of entire Current Assets of the Company both present and future at 10.45 % rate of interest repayable on demand.
- All the Term Loans are availed against hypothecation of Plant & Machinery both present and future and EOI of Land and Buildings Situated at Plot No: 133 and land in between Plot No. 133 & 137 in SY No. 865/2, IE, Melchal.
- All the facilities availed from The South Indian Bank are further secured by collateral securities and personal guarantees of Directors and their relatives.
- There has no default in repayment of loan and interest as at Balance Sheet.



SAMPLE NUTRITIONS LIMITED

Notes to financial statements

(All amounts are in Indian rupees except as otherwise stated)

16. Trade payables

	As at March 31, 2020	As at March 31, 2019
Dues to Related parties	-	-
Other		
a. Trade Creditors	28,614,266	52,306,093
b. Creditors for Expenses	7,038,620	3,502,826
c. Creditors for Capital Goods	11,255,414	3,706,488
d. Dues to others	-	-
	<u>47,698,301</u>	<u>61,805,399</u>

Note:

Details of dues to micro and small enterprises as defined under the MSMED ACT, 2006

Based on information available with the Company, there are no suppliers who are registered as micro, small or medium enterprises under "The Micro, Small and Medium Enterprises Development Act, 2006 as at March 31, 2020

17. Other current liabilities

	As at March 31, 2020	As at March 31, 2019
Current maturities of long term debt	13,075,970	13,528,108
Advances from customers	1,180,840	1,184,944
Dues to employees	6,315,446	1,731,433
Other statutory liabilities	4,483,151	8,667,778
Provision for expenses	-	175,800
	<u>25,055,408</u>	<u>24,288,063</u>

18. Short term provisions

	As at March 31, 2020	As at March 31, 2019
Provision for income tax	711,404	429,861
	<u>711,404</u>	<u>429,861</u>

19. Revenue from operations

	For the year ended March 31, 2020	For the year ended March 31, 2019
Sale of products	248,545,815	286,804,132
Processing Charges	-	-
	<u>248,545,815</u>	<u>286,804,132</u>

20. Other income

	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest Income	181,616	134,581
Dividend Received	-	110,750
Other non operating income	1,613,384	104,636
	<u>1,795,000</u>	<u>349,967</u>

21. Cost of Materials Consumed

	For the year ended March 31, 2020	For the year ended March 31, 2019
Opening Stock	59,295,614	49,263,572
Add: Purchases	93,526,670	194,295,679
Less: Closing stock	70,369,074	59,295,604
	<u>82,453,210</u>	<u>184,263,647</u>



SAMPRE NUTRITIONS LIMITED

Notes to financial statements

(All amounts are in Indian rupees except as otherwise stated)

22. Manufacturing expenditure

	For the year ended March 31, 2020	For the year ended March 31, 2019
Fuel & Power consumption	18,125,043	4,530,292
Factory salaries and Wages	37,406,873	23,049,179
Factory Expenses	32,355,868	6,390,389
Transport & Hamuli Charges	1,200,593	553,885
Repairs & Maintenance	4,894,793	7,053,397
	93,982,768	36,637,442

23. Employee benefits expense

	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries, bonus and allowances	5,299,793	4,100,866
Directors Remuneration	3,669,206	2,844,200
	8,968,999	7,045,066

24. Other expenses

	For the year ended March 31, 2020	For the year ended March 31, 2019
Advertisement Expenses	53,600	54,826
AGM Expenses	9,900	4,200
Building Maintenance	582,263	988,877
Business Promotion Expenses	408,149	1,059,468
Computer Maintenance	193,075	101,617
Communication Expenses	109,995	60,911
Donations	29,233	61,709
Electricity Charges	384,141	313,571
General Expenses	1,621,696	2,232,812
Insurance	1,047,482	1,036,243
Key Man Insurance Exp	2,435,020	1,431,894
Legal and professional	491,730	535,339
Loan Processing Fee	-	74,104
Loss on sale of Asset	64,853	161,170
Medical Expenses	246,295	322,100
Membership and Subscription Fee	6,860	4,500
Office Expenses	748,602	322,067
Payment to auditors	305,000	177,000
Printing and stationery	306,879	328,445
Professional Tax	104,000	69,808
Rates and taxes	1,204,394	1,02,476
Rental Charges	6,826,258	5,405,000
Repairs and maintenance	2,462	-
Security Services	2,691,391	2,107,631
Sitting Fee	194,985	160,000
Staff Welfare Expenses	2,667,672	2,989,338
Telephone Expenses	295,591	239,305
Travelling and conveyance	889,001	998,752
Vehicle Maintenance	400,917	264,832
	24,304,838	21,571,338

