



This is a public announcement for information purposes only and is not a prospectus announcement and does not constitute an invitation or offer to acquire, purchase or subscribe to securities. Not for release, publication or distribution directly or indirectly, outside India. Initial public offer of equity shares on the main board of BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"), and together with BSE, the "Stock Exchanges" in compliance with Chapter II of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations").

GOPAL SNACKS LIMITED

Our Company was initially formed as a partnership firm as "Gopal Grah Udyog" at Rajkot, India with effect from April 1, 1999. The partnership firm was registered under the Partnership Act, 1932 with the Registrar of Firms, Rajkot Division, Rajkot on October 19, 2008. The name of the partnership firm was changed to "Gopal Snacks" with effect from November 23, 2008, and the same was recorded by the Registrar of Firms, Rajkot Division, Rajkot on November 30, 2009. The partnership firm was subsequently converted into a joint stock company and registered as a private limited company under the Companies Act, 1956 under the name "Gopal Snacks Private Limited" pursuant to a certificate of incorporation dated December 7, 2009, issued by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli. Subsequently, our Company was converted into a public limited company pursuant to a special resolution passed by the Shareholders in its EGM held on March 15, 2023, following which the name of our Company was changed to "Gopal Snacks Limited", and the Registrar of Companies, Gujarat at Ahmedabad ("RoC") issued a fresh certificate of incorporation on March 31, 2023. For details of changes in our Registered and Corporate Office, see "History and Certain Corporate Matters" on page 241 of the red herring prospectus dated February 28, 2024 filed with the RoC ("RHP" or "Red Herring Prospectus").

Corporate Identity Number: U15400GJ2009PLC056781

Registered and Corporate Office: Plot Nos. G2322, G2323 and G2324, GIDC Metoda, Taluka Lodhika, Rajkot - 360 021, Gujarat, India; Tel: +91 28 2728 7370
Contact Person: Mayur Popatlal Gargani, Company Secretary and Compliance Officer; E-mail: cs@gopalsnacks.com; Website: www.gopalsnacks.com



(Please scan the QR code to view the RHP)

PROMOTERS OF OUR COMPANY: BIPINBHAI VITHALBHAI HADVANI, DAKSHABEN BIPINBHAI HADVANI AND GOPAL AGRIPRODUCTS PRIVATE LIMITED

INITIAL PUBLIC OFFERING OF UP TO [•] EQUITY SHARES OF FACE VALUE OF ₹1 EACH ("EQUITY SHARES") OF GOPAL SNACKS LIMITED ("COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF ₹1 PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹1 PER EQUITY SHARE) ("OFFER PRICE") THROUGH AN OFFER FOR SALE OF UP TO [•] EQUITY SHARES AGGREGATING UP TO ₹6,500 MILLION ("OFFER FOR SALE" OR "OFFER") BY THE SELLING SHAREHOLDERS, COMPRISING OF UP TO [•] EQUITY SHARES AGGREGATING UP TO ₹800 MILLION BY BIPINBHAI VITHALBHAI HADVANI, UP TO [•] EQUITY SHARES AGGREGATING UP TO ₹5,200 MILLION BY GOPAL AGRIPRODUCTS PRIVATE LIMITED (COLLECTIVELY WITH BIPINBHAI VITHALBHAI HADVANI, THE "PROMOTER SELLING SHAREHOLDERS") AND UP TO [•] EQUITY SHARES AGGREGATING UP TO ₹500 MILLION BY HARSH SURESHKUMAR SHAH (COLLECTIVELY WITH THE PROMOTER SELLING SHAREHOLDERS, THE "SELLING SHAREHOLDERS"), AND SUCH EQUITY SHARES OFFERED BY THE SELLING SHAREHOLDERS, THE "OFFERED SHARES". THIS OFFER INCLUDES A RESERVATION OF UP TO [•] EQUITY SHARES, AGGREGATING UP TO ₹35.00 MILLION (CONSTITUTING UP TO [•] OF THE POST OFFER PAID-UP EQUITY SHARE CAPITAL) FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (THE "EMPLOYEE RESERVATION PORTION"), THE OFFER LESS THE EMPLOYEE RESERVATION PORTION IS HEREINAFTER REFERRED TO AS THE "NET OFFER". THE OFFER AND THE NET OFFER WOULD CONSTITUTE [•] AND [•]%, RESPECTIVELY, OF OUR POST-OFFER PAID-UP EQUITY SHARE CAPITAL. OUR COMPANY AND THE SELLING SHAREHOLDERS, IN CONSULTATION WITH THE BRLMS, MAY OFFER A DISCOUNT OF UP TO 38 PER EQUITY SHARE OF THE OFFER PRICE TO ELIGIBLE EMPLOYEES BIDDING IN THE EMPLOYEE RESERVATION PORTION ("EMPLOYEE DISCOUNT").

