

Issue highlights

- Adani Wilmar Limited ("AWL") was incorporated on 22nd January, 1999. The company was promoted by Adani Enterprises Ltd ("AEL"), Adani Commodities LLP ("ACL") and Lence Pte Ltd. ("LPL"). As a joint venture between the Adani Group and the Wilmar Group., AWL benefits from their strong parentage. AWL is one of the few large FMCG food companies in India to offer most of the essential kitchen commodities for Indian consumers, including edible oil, wheat flour, rice, pulses and sugar.
- Company's portfolio of products spans across 3 categories: (i) edible oil, (ii) packaged food and FMCG, and (iii) industry essentials. They have presence across a wide array of sub-categories within each of these 3 categories.
- A significant majority of their sales pertain to branded products accounting for approximately 73% of their **edible oil** and food and **FMCG sales** volume for the financial year 2021.
- As of March 31, 2021, the Refined Oil in Consumer Packs ("ROCP") market share of their branded edible oil was of 18.3%, putting them as the dominant No. 1 edible oil brand in India. "Fortune", their flagship brand, is the largest selling edible oil brand in India. AWL also offers a wide array of packaged foods since 2013, including packaged wheat flour, rice, pulses, *besan*, sugar, soya chunks and ready-to-cook *khichdi*. They also offers a diverse range of industry essentials, including **oleochemicals, castor oil and its derivatives and de-oiled cakes**.
- Company's strong raw material sourcing capabilities are supported by their market standing and extensive business networks. They were **India's largest importer of crude edible oil as of March 31, 2021**
- Currently, AWL has 22 plants which are strategically located across 10 states in India, comprising 10 crushing units and 19 refineries. Their **refinery in Mundra, Gujarat is the one of the largest single location refineries in India** with a designed capacity of 5,000 MTPD. In addition to this, they also used 36 leased tolling units which provided them with additional manufacturing capacities.
- As of September 30, 2021, they had 5,590 distributors located in 28 states and 8 union territories throughout India, catering to over 1.6 million retail outlets. These retail outlets represent approximately 35 % of the retail outlets in India. As of September 30, 2021, they also had 88 depots and 685 personnel in their sales and marketing team.

Brief Financial Details*

(₹ In Cr)

	As at Sep' 30,		As at Mar' 31,		
	2021(06)	2020(06)	2021 (12)	2020 (12)	2019 (12)
Equity Share Capital	114.30	114.30	114.30	114.30	114.30
Reserves	3,537.12	2,744.39	3,183.85	2,456.40	1,996.71
Net worth	3,651.42	2,858.69	3,298.14	2,570.70	2,111.01
Revenue from Operations	24,874.52	16,188.59	37,090.42	29,657.04	28,797.46
Revenue Growth (%)	53.65%	-	25.06%	2.98%	-
EBITDA	889.66	743.10	1,430.56	1,419.48	1,253.46
EBITDA Margin (%)	3.56%	4.57%	3.85%	4.77%	4.33%
Profit Before Tax	454.48	382.59	756.64	609.01	567.25
Net Profit for the period	357.13	288.79	727.65	460.87	375.52
Net Profit (%)	1.44%	1.78%	1.96%	1.55%	1.30%
EPS (₹)	3.12 [^]	2.53 [^]	6.37	4.03	3.29
RoNW (%)	9.78% [^]	10.10% [^]	22.06%	17.93%	17.79%
NAV(₹)	31.92	25.01	28.86	22.49	18.47
ROCE (%)	5.79%	5.79%	11.06%	12.76%	12.75%
Fixed Asset Turnover Ratio	5.53	4.17	9.31	7.77	8.57
Debt to Equity Ratio	0.34	0.45	0.36	0.50	0.50

Source: RHP, *Restated Consolidated, ^not annualised

Issue Details

Initial Public Offering of Equity Shares aggregating upto ₹ 3,600 Crore

Issue size: ₹ 3,600 Cr

No. of shares: 165,682,975 - 157,038,646

Face value: ₹ 1/-

Reservation for: Employee: ₹ 107 Cr

AEL Shareholders : ₹ 360 Cr

AEL=Adani Enterprises Ltd

Price band: ₹ 218– 230

Bid Lot: 65 Shares and in multiple thereof

Employee Discount: ₹ 21/- Per Share

Post Issue Implied Market Cap:

₹ 28,528 – 29,900 Cr

GCBRLMs: Kotak Mahindra Capital, J.P. Morgan, BofA Securities, Credit Suisse

BRLMs: ICICI Securities, HDFC Bank, BNP Paribas

Registrar: Link Intime India Pvt Ltd

Issue opens on: Thursday, 27th Jan'2022

Issue closes on: Monday, 31st Jan'2022

Indicative Timetable

Activity	On or about
Finalisation of Basis of Allotment	03-02-2022
Refunds/Unblocking ASBA Fund	04-02-2022
Credit of equity shares to DP A/c	07-02-2022
Trading commences	08-02-2022

Issue break-up

	No. of Shares		₹ In Cr	% of Issue
	@Lower	@upper		
QIB	71,857,797	68,108,695	1,566	50%
NIB	21,557,340	20,432,609	470	15%
Retail	50,300,459	47,676,087	1,097	35%
Emp	5,453,618	5,169,082	107	-
S/h	16,513,761	15,652,173	360	-
Total	165,682,975	157,038,646	3,600	100%

Listing: BSE & NSE

Shareholding (No. of Shares)

Pre issue	Post issue [~]	Post issue [^]
1,142,948,860	1,308,631,834	1,299,987,506

[~]@Lower price Band [^]@ Upper Price Band

Shareholding (%)

	Pre-Issue	Post-Issue
Promoters & Promoter Gr	100.00%	87.92%
Public	-	12.08%
Total	100.00%	100.00%

BACKGROUND

Company and Directors

The company was incorporated on January 22, 1999, in Ahmedabad. The company was promoted by Adani Enterprises Ltd (“AEL”), Adani Commodities LLP (“ACL”) and Lence Pte Ltd. (“LPL”).

Company’s History

Adani Wilmar Limited is a joint venture incorporated in 1999 between the Adani Group, which is a multinational diversified business group with significant interests across transport and logistics, and energy and utility sectors, and Wilmar Group, one of Asia’s leading agribusiness groups which was ranked amongst the largest listed companies by market capitalization on the Singapore Exchange as of September 30, 2021.

Their first project, the oil refinery in Mundra in the state of Gujarat commenced operation in 2000 with a designed capacity of 600 MTPD which was expanded by another 1,000 MTPD in 2002. Their refinery in Mundra is one of the largest single location refineries in India with a designed capacity of 5,000 MTPD. In addition, as of September 30, 2021, they had 36 tolling units across India to cater to the excess demand and ensure their presence across different parts of the country. “Fortune”, their well-known flagship brand, was launched in the fiscal year 2001. It has become the largest selling edible oil brand in India.

The company forayed into food products in the fiscal year 2013 through offering of *besan*. They started offering pulses and soya chunks in the fiscal year 2014, rice in the fiscal year 2015 and wheat flour in the fiscal year 2018. They started offering personal hygiene products in the fiscal year 2020.

Brief Biographies of Directors

Kuok Khoon Hong is the Non-Executive Chairman of the company. He has over 40 years of experience in the agribusiness industry. He is the co-founder of Wilmar International Ltd and currently he is the Chairman and Chief Executive Officer of Wilmar International Ltd. He was appointed to the Board of Directors with effect from February 27, 1999.

Angshu Mallick is the Chief Executive Officer and Managing Director of the company. He has over 35 years of experience in marketing and sales in the food industry. He has been working with the company since March 1999. He was appointed to the Board of Directors with effect from April 1, 2021.

Pranav Vinod Adani is the Non-Executive, Non-Independent Director of the company. He has been working with the Adani Group since 1999 and currently heads the oil and gas, city gas distribution and agri infrastructure businesses of Adani Group. He was appointed to the Board of Directors with effect from April 1, 2008.