25. Depreciation expense

	For the year ended March 31, 2020	For the year ended March 31, 2019
Depreciation of tangible assets	14,925,825	13,956,152
Less: Transferred to capital work-in-progress	-	-
	14,925,825	13,956,152



SAMPRE NUTRITIONS LIMITED

Notes to financial statements

(All amounts are in Indian rupees except as otherwise stated)

10. Finance costs

	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest on Term Loans	9,162,412	12,566,819
Interest - Others	10,775,736	6,877,843
Bank charges	1,393,555	1,623,255
	<u>21,331,702</u>	<u>21,067,918</u>



MacSampre Nutritions Limited

Depreciation statement as per Income tax Act 1961 For the Asst. Year 2020-21

(In INR)

Particulars	WDV		Additions			Deletions / adjustments	As at March 31, 2020	Depreciation For the year	WDV As at March 31, 2020	% Age
	As at 1st April 2019	Before Sep	Before Sep	After Sep						
Tangible Assets										
Free Hold Land	2,124,162						2,124,162	-	2,124,162	0%
Buildings	29,506,445	642,000			642,000		29,506,445	2,550,645	26,555,801	100%
Plant and Machinery	76,615,725		44,058,800				122,674,519	14,546,716	107,727,843	150%
Electrical Equipments	5,243,882						5,163,882	226,388	4,737,494	100%
Air Conditioning	2,167,235						2,167,235	225,085	1,842,150	150%
Furniture and Fixtures	8,949,225	66,000					9,015,225	901,522	8,113,702	100%
Laboratory Equipment	722,347						722,347	106,382	615,965	150%
Office Equipments	169,300	33,120					203,020	30,453	172,570	150%
Vehicles	9,299,847	1,615,875			452,060		10,465,523	1,369,828	8,895,694	150%
Computers and Printers	20,423						20,423	8,169	12,254	450%
Generator	658,014						658,014	101,403	574,611	150%
Office & Canteen Buildings	2,724,055	18,000					2,742,055	272,406	2,451,650	100%
Misc. Fixed Assets	309,056						309,056	30,907	278,159	100%
E.T.P	287,521						287,521	43,128	244,393	150%
Sub-total	134,817,859	1,374,995		44,058,800	1,092,060		186,159,744	21,315,093	164,844,651	
Tangible Assets										
Website										



NOTES TO FINANCIAL STATEMENTS

27. Contingent liabilities not provided for in respect of:

The company is in receipt of assessment orders in respect of Central Excise and Income tax for various years, against the said assessment order, the company has preferred for appeal before the appellate authorities in respective forums. The Company is expecting a favorable result from the appellate authority.

28. Secured Loans (Refer Note No.14)

Term Loans From Banks:

- The term loan from banks includes Rs.10,79,79,077/- from "The South Indian Bank Ltd" which was availed for acquisition of Plant & Machinery and construction works at 10.65% rate of interest.
- All term loans are repayable as per the repayment schedule as stipulated in sanction letter of the bank.

Vehicle Loans From Banks:

Vehicle loans were obtained from HDFC Bank and The Cosmos Co-Op Bank Ltd under hire purchase schemes, secured by hypothecation of vehicles financed by the banks.

Other Vehicle Loan

Other Vehicle loan obtained from 'Daimler Financial Services India Private Ltd', secured by hypothecation of vehicles owned by the company.

29. Dues to Micro and Small Enterprises

As per the information available with the company, it appears that no dues outstanding for more than 30 days in excess of Rs.1,00,000/- as on 31st March 2020 in respect of Small Scale Industrial Undertakings. It is reported that there are no specific claims on the company from the small scale industrial supplier under the "The Micro, Small and Medium Enterprises Development Act, 2006" during the said year.

30. Payment to Auditors:

Particulars	31 st March, 2020 (Amount in Rs.)	31 st March, 2019 (Amount in Rs.)
Audit Fee	155,000	127,500
Tax Audit Matters	30,000	30,000
Certification & Other Services	20,000	20,000
Total	2,05,000	1,77,500

31. There are no debts outstanding as on 31st March 2020 from Directors or other officers of the company other than imprest cash in order to meet running expenses.