DETAILS OF THE SELLING SHAREHOLDERS, OFFER FOR SALE AND THE WEIGHTED AVERAGE COST OF ACQUISITION			
Name of Selling Shareholders	Type	Number of equity shares of face value ₹1 each offered/ amount (₹ in million)	Weighted average cost of acquisition per Equity Share (in ₹)*
Bipinbhai Vithalbhai Hadvani	Promoter Selling Shareholder	Up to [•] equity shares of face value ₹1 each aggregating up to ₹800 million	0.35
Gopal Agriproducts Private Limited	Promoter Selling Shareholder	Up to [•] equity shares of face value ₹1 each aggregating up to ₹5,200 million	158.22
Harsh Sureshkumar Shah	Other Selling Shareholder	Up to [•] equity shares of face value ₹1 each aggregating up to ₹500 million	Nil

*As certified by Maheshwari & Co., Chartered Accountants pursuant to their certificate dated February 28, 2024.

We are a fastmoving consumer goods company in India, offering ethnic snacks, western snacks and other products under our brand 'Gopal'.

The Offer is being made through the Book Building Process in accordance with Regulation 6(1) of the SEBI ICDR Regulations.

• QIB Portion: Not more than 50% of the Net Offer • Non-Institutional Portion: Not less than 15% of the Net Offer

• Retail Portion: Not less than 35% of the Net Offer • Employee Reservation Portion: Up to [•] Equity Shares aggregating up to ₹ 35 million

PRICE BAND: ₹381 TO ₹401 PER EQUITY SHARE OF FACE VALUE OF ₹1 EACH

THE FLOOR PRICE IS 381 TIMES THE FACE VALUE OF THE EQUITY SHARES AND THE CAP PRICE IS 401 TIMES THE FACE VALUE OF THE EQUITY SHARES THE PRICE/EARNINGS RATIO BASED ON DILUTED EPS FOR FISCAL 2023 AT THE FLOOR PRICE IS 42.24 TIMES AND AT THE CAP PRICE IS 44.46 TIMES AS COMPARED TO THE AVERAGE INDUSTRY PEER GROUP P/E RATIO OF 121.27

BIDS CAN BE MADE FOR A MINIMUM OF 37 EQUITY SHARES AND IN MULTIPLES OF 37 EQUITY SHARES THEREAFTER

A DISCOUNT OF ₹38 PER EQUITY SHARE IS BEING OFFERED TO ELIGIBLE EMPLOYEES BIDDING IN THE EMPLOYEE RESERVATION PORTION

In accordance with the recommendation of Independent Directors of our Company, pursuant to their resolution dated February 29, 2024, the above provided price band is justified based on quantitative factors/ KPIs disclosed in the "Basis for Offer Price" section on pages 129-136 of the RHP vis-a-vis the weighted average cost of acquisition ("WACA") of primary and secondary transaction(s), as applicable, disclosed in the "Basis for Offer Price" section on pages 129-136 of the RHP.

In making an investment decision, potential investors must only rely on the information included in the Red Herring Prospectus and the terms of the Offer, including the risks involved and not rely on any other external sources of information about the Offer available in any manner.

RISKS TO INVESTORS:

1. We are significantly dependent on the sale of our products namely, namkeen, gathiya and snack pellets. Our aggregate revenue from sale of namkeen, gathiya and snack pellets accounted for 88.96%, 85.25%, 81.66%, 83.24% and 77.89% of our revenue from operations in Fiscal 2021, 2022, 2023 and the six months ended September 30, 2022 and 2023 respectively. An inability to anticipate and adapt to evolving consumer tastes, preferences and demand for particular products, or ensure product quality may adversely impact demand for our products, brand loyalty and consequently our business, results of operations, financial condition and cash flows.
2. We have received eight notices under the relevant provisions of the Food Safety and Standards Act, 2006 and the rules and regulations; (i) declaring our products to be allegedly substandard or not conforming to the specifications mentioned in the packaging or adulterated; (ii) alleging misbranding or deficient packaging or misleading advertisement of our products; and (iii) misleading advertisement of our products.
3. The sale of our products is concentrated in our core market of Gujarat. In Fiscal 2021, 2022 and 2023 and the six months ended September 30, 2022 and 2023, our revenue from sale of products in Gujarat accounted for 74.31%, 76.27%, 79.08%, 79.06% and 76.49% of our revenue from operations, respectively. Any adverse developments affecting our operations in such region, could have an adverse impact on our business, financial condition, results of operations and cash flows.
4. Our operations are subject to various contamination related risks, including improper storage of our products and raw materials, adulteration of any of our products, labelling errors, and non-compliance with quality control standards. The average shelf life of our products ranges from three to six months. Any actual or alleged contamination could lead to legal liability, product liability claims, damage to brand reputation, government scrutiny, investigation or intervention and product return which, in turn, could have an adverse impact on our business, results of operations, financial condition and cash flows.
5. The Offer comprises an Offer for Sale aggregating up to ₹6,500 million and our Company will not receive any proceeds from the Offer.
6. Our manufacturing facilities are under-utilized and the capacity utilisation of our primary manufacturing facilities declined from 40.08% in Fiscal 2021 to 32.36% in Fiscal 2022 and further to 27.56% in Fiscal 2023. Under-utilisation of our existing or future primary manufacturing facilities in the future may have an adverse impact on our business, results of operations, financial condition and cash flows.