Malay Ramesh Mahadevia is the Non-Executive, Non-Independent Director of the company. He has been working with the Adani Group since 1993 and was the Group HR Director of Adani Group. He was appointed to the Board of Directors with effect from June 17, 2019.

Madhu Ramachandra Rao is the Independent Director of the company. He was appointed to the Board of Directors with effect from June 10, 2021.

Dorab Erach Mistry is the Independent Director of the company. He was appointed to the Board of Directors with effect from June 10, 2021.

Dipali H Sheth is the Independent Director of the company. She was appointed to the Board of Directors with effect from June 10, 2021.

Anup Pravin Shah is the Independent Director of the company. He was appointed to the Board of Directors with effect from July 20, 2021.

Key Managerial Personnel

Shrikant Kanhere is the Chief Financial Officer of the company. He joined the company with effect from May 1, 2013. He has over 18 years of experience in the field of finance and accounts.

Biplab Pakrashi is the Business Head – Oils & Fats of the company. He joined the company with effect from December 20, 1999. He has over 34 years of experience across sales, marketing, product management, supply chain management and business information technology alignment.

Saumin Sheth is the Business Head – Trading, Oleochemicals and Castor of the company. He joined the company with effect from October 1, 1999. He has over 21 years of experience in the field of international sourcing and trading, risk management, techno-commercial operations and marketing of bulk products.

Ravindra Kumar Singh is the Head – Technical and Operations of the company. He joined the company with effect from July 14, 2003. He has 30 years of experience in the field of food business.

Siddhartha Ghosh is the Chief Human Resource Officer of the company. He joined the company with effect from June 10, 2019.

Rajneesh Bansal is the Head - Procurement and Supply Chain of the company. He joined the company with effect from May 31, 2004. He has over 25 years of experience in various fields including business development and corporate communication, agriculture and FMCG sector.

Satendra Aggarwal is the Business Head - Foods & FMCG and Marketing of the company. He joined the company with effect from June 17, 2020.

Venkata Rao Damera is the Chief Information Officer of the company. He joined the company with effect from April 15, 2021. He has over 15 years of experience in the IT sector.

Ashim Mullick is the Vice President – R&D of the company. He joined the company with effect from July 12, 2021.

Darshil Lakhia is the Company Secretary and Compliance Officer of the company. He joined the company with effect from April 1, 2006. He has over 14 years of experience in corporate secretarial and other related compliances.

OBJECTS OF THE ISSUE

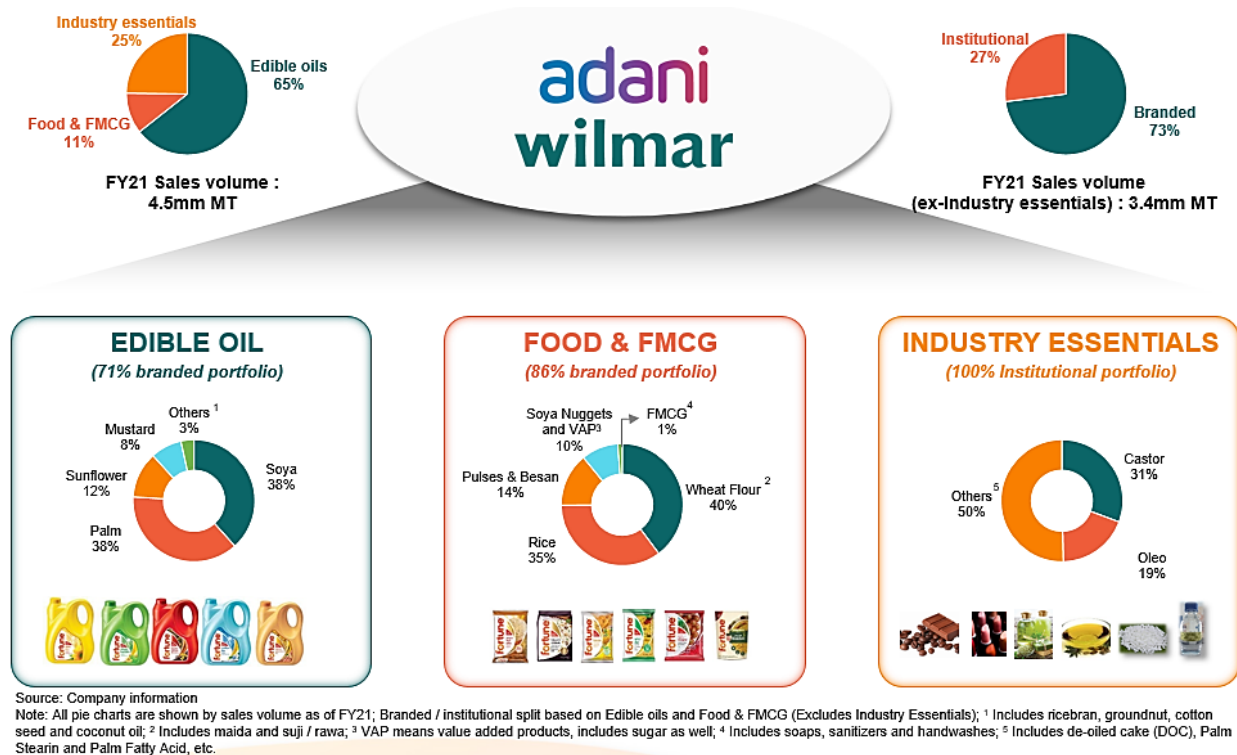
(₹ In Cr)	
Objects	Amount
Capital Expenditure	1,900.00
Repayment/prepayment of the borrowings	1,058.90
Funding strategic acquisitions and investments	450.00
General Corporate Purposes	[•]
Total	[•]

BUSINESS OVERVIEW

Adani Wilmar Limited (“AWL”) is one of the few large FMCG food companies in India to offer most of the essential kitchen commodities for Indian consumers, including edible oil, wheat flour, rice, pulses and sugar. Essential commodities, such as edible oils, wheat flour, rice, pulses and sugar, account for approximately 66% of the spend on essential kitchen commodities in India. They offers a range of staples such as wheat flour, rice, pulses and sugar. Their products are offered under a diverse range of brands across a broad price spectrum and cater to different customer groups.

AWL is a joint venture incorporated in 1999 between the Adani Group, which is a multinational diversified business group with significant interests across transport and logistics, and energy and utility sectors, and the Wilmar Group, one of Asia’s leading agribusiness groups which was ranked among the largest listed companies by market capitalization on the Singapore Exchange as of September 30, 2021. As a joint venture between the Adani Group and the Wilmar Group, AWL benefits from their strong parentage. They benefits from the Adani Group’s in-depth understanding of local markets, extensive experience in domestic trading and advanced logistics network in India, and leverage on the Wilmar Group’s global sourcing capabilities and technical know-how.

Company’s portfolio of products spans across 3 categories: (i) edible oil, (ii) packaged food and FMCG, and (iii) industry essentials. A significant majority of their sales pertain to branded products accounting for approximately 73% of their edible oil and food and FMCG sales volume for the financial year 2021 (excluding industry essentials which were offered on a non-branded basis). They have a presence across a wide array of sub-categories within each of these 3 categories as described below:



As of March 31, 2021, the Refined Oil in Consumer Packs (“ROCP”) market share of their branded edible oil was of 18.3%, putting them as the dominant No. 1 edible oil brand in India. “Fortune”, their flagship brand, is the largest selling edible oil brand in India. AWL has also leveraged their brands and distribution network to offer a wide array of packaged foods since 2013, including packaged wheat flour, rice, pulses, *besan*, sugar, soya chunks and ready-to-cook *khichdi*. They are one of the fastest growing packaged food companies in India, based on the growth in revenues during the last 5 years. They also offers a diverse range of industry essentials, including oleochemicals, castor oil and its derivatives and de-oiled cakes.