32. Segment Reporting:

The company's business consists of one primary reportable business segment of manufacturing of sugar boiled candies and toffees and having two manufacturing facilities at a) Plot No: 133, IE, Medchal & b) Plot No: 127 & 128, IE, Medchal. It consists of major revenue on account of Processing charges; no separate disclosures pertaining to attributable revenues, profits, assets, liabilities and capital employed are given as required under Accounting Standard – 17

33. Deferred Tax Asset / (Liability):

The movement of Provision of Deferred Tax for the year ended 31-03-2020 is as given below:

Particulars	Asset / (Liability) As on 31.03.2019	Recognised in Profit & Loss Account	Others	Asset / (Liability) As on 31.03.2020
Timing Differences on account of Depreciation	(44,62,506)	(24,97,269)	-	(69,59,774)
Unabsorbed Tax Losses (Depreciation Loss)	-	12,98,696	-	12,98,696
MAT Credit Entitlement/ (Utilisation)	-	-	-	7,11,404
Total	(44,62,506)	(11,98,573)	-	49,49,674

34. Earnings per Share (EPS)

The earnings considered in ascertaining the company's Earnings per share comprise of net profit after tax. The number of shares used in computing Basic earnings per share is the weighted average number of shares outstanding during the year. The numerators and denominators used to calculate earnings per share.

Particulars	F Y2019-20	FY 2018-19
Profit attributable to Equity Share Holders (A)	33,57,247	23,11,740
Basic / Weighted Average Number of Equity Shares outstanding during the year (No. s) (B)	48,20,000	48,20,000
Nominal value of each equity Share	Rs.10/-	Rs.10/-
Earnings Per share	0.70	0.48
Diluted EPS	0.70	0.48

35. Taxes on income

The company made necessary provision for income tax as per the provisions of Income Tax Act, 1961.



36. Related Party Disclosures

"Related Party Disclosures" issued by the Institute of Chartered Accountants of India are as follows:

Name of the related parties and description of relationship

- Enterprises which are owner or have significant influence of or are partners with key management personnel and their relative:
M/s. Royes Industries Limited
M/s. Naturalie Health Products Pvt. Ltd.
- Key Managerial Personnel
Shri. Brahma K Gurbani (MD)
Shri. Vishal R. Gurbani (WTD-VP)

a) Related Party Transactions:

Name of Related Party	Nature of transaction	Current Year	Previous Year
Shri. Brahma K Gurbani	Managerial Remuneration	24,00,000	18,75,000
Shri Vishal R Gurbani	Managerial Remuneration	10,69,200	10,69,200
Shri. Brahma K Gurbani	Unsecured Borrowings	3,50,41,403	2,31,10,010
Smt. Meera B Gurbani	Unsecured Borrowings	1,04,74,825	46,80,463
Royes Industries Limited	Lease Rentals	60,00,000	54,05,000
Royes Industries Limited	Purchases	42,86,766	--

b) Balances receivable /Payable

Name of Related Party	Nature of transaction	As at March 31, 2020	As at March 31, 2019
Royes Industries Limited	Advances Receivables	1,00,05,664	1,17,07,153
Naturalie Health Products Pvt Ltd	Advances Receivables	15,50,138	3,08,861
Shri. Brahma K Gurbani	Unsecured Borrowings	3,50,41,403	2,31,10,010
Smt. Meera B Gurbani	Unsecured Borrowings	1,04,74,825	46,80,463

c) Disclosure of Unsecured Loans received from Directors and Relatives of Directors Pursuant to Rule 16A of Companies (Acceptance of Deposits) Rules 2014 is as follows.

S No.	Name of Lender	Nature of Relation	Amount
1	Shri. Brahma K Gurbani	Director	3,50,41,403
2	Smt. Meera B Gurbani	Relative of Director	1,04,74,825

37. CIF Value of Imports

	FY 2019-20(Rs.)	2018-19(Rs.)
Raw materials	--	--
Packing materials	--	--
Traded goods	--	--
Capital goods	--	--

38. Previous year's figures have been re grouped / and or re-arranged wherever necessary to confirm with the current year classification.