For details regarding our capacity utilisation of our primary manufacturing facilities, see "Our Business - Installed Capacity, Actual Production and Capacity Utilisation" on page 220 of the RHP.

7. The Weighted Average Cost of acquisition of all Equity Shares transacted in last three years and one year preceding the date of the RHP:

Period	Weighted average cost of acquisition (in ₹)** \$*	Cap Price is 'X' times the weighted average cost of acquisition	Range of acquisition price: Lowest price - Highest price (in ₹)** \$*
Last one year	321.00	1.25 times	₹ 321.00 - ₹ 321.00
Last eighteen months	181.73	2.21 times	Nil ^{##} - ₹ 321.00
Last three years	181.73	2.21 times	Nil ^{##} - ₹ 321.00

** As certified by Maheshwari & Co., Chartered Accountants, pursuant to their certificate dated February 28, 2024.

* Pursuant to a resolution of our Board passed in their meeting held on December 22, 2022 and a resolution of our Shareholders passed in the extraordinary general meeting held on December 23, 2022, each fully paid - up equity share of our Company of face value ₹10 was subdivided into 10 Equity Shares of ₹1 each. Further, our Company has, pursuant to authorisation by a resolution of our Board dated January 7, 2023 and a resolution of our Shareholders dated January 9, 2023, issued bonus Equity Shares in the proportion of ten Equity Shares for every one existing fully paid-up Equity Share held by the Shareholders as of the record date, being January 6, 2023. The impact of the subdivision and bonus issue has been considered in the calculation of the average cost of acquisition per Equity Share.

^ Excluding transactions of gifts.

Represents cost of bonus shares which are issued at nil consideration.

8. Weighted average cost of acquisition, floor price and cap price

Type of Transaction	Weighted average cost of acquisition per Equity Share (in ₹)*^	Floor price (i.e. ₹ 381)	Cap price (i.e. ₹ 401)
Weighted average cost of acquisition for Primary Issuance	Nil	-	-
Weighted average cost of acquisition for Secondary Transactions	158.22	2.41 times	2.53 times

* As certified by Maheshwari & Co., Chartered Accountants, pursuant to their certificate dated February 28, 2024.

^ Pursuant to a resolution of our Board passed in their meeting held on December 22, 2022 and a resolution of our Shareholders passed in the extraordinary general meeting held on December 23, 2022, each fully paid - up equity share of our Company of face value ₹10 was subdivided into 10 Equity Shares of ₹1 each. Further, our Company has, pursuant to authorisation by a resolution of our Board dated January 7, 2023 and a resolution of our Shareholders dated January 9, 2023,

...continued from previous page.

issued bonus Equity Shares in the proportion of ten Equity Shares for every one existing fully paid-up Equity Share held by the Shareholders as of the record date, being January 6, 2023. The impact of the subdivision and bonus issue has been considered in the calculation of the weighted average cost of acquisition.

9. The Offer Price, market capitalization to total revenue multiple and price to earnings ratio based on the Offer Price of our Company, may not be indicative of the market price of the Equity Shares on listing. Our revenue from operations and restated profit after tax for Fiscal 2023 was ₹ 13,946.53 million and ₹ 1,123.69 million, respectively. The table below provides details of our price to earnings ratio and market capitalization to revenue from operations for Fiscal 2023:

Particulars	Price to Earnings Ratio	Market Capitalization to Revenue
At lower end of price band i.e. ₹ 381 per Equity Share	42.24	3.40
At upper end of price band i.e. ₹ 401 per Equity Share	44.46	3.58

* As certified by Maheshwari & Co., Chartered Accountants, pursuant to their certificate dated February 28, 2