In recent years, AWL has been placing an increasing focus on value-added products, with an aim to diversify their revenue streams and generate high profit margins. The value-added products they have launched in recent years include functional edible oil products, such as rice bran health oil, fortified foods, ready-to-cook soya chunks and *khichdi*, and FMCG.

Company’s strong raw material sourcing capabilities are supported by their market standing and extensive business networks. They were **India’s largest importer of crude edible oil as of March 31, 2021**, which provided them with bargaining power to source better quality raw materials on favourable commercial terms. They also benefits from the support of the Wilmar Group for market intelligence and raw material sourcing, as well as their long-standing relationships with their international suppliers.

Currently, AWL has 22 plants which are strategically located across 10 states in India, comprising 10 crushing units and 19 refineries. Out of the 19 refineries, 10 are port-based to facilitate use of imported crude edible oil and reduce transportation costs, while the remaining are typically located in the hinterland in proximity to raw material production bases to reduce storage costs. Their **refinery in Mundra is the one of the largest single location refineries in India** with a designed capacity of 5,000 MTPD. In addition to the 22 plants they own, they also used 36 leased tolling units as of September 30, 2021, which provided them with additional manufacturing capacities. They had an average fixed asset turnover ratio of 8.55, for the financial years from 2019 to 2021.

AWL operates an integrated manufacturing infrastructure to derive cost efficiency across their different business lines. Their integration includes the following means:

- **Backward and Forward Integration:** Most of their crushing units are fully integrated with refineries to refine crude oil they produce in-house. They further derive de-oiled cakes from crushing and use palm stearin derived from palm oil refining to manufacture oleochemical products, such as soap noodles, stearic acid and glycerin, and FMCG, such as soaps and handwash;

- **Integration of manufacturing capabilities of edible oils and packaged foods at the same locations:** Such integrated manufacturing infrastructure has enabled them to share supply chain, storage facilities, distribution network and experienced manpower among different products and reduce the overall costs for processing and logistics.

AWL has the largest distribution network among all the branded edible oil companies in India. As of March 31, 2021, they were present in 1 out of 3 households in India with a household reach of 90.51 million through their Fortune brand. As of September 30, 2021, they had 5,590 distributors. Their distributors are located in 28 states and 8 union territories throughout India, catering to over 1.6 million retail outlets. These retail outlets represent approximately 35 % of the retail outlets in India. As of September 30, 2021, they also had (i) 88 depots, with an aggregate storage space of approximately 1.8 msf across the country to ensure availability of their products; and (ii) 685 personnel in their sales and marketing team. They leverage their edible oil distribution network for packaged foods, and as of September 30, 2021, they have approximately 64% of their edible oil distributors catering to their packaged food distribution. In addition to traditional retail distribution channels, AWL also serves their customers offline and online through Fortune Mart and Fortune Online and provide them with ease of ordering their products from home.



Source: ¹ Nielsen Retail Index – MAT March 2021; ² Technopak Report (2020); ³ IMRB, Company information; ⁴ RoCE is defined as EBIT divided by capital employed (Net worth plus total debt); RoNW is defined as PAT divided by net worth; ⁵ FY19 food revenue and volume adjusted to exclude sugar business (which was in partnership with Shree Cande Sugar) as well as soya nuggets; ⁶ By sales volume; ⁷ #3 by revenue CAGR (FY 15-20) and #1 by EBITDA CAGR (FY 15-20) amongst all consumer players.

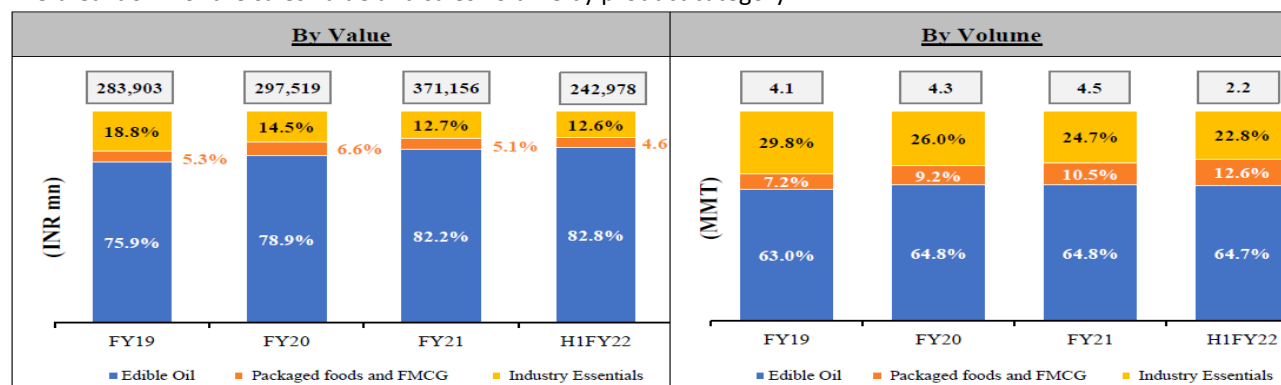
AWL has installed solar power at 5 of their plants with an aggregate installed capacity of 3,040 kilowatts and zero liquid discharge systems at 7 of their plants in India.

REVENUE FROM OPERATIONS

(₹ In Cr)

	Period ended Sep'30		Year Ended 31 st March,		
	2021	2020	2021	2020	2019
Sale of Products	24,820.22	16,163.92	37,039.40	29,586.01	28,697.24
- Domestic Sales	23,169.27	14,982.02	34,293.25	26,658.92	25,531.23
- Export Sales	1,650.95	1,181.90	2,746.15	2,927.09	3,166.01
Other Operating Revenue	54.30	24.66	51.02	71.02%	100.22
- Export benefit and other incentives	34.88	13.05	20.10	38.87	72.89
- Sale of Scrap	10.84	6.55	15.94	18.02	14.19
- Insurance Claim	7.89	3.51	12.99	11.52	11.69
- Commission Income	0.69	1.55	1.99	2.61	1.45
Total	24,874.52	16,188.59	37,090.42	29,657.04	28,797.46

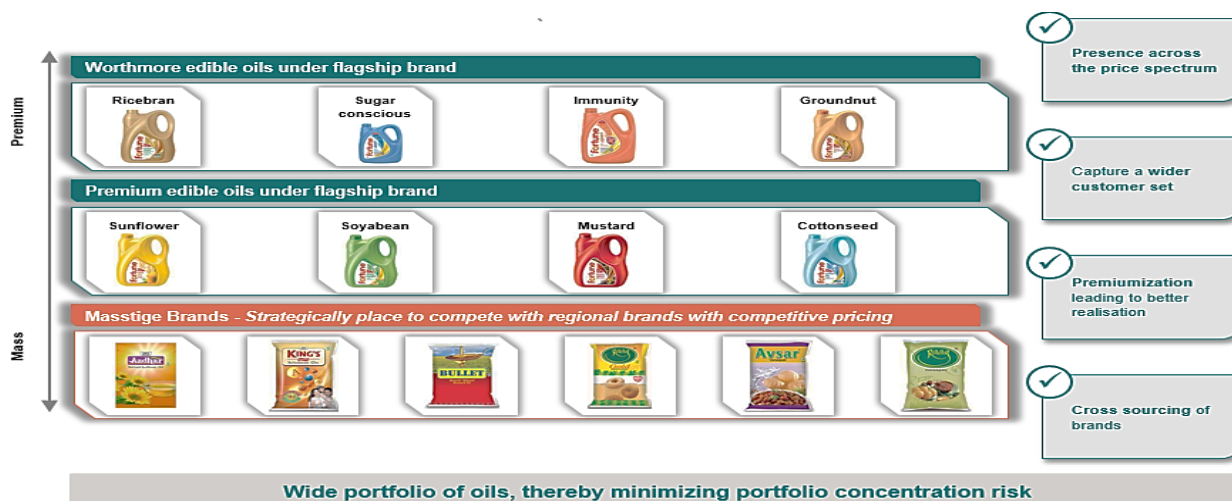
The breakdown of the sales value and sales volume by product category:



BUSINESS VERTICALS

• Edible Oil

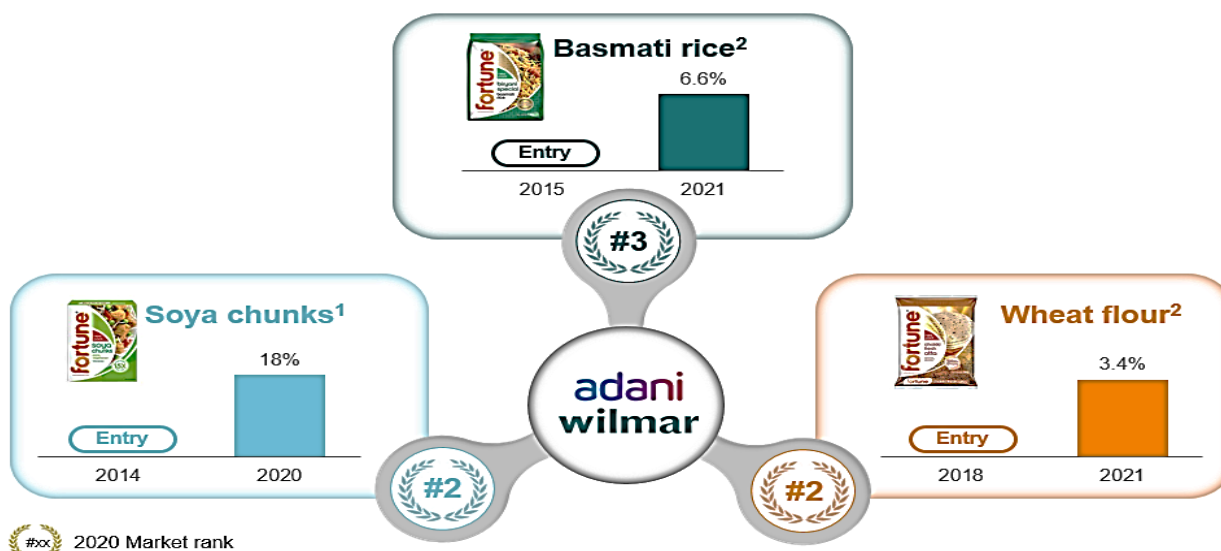
As of March 31, 2021, the **ROCP market share of company's branded edible oil was 18.30%**, putting them as the dominant No. 1 edible oil brand in India. "Fortune", their flagship brand, is the largest selling edible oil brand in India. They offers a comprehensive portfolio of edible oil products, including soyabean oil, palm oil, sunflower oil, rice bran oil, mustard oil, groundnut oil, cottonseed oil, blended oil, *vanaspati*, specialty fats and a range of functional edible oil products with distinctive health benefits. They also offers various specialty fats, including (i) industrial margarine, bakery shortening and *vanaspati*, (ii) lauric fats as substitutes for milk fat and cocoa butter substitutes, and (iii) bulk packaging of frying oil. They are one of the largest players in specialty fats and oils in India.



• Packaged Food and FMCG

AWL also offers a wide array of packaged foods, including **packaged wheat flour, rice, pulses, besan, sugar, soya chunks and ready-to-cook khichdi**. They are one of the fastest growing packaged food companies in India, based on the growth in revenues during the last 5 years. In 2021, the market share of their packaged wheat flour and basmati rice under the Fortune brand was approximately 3.4% and 6.6% by volume, respectively, ranking 2nd and 3rd, respectively, in India. They also offer FMCGs, including soaps, handwash and sanitizers. The revenue they generated from sales of soap increased by 175.60% from ₹15.97 crore for the fiscal year 2020 to ₹44.01 crore for the fiscal year 2021.

They forayed into food products in the fiscal year 2013 and currently offer an extensive array of food products. The market share and ranking in India of their key packaged food products as of March 31, 2021:



#xx 2020 Market rank

Source: ¹Technopak Report; ²Nielsen Retail Index – MAT March 2021
 Note: ¹ Market share by value; ² Market share by volume

• **Industry Essentials**

AWL also offers a diverse range of industry essentials, including **oleochemicals, castor oil and its derivatives and de-oiled cakes**. They are one of the largest basic oleochemical manufacturers in India in terms of revenue, and the largest manufacturer of stearic acid and glycerine in India with a market share of 32% and 23%, respectively. They were the largest exporter of castor oil and one of the largest exporters of oleochemicals in India as of March 31, 2020.

Their joint ventures also contribute to their manufacturing capacity. KOG-KTV Food Products Pvt Ltd (“**KOG-KTV**”) (now amalgamated with KTV Health Foods Pvt Ltd) and KTV Health Foods Pvt Ltd (“**KTV Health**”) are both regional edible oil refiners and have presence in branded edible oil market through their brands ROOBINI and SUNLAND in the state of Tamil Nadu. Visakha Polyfab Pvt Ltd (“**Vishakha Polyfab**”) is a manufacturer of poly films in India for pouch packing which are used for their products as part of forward integration. VFL leverages its manufacturing capacity extensively to meet their packaging requirements.

MARKET OPPORTUNITY

AWL leverages their leading market positions in various product categories and expertise and the following industry trends to further strengthen the portfolio of their core kitchen staples.

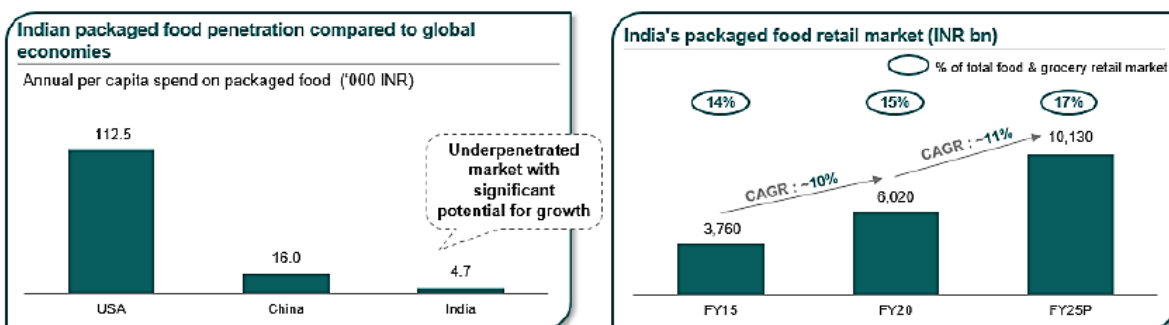
Indian consumption story of edible oils and food staples remains robust

The Indian consumption growth story remains intact supported by various trends including the demographics, greater influence of women on their families, urbanization and a growing middle class. Various government initiatives have been implemented to increase the consumption of edible oils and food staples in India.

Significant rise in packaged food demand in India

The demand for packaged foods in India is experiencing a rapid growth. Certain food categories, such as wheat flour and rice, which used to be predominantly sold in loose form, are being increasingly sold in packages. However, the penetration rate of packaged foods in India remains low, which provides significant potential for growth for packaged edible oil and food products. This is further supported by the favourable demographics with urbanization and rise in middle-class population, gradual expansion of modern retail including e-commerce, convenience and healthy eating trends.

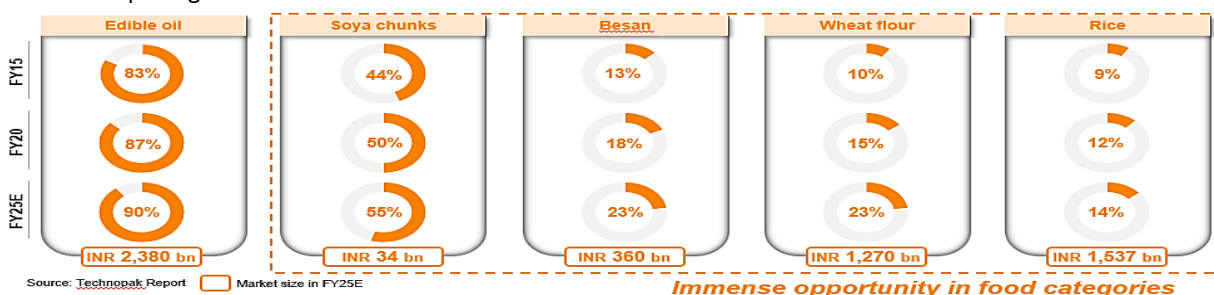
The packaged food under-penetration in India compared to the United States and China and also the historical and expected growth rate for the packaged food retail market in India:



Shift of consumer preference to branded products resulting in immense potential market

A number of packaged food categories such as salt and edible oil have witnessed significant increase in the overall branded product usage. Similar trends are expected in various other large packaged food categories such as wheat flour, rice, besan and soya chunks in the coming years.

The chart depicting these trends:

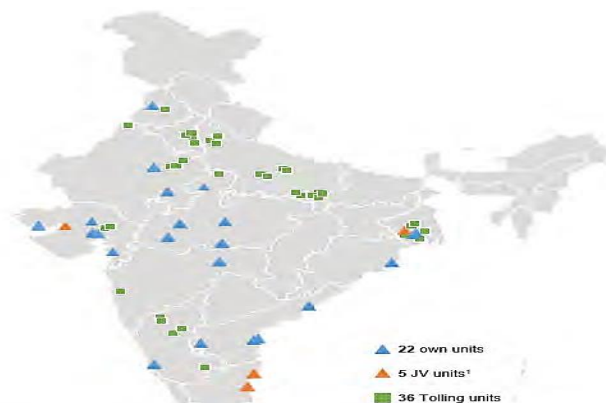


MANUFACTURING FACILITIES

Geographic Locations and Capacity

The locations of 22 manufacturing units in India:

36 Tolling units	19 Refineries	10 Crushing units
5.47mm Annual refining capacity	2.23mm Annual seed crushing capacity	10 Locations in India



Source: Company Information
Note: MT refers to metric tonnes; 1 JVs are with Vishakha Polyfab (50:50), KOG-KTV (50:50) and KTV Health (50:50)

In addition, as of September 30, 2021, in order to cater to the excess demand and ensure their presence across different locations, in particular, locations in proximity to end customers, they utilized 36 tolling units across India.

Packaged Foods : Manufacturing facilities own and operate by company

Food Product	State	Manufacturing facility
Wheat flour	Madhya Pradesh	Nimrani
Rice	Punjab	Ferozepur
	Gujarat	Mundra
Pulses	West Bengal	Haldia
Besan	Madhya Pradesh	Neemuch
	Rajasthan	Alwar
	Maharashtra	Saoner (Nagpur)
	West Bengal	Haldia
Soya value-added products	Madhya Pradesh	Vidisha
	West Bengal	Haldia

Company's Tolling Units by product category across India

Category	Product	No. of Trolling Units
Edible Oil	Mustard Oil	5
	Rice Bran Oil	2
Packaged Foods and FMCG	Wheat Flour	9
	Suji	1
	Sugar	6
	Soya Chunks	1
	Khichdi	1
	Pulses	1
	Rice	8
	Chana Sattu	1
	Handwash and Sanitizers	1
	Total tolling units across India	

Installed Production Capacity, Processed Quantity and Capacity Utilization:

Facility	Financial Year 2021			Financial Year 2020			Financial Year 2019		
	Capacity (MT)	Processed Quantity (MT)	Capacity Utilization (%)	Capacity (MT)	Processed Quantity (MT)	Capacity Utilization (%)	Capacity (MT)	Processed Quantity (MT)	Capacity Utilization (%)
Edible Oil									
Crushing	2,227,500	549,705	25%	2,160,000	436,935	20%	2,107,500	483,350	23%
Refining	5,471,760	3,012,453	55%	4,889,360	2,483,970	51%	4,128,600	2,516,210	61%
Packaged Foods	565,500	219,081	39%	371,350	148,388	40%	196,500	86,820	44%
Oleochemicals	767,700	500,668	65%	743,508	523,639	70%	738,633	475,270	64%

Installed Production Capacity, Processed Quantity and Capacity Utilization:

Facility	6 Months ended September 30,					
	2021			2020		
	Capacity (MT)	Processed Quantity (MT)	Capacity Utilization (%)	Capacity (MT)	Processed Quantity (MT)	Capacity Utilization (%)
Edible Oil						
Crushing	1,113,750	248,071	22%	1,113,750	248,365	22%
Refining	2,735,880	1,313,711	48%	2,735,880	1,450,088	53%
Packaged Foods	288,750	94,472	33%	282,750	113,635	40%
Oleochemicals	383,850	233,700	61%	383,850	233,572	61%

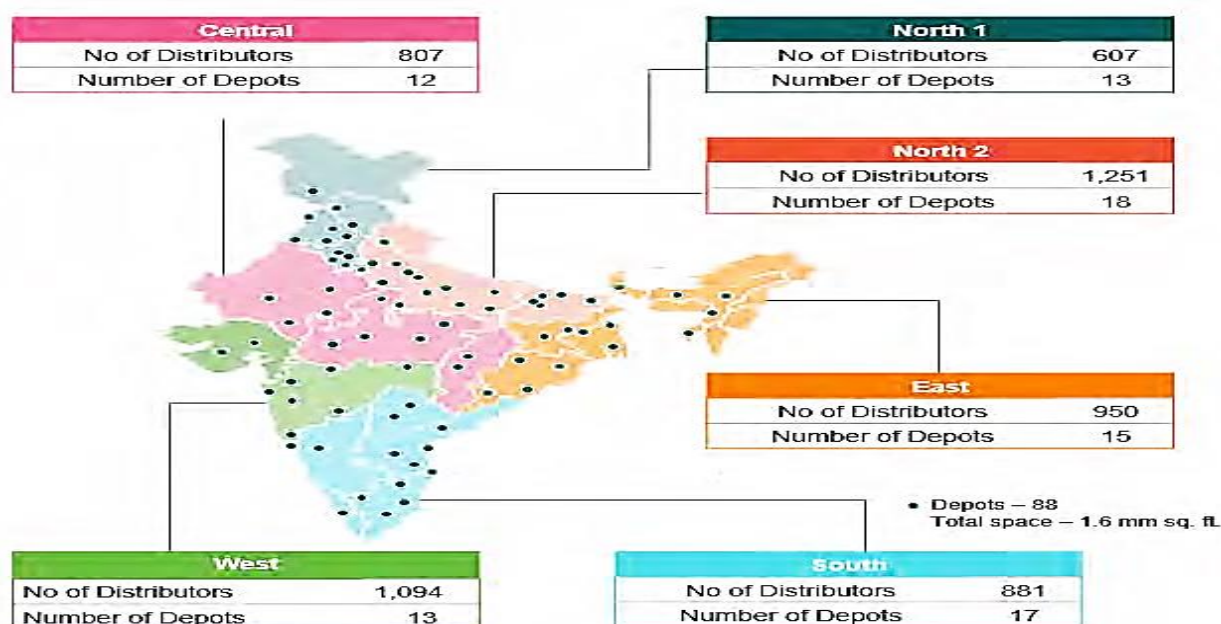
RESEARCH & DEVELOPMENT

AWL has a research and development team comprising 12 personnel as of September 30, 2021 at their centralized research and development center and application technology center, both in Hyderabad, Telangana, to support their product development and process development activities for edible oil and food products. They have a separate R&D centre for specialty fats at Kakinada, Andhra Pradesh. They are also supported by the research and development team from Wilmar Group. Their research and development centres are well equipped to develop new products. As a result of their R&D activities, they were able to launch Fortune Xpert pro immunity oil, Fortune Xpert pro sugar conscious oil, ready-to-cook soya chunks and ready-to-cook *khichdi* over the last 3 years.

Currently, their R&D team is working on new product development initiatives with a focus on health benefits of these new products. They have a number of potential new products, including fortified wheat flour, multi-grain wheat flour, fortified rice, low glycemic index rice and various ready-to-cook products in pipeline.

DISTRIBUTION NETWORK

AWL has the largest distribution network among all branded edible oil companies in India with 5,590 distributors.



Distribution Network

	As of	As of March 31		
	Sep'30	2021	2020	2019
Distributors	5,590	5,566	4,884	4,173
Common distributors for edible oils and packaged foods	3,552	3,598	3,393	2,743

Region-wise Depots and Distributors

Region	Depots	Distributors
North 1	13	607
North 2	18	1,251
East	15	950
West	13	1,094
South	17	881
Central	12	807
Total	88	5,590

COMPETITIVE STRENGTHS

- **Differentiated and diversified product portfolio with market leading brands to capture large share of kitchen spends across India**

- Comprehensive B2C packaged consumer products portfolio catering to most daily essentials of an Indian kitchen

AWL focuses on offering a wide portfolio of packaged consumer staples to consumers. They are one of the few large FMCG food companies in India which offers most of the essential kitchen commodities, which accounts for approximately 66% of consumers spend on essential kitchen commodities in India.

They offer a range of staples, edible oil products, each catering to various price points. They also have several value-added products, to their product portfolio in order to increase their market share. In addition to a wide variety of edible oil products and packaged foods, they have recently launched FMCG, including soaps, hand-wash and sanitizers.

- Broad customer reach

AWL trusted by their customers, including their prominent institutional customers, such as **Britannia**. They have an omni-channel presence. Their products are available across major e-commerce platforms and their own e-commerce channels.

- Strong brand recall across a diverse range of price points

AWL is present in most of the packaged food categories through their “Fortune” brand. The brand structure using a single brand identity for multi-categories optimizes their marketing costs and enhances their brand equity. They have brands catering to various price points. “Fortune” with premium pricing and “Bullet” with value pricing – so as to optimize their customer reach, to have products for a diverse range of consumers and achieve better brand recognition. They have a number of masstige brands, including “Bullet”, “King’s”, “Aadhar”, “Raag”, “Alpha”, “Jubilee”, “Avsar”, “Golden Chef” and “Fryola”.

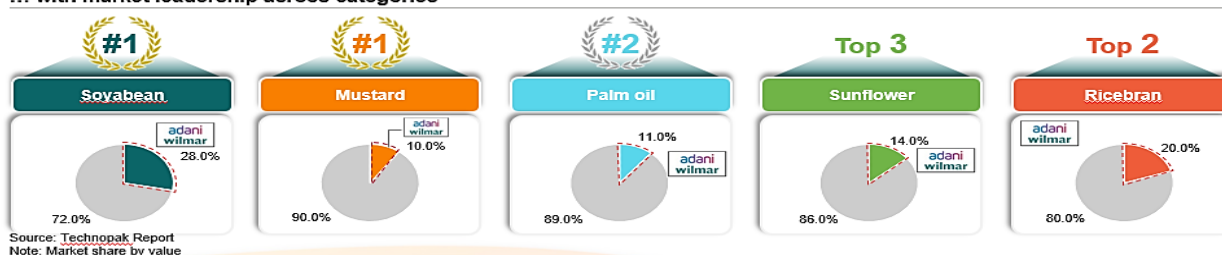
- **Leading consumer product company in India with leadership in branded edible oil and packaged food business**

Over the past two decades, AWL has established their leadership across different product offerings in the edible oil market in India.

#1 edible oil player in India...



... with market leadership across categories



Their FMCG portfolio covers soaps, hand-wash and sanitizers which have presence in rural areas as they offers them at affordable prices in order to cater to the rural markets.

- **Market leading position in industry essentials**

AWL is one of the largest basic oleochemical manufacturers in India in terms of revenue. Also, they were the largest exporter of castor oil and one of the largest exporters of oleochemicals in India as of March 31, 2020.

The market share and ranking in India of their oleochemical products in 2020:

Product	Market Size (TPA)	Growth Rate (%)	Market Share (%)	Ranking in India
Stearic Acid	170,000	8%	32%	Largest
Glycerin	140,000	9%	23%	Largest
Soap Noodles	900,000	5%	9%	One of the Largest

- **Strong raw material sourcing capabilities**

Company's raw material sourcing capabilities are supported by their market standing and extensive business networks. They were India's largest importer of crude edible oil as of March 31, 2020. Wilmar International, their

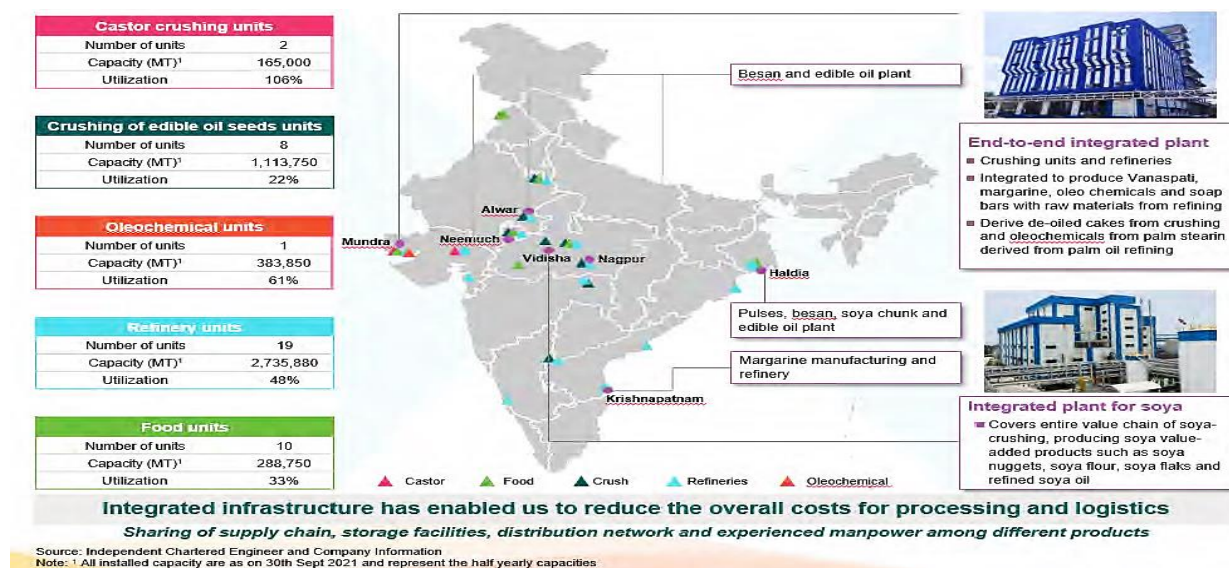
promoter group company, is the largest palm oil supplier in the world, and provides AWL with additional competitive edge as they need not depend on third party suppliers for sourcing of palm oil. In the financial year 2021, approximately 30% of their imported raw materials by value were sourced from Wilmar Group. They also benefit from the market intelligence on price movements in the international market from Wilmar Group to manage their price risk associated with imports of raw materials.

In India, they have established a broad procurement network of their channel partners that include agents acting on behalf of farmers, traders, *adatiyas* (middlemen), market yard players, commission agents and brokers across the key raw material producing belts.

- **Integrated business model with well-established operational infrastructure and strong manufacturing capabilities**

AWL operates an integrated manufacturing infrastructure to derive cost efficiency across their different business lines. Their integrated infrastructure includes the Backward and forward integration; and Integration of manufacturing capacities of edible oils and packaged foods at the same locations. For example, they have (i) besan units at their edible oil plants in Alwar, Saoner (Nagpur) and Neemuch; (ii) pulse, besan and soya chunk units at their edible oil plant in Haldia; (iii) a rice unit at their castor oil plant in Mundra; (iv) soya value-added products at their crushing unit in Vidisha; and (v) a margarine unit at their refinery in Krishnapatnam.

Currently, they have 22 plants which are strategically located across 10 states in India, comprising 10 crushing units and 19 refineries with an aggregate designed capacity of 8,525 MTPD and 16,285 MTPD, respectively, as of September 30, 2021. In addition, they had 36 tolling units across India to cater to the excess demand and ensure their presence across different parts of the country, which produce mustard oil, rice bran oil, wheat flour, rice, pulses, sugar, soya chunks and *khichdi* with raw materials they provide.



- **Extensive pan-India distribution network**

Their pan-India presence is supported by a robust distribution infrastructure to ensure the availability of their products. As of March 31, 2021, they had 88 depots, with an aggregate storage space of approximately 1.8 msf across the country to ensure availability of their products.

Apart from their presence in general trade outlets and modern trade outlets, they have been utilizing Fortune Foods, their exclusive website to showcasing the entire basket of products available under the Fortune brand, and Fortune Online, which is a one-stop-online shop for all the products under the Fortune brand. In addition, they partner with certain e-commerce platforms, such as **Grofers**, and their products are available across major e-commerce platforms. Their online sales through e-commerce platforms increased by 53.30% from the financial year 2020 to 2021.

- **Focus on environmental and social sustainability**

They are committed to maintaining environmental and social sustainability. Their efforts towards environmental and social sustainability includes Sourcing sustainable palm oil; Promoting green energy; Conserving water; Using recyclable packaging, and Community upliftment.

AWL has been implementing the SuPoshan project as part of their corporate social responsibility initiatives towards eradication of malnutrition and anemia in India with a focus on children from 0-5 years age group, adolescent girls and women in reproductive age at various locations.

- ***Strong parentage with professional management and experienced board***

AWL is a joint venture incorporated by the Adani Group and Wilmar Group. The Adani Group is a multinational diversified business group with significant interests across transport and logistics, including ports, shipping, airports and railways, and energy and utility sectors, including power generation, transmission and distribution. Wilmar Group is one of Asia's leading agribusiness group which was ranked amongst the largest listed companies by market capitalization on the Singapore Exchange by September 30, 2021.

They have an experienced senior management team. Kuok Khoo Hong, the Non-Executive Chairman of the Company, is the co-founder of Wilmar International Limited and has over 40 years of experience in the agribusiness industry. Angshu Mallick, the Chief Executive Officer and Managing Director of the company, has over 35 years of experience in marketing and sales in the food industry. Shrikant Kanhere, the Chief Financial Officer of the company has over 18 years of experience in the field of finance and accounts. The management team of qualified and experienced professionals help them to implement their business strategies in an efficient manner and to continue to build on their track record of successful product offerings.

KEY BUSINESS STRATEGIES

- ***Become the leading packaged food and FMCG company in India***

The packaged food market is growing at almost double the pace of the overall food category and is expected to gain a market share of 20% by the fiscal year 2025 from a market share of 14% in the fiscal year 2015. AWL leverage their established brands and expertise and these industry trends to further strengthen the portfolio of their core "in the kitchen" products. They also intend to enhance their packaged food portfolio by introducing new value-added products, including functional foods and healthy foods, to target the young demographic. To target health conscious consumers, they aim to focus on health benefits in their development of new edible oil products.

- ***Further expand the distribution network with an omni-channel approach***

The company will continue to adopt their omni-channel strategy and endeavour to extend their customer reach through e-commerce platforms, including their Fortune Online portal, and Fortune Mart stores which serve as fulfilment centres for home delivery of products ordered through Fortune Online. They aim to expand their online reach from current 25 cities to 100 cities in the next few years. They also aim to have more than 40 Fortune Mart stores opened across India in the next few years.

They empower *kiranas* and small retailers with "Fortune Business", which is a mobile application they recently launched to provide business owners with one-stop access to a wide selection of their products. The **Fortune Business mobile application** serves department stores, hotels, restaurants and bakeries as well.

- ***Focus on increasing brand awareness***

In the financial years 2019, 2020, 2021 and the 6 months ended September 30, 2021, their advertising expenses were ₹135.65 crore, ₹166.29 crore and ₹156.38 crore and ₹100.44 crore, or 0.47%, 0.56% and 0.42% of their revenue from operations, respectively. They will employ celebrity endorsement, digital advertising and other brand building initiatives in their marketing campaigns to increase their brand awareness. To market their brands, they use Product brand advertising, Range advertising and Digital connect.

- ***Continue to launch new products and enhance the customer base***

To capture consumer trends. AWL has been evaluating new products in adjacent categories, based on a set of criteria, including their ability to create a differentiated offering, competitive intensity, go-to-market capability, back-end product fitment, category, scale and profitability of the new products. Their potential new products may include additional functional edible oils, cold pressed or infused oils, noodles and pasta, *poha*, biryani rice kit, masala oats and *dalia*, honey, instant dry mixes for *idly*, *dosa*, *poha* and *khaman*, Chinese, Mexican and Schezwan flavored rice, traditional savory snacks, biscuits, cookies, *khari/rusks*, low calorie sugar, vermicelli, cake mix, dishwash bars and floor cleaner. They expect new products to increase their market share and further expand their customer base.

- **Pursue strategic acquisitions**

AWL pursue strategic acquisitions when opportunities rise. Through acquisitions, they seek to:

- *Expand their geographic presence:* AWL may pursue acquisitions in the edible oil and food industry to strengthen their presence in the southern regions. They have recently acquired Bangladesh Edible Oil Ltd, an edible oil manufacturer with market leadership in some edible oil categories in Bangladesh.
- *Include additional products in their portfolio:* They are seeking to acquire brands and businesses from food and FMCG companies, which will to expand their product and brand portfolios increase their food and FMCG manufacturing capacities and distribution access. They intend to grow their food business through strategic acquisitions of and partnerships with third party staple food manufacturers.

- **Focus on multiple drivers for margin expansion**

AWL intends to focus on the following to drive their margin expansion:

- *Market share consolidation;*
- *Integrated manufacturing facilities;*
- *Optimize overheads;*
- *Leverage scale to improve sourcing and ramp-up sales.*

COMPETITION

The industries in which AWL operates are intensely competitive. They compete with several regional and local companies, as well as large multi-national companies. Due to low entry barriers, they also face competition from new entrants, especially at rural and semi-rural areas, who may have more flexibility in responding to changing business and economic conditions.

Product Category	Competitors
Edible oil	Several edible oil manufacturers in India, including Ruchi Soya Industries Ltd, Kaleesuware Refinery Pvt Ltd and Emami Agrotech Ltd.
Food and FMCG	The Food and FMCG business: AWL faces significant competition from other market players such as Ruchi Soya Industries Ltd. and ITC Ltd. In particular, for soya chunks and value added products, Ruchi Soya Industries Ltd's Nutrela brand is their primary competitor. For Wheat flour products , ITC Ltd is their main competitor as it is the largest player in the wheat flour products market in India. For Rice products , big brands such as Daawat (LT Foods Ltd) , India Gate (KRBL Ltd) and Kohinoor (McCormick & Co. Inc.) are the key competitors.
Industry essentials	The industry essentials business also faces significant competition from other market players. For castor oil products: Jayant Agro Group , Gokul Agro Group and N.K. Proteins Pvt Ltd are the main competitors. For oleochemicals products: VVF Ltd , Godrej Industries Ltd , Jocil Ltd , Mohini Organics Pvt Ltd , Fairchem Chemicals Ltd and Gokul Agro Resources Ltd are the key competitors, with nearly all of them (with the exception of Godrej Industries Ltd) also looking to enter the downstream oleochemical products market which they are also planning to enter.

INDUSTRY PEERS

Presence of Large FMCG (Food) companies across Essential Kitchen Commodities

Large FMCG companies in India	Edible Oil	Wheat Flour	Rice	Pulses	Sugar	Dairy (Fresh Packaged)
HUL	✓	✓				
Dabur						
ITC		✓				✓
Nestle						
Britannia						
Godrej						
Marico	✓					

Large FMCG companies in India	Edible Oil	Wheat Flour	Rice	Pulses	Sugar	Dairy (Fresh Packaged)
Parle						
Adani Wilmar	✓	✓	✓	✓	✓	
PepsiCo						
Ruchi Soya	✓	✓				
Patanjali	✓	✓	✓	✓	✓	
Emami Agrotech	✓					

Key Players in FMCG Products – Financials

	Revenue				EBITDA			
	CAGR (FY15-20)	FY2021	FY2020	FY2015	CAGR (FY15-20)	FY2021	FY2020	FY2015
HUL	3.46%	45,996	38,785	32,721	9.21%	11,837	10,085	6,491
Dabur	2.01%	9,561	8,623	7,806	7.31%	2,328	2,098	1,474
ITC	(1.46)%	48,525	46,807	50,389	6.61%	18,773	20,676	15,017
Nestle	9.49%	-	13,350	8,482	22.83%	-	3,255	1,164
Britannia	8.39%	12,379	10,987	7,345	16.25%	2,644	2,125	1,001
Godrej	3.08%	6,254	5,474	4,703	11.17%	1,717	1,538	906
Marico	4.53%	6,337	5,853	4,689	11.81%	1,440	1,403	803
Parle	5.75%	-	12,292	9,294	7.74%	-	1,149	791
Adani Wilmar	11.28%	37,196	29,767	17,442	20.65%	1,431	1,419	555
PepsiCo	(6.53)%	-	5,480	7,682	20.19%	-	469	187
Ruchi Soya	(14.31)%	-	13,118	28,397	(10.30)%	-	401	691
Patanjali	34.97%	-	9,089	2,029	16.50%	-	1,004	468
Emami Agrotech	24.15%	-	12,692	4,303	28.18%	-	815	236

Value Segments and Key Brands

Premium							
							
Popular							
							
							
							
							
							
	Adani Wilmar	Ruchi Soya	Emami Agrotech	Cargill	Marico	Bunge	Gemini

Key Players - Presence across Edible Oil Species

Players	Palm Oil	Soybean Oil	Mustard Oil	Sunflower Oil	Cotton seed Oil	Groundnut Oil	Rice Bran Oil	Blended Oils	Vanaspati
Adani Wilmar	✓	✓	✓	✓	✓	✓	✓	✓	✓
Ruchi Soya	✓	✓	✓	✓	✓			✓	✓
Emami	✓	✓	✓	✓			✓	✓	✓
Cargill		✓	✓	✓				✓	✓
Bunge		✓	✓	✓	✓	✓	✓		✓
Marico								✓	
Gemini	✓		✓	✓		✓	✓		
Agro Tech Foods/ ConAgra Foods				✓				✓	

COMPARISON WITH LISTED INDUSTRY PEERS (AS ON 31ST MARCH 2021)

Name of the Company	Consolidated/ Standalone	Face Value	Total Income for FY2021 (₹ Cr)	EPS (Basic)	NAV (₹)	P/E	RoNW (%)
Adani Wilmar Ltd	Consolidated	1	37,195.7	6.37	28.86	[●]	22.1%
Listed Peers							
Hindustan Unilever Ltd	Consolidated	1	47,028.0	34.03	202.99	69.63	16.8%
Britannia Industries Ltd	Consolidated	1	13,136.1	77.40	148.80	46.79	51.6%
Tata Consumer Products Ltd	Consolidated	1	11,602.0	9.30	169.57	78.65	6.0%
Dabur India Ltd	Consolidated	1	9,561.7	9.58	43.57	59.05	22.0%
Marico Ltd	Consolidated	1	8,048.0	9.08	25.23	54.03	36.8%
Nestle India Ltd	Consolidated	10	13,350.0	215.98	209.44	89.73	103.1%

Source: RHP; All financial information is sourced from the annual report /financial results for the year ended March 31, 2021 except for Nestle India Ltd whose financials are for the year ended December 31, 2020; P/E Ratio has been computed based on the closing market price of equity shares on NSE on January 18, 2022.

AXIS CAPITAL LIMITED

Axis House, 1st Floor, Level-1, C-Wing, C-2, Wadia International Center, Pandurang Budhkar Marg, Worli, Mumbai 400 025.
Tel: +91 22 4325 2525; Fax: +91 22 4325 3000

www.axiscapital.co.in

This document has been prepared by Axis Capital Limited. Affiliates of Axis Capital Limited may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report. The views and opinions expressed in this document may or may not match or may be contrary with the views, estimates, rating and target price of the Affiliates research report.

The report and information contained herein is strictly confidential and meant solely for the selected recipient and may not be altered in any way, transmitted to, copied or distributed, in part or in whole, to any other person or to the media or reproduced in any form, without prior written consent.

This report and information herein is solely for informational purpose and may not be used or considered as an offer document or solicitation of offer to buy or sell or subscribe for securities or other financial instruments. Nothing in this report constitutes investment, legal, accounting and tax advice or a representation that any investment or strategy is suitable or appropriate to your specific circumstances. The securities discussed and opinions expressed in this report may not be suitable for all investors, who must make their own investment decisions, based on their own investment objectives, financial positions and needs of specific recipient. This may not be taken in substitution for the exercise of independent judgment by any recipient.

Each recipient of this document should make such investigations as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult its own advisors to determine the merits and risks of such an investment. The investment discussed or views expressed may not be suitable for all investors. Certain transactions -including those involving futures, options and other derivatives as well as non-investment grade securities - involve substantial risk and are not suitable for all investors.

Axis Capital Limited has not independently verified all the information given in this document. Accordingly, no representation or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this document.

The Disclosures of Interest Statement incorporated in this document is provided solely to enhance the transparency and should not be treated as endorsement of the views expressed in the report. This information is subject to change without any prior notice. The Company reserves the right to make modifications and alternations to this statement as may be required from time to time without any prior approval.

Axis Capital Limited, its affiliates, their directors and the employees may from time to time, effect or have effected an own account transaction in, or deal as principal or agent in or for the securities mentioned in this document. They may perform or seek to perform investment banking or other services for, or solicit investment banking or other business from, any company referred to in this report. Each of these entities functions as a separate, distinct and independent of each other. The recipient should take this into account before interpreting the document.

This report has been prepared on the basis of information that is already available in publicly accessible media or developed through analysis of Axis Capital Limited. The views expressed are those of the analyst and the Company may or may not subscribe to all the views expressed therein.

This document is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, copied, in whole or in part, for any purpose. Neither this document nor any copy of it may be taken or transmitted into the United State (to U.S. Persons), Canada, or Japan or distributed, directly or indirectly, in the United States or Canada or distributed or redistributed in Japan or to any resident thereof.

This report is not directed or intended for distribution to, or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction, where such distribution, publication, availability or use would be contrary to law, regulation or which would subject Axis Capital Limited to any registration or licensing requirement within such jurisdiction. The securities described herein may or may not be eligible for sale in all jurisdictions or to certain category of investors Persons in whose possession this document may come are required to inform ourselves of and to observe such restriction.

Neither the Firm, nor its directors, employees, agents or representatives shall be liable for any damages whether direct or indirect, incidental, special or consequential including lost revenue or lost profits that may arise from or in connection with the use of the information.

Copyright in this document vests exclusively with Axis Capital Limited.