39. Provision for accruing liability for Super Annuation / Retirement benefits have been made in the basis of the liability as actually determined as at the year end.
40. Depreciation has been provided on the straight-line method as per the rates prescribed as of Schedule II of The Companies Act 2013.
41. There were no employees drawing remuneration of Rs.60,00 lacs or more per annum or Rs.5.00 lacs or more per month, if employed for part of the year.
42. Paise is rounded off to nearest rupee.
43. Micro and Medium Scale Business Entities: There are no micro, small and medium enterprises, to whom the company over dues, which are outstanding for more than 45 days as at 31st March 2020. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.
44. Additional Information pursuant to provisions of the Companies Act, 2013.

(As certified by Management of the Company)

Particulars	FY 2019-20		FY 2018-19	
	Quantity (Kg)	Value (Rs. Lakhs)	Quantity (Kg)	Value (Rs. Lakhs)
Opening Stock	638962	502.95	530857	402.63
Production (Sugar based candies)	2677226	N.A	1912696	N.A
Closing Stock	758226	703.69	638962	592.95
Sales – Own product (Sugar based candies Confectionery) & Job Work	8348721	2499.26	1787566	1653.50
Sales – Job Work	-	-	5783518	1214.54

The quantitative detail indicated above includes production & dispatches made on principal to principal basis and Loan license basis.

Material Consumed	FY 2019-20		FY 2018-19	
	Quantity (Kg)	Value	Quantity (Kg)	Value
Raw Material (No. / Kgs)				
- Sugar	668340	243.94	816749	302.27
- Glucose	620518	129.81	797564	180.16
- Flavors & Others	1192422	300.95	1505713	380.02
Total	2481280	674.70	3120026	862.45
Primary packing Materials	52114	149.83	67657	176.64
Others	-	-	-	-
Total	2533394	824.53	3187683	1039.09

B. Value of Imports on CIF Basis	N.A	Nil	Nil	Nil
C. Expenses on Foreign Currency	Nil	Nil	Nil	Nil



D. Value of Imported and Indigenous Materials consumed and % of each to total Consumption

Particulars	Year ended March 31, 2020		Period ended March 31, 2019		
	Value	%		Value	%
Indigenous	8,24,53,206	100	Indigenous	18,42,63,647	100
Imported	-	-	Imported	-	-
Total	8,24,53,206	100	Total	18,42,63,647	100

For RRK & Associates
Chartered Accountants
FRNo.009785S




R. Radha Krishna
Partner
M. No. 210777



For and on behalf of board of directors


BRAHMA GURBANI
Managing Director
(DIN: 00318180)


VISHAL R GURBANI
Whole-time Director
(DIN: 07738685)


V. Vamsi Srinivas
CFO

Date: 29/06/2020
Place: Medchal

<p><u>The Company - Issuer</u></p> <p>SAMPRE NUTRITIONS LIMITED 33 Industrial Estate, Medchal - 501 401, Hyderabad, Telangana. INDIA</p>	<p><u>Merchant Banker – Manager</u></p> <p>GYR CAPITAL ADVISORS PVT. LIMITED SEBI Category-1 Merchant Banker 428, Gala Empire, Near J B Tower, Drive In Road, Thaltej Ahmedabad 380 054, Gujarat, India.</p>
<p><u>Principal Paying and Conversion Agent</u></p> <p>SBM FUND SERVICES LIMITED SBM Tower 1, Queen Elizabeth II Avenue Port Louis, Mauritius</p>	<p><u>Registrar Transfer Agent</u></p> <p>BIG SHARE SERVICES PRIVATE LIMITED Pinnacle Business Park, Office No. S6-2, 6th, Mahakali Caves Rd, next to Ahura Centre, Andheri East, Mumbai-400093 India</p>
<p><u>Indian Legal Counsel</u></p> <p>MR. SUMESH DEWAN Lex Favios Advocates & Solicitors E-299 Greater Kailash-I, Ground Floor, New Delhi – 110048</p>	<p><u>Foreign Counsel</u></p> <p>MR. VYOMESH DAVE 49, The Paddocks Essex - SS6 8NE, United Kingdom.</p>
<p><i>Lead Arranger</i> <u>ARIES CAPITAL LIMITED</u> Sofia House 3rd Floor 48 Church Street Hamilton HM12 Bermuda</p>	
<p><u>Auditors of the Company</u> M/s. RRK & ASSOCIATES A04, IFF The Annexe, Near Hitech City Rly Station, 13th Phase, KPHB, Hyderabad-500085</p>	

US\$ 10,000,000.00

SAMPRE NUTRITIONS LIMITED

[Zero Coupon Bond with 15% Discount due 24th July, 2027]

OFFERING MEMORANDUM

24th June, 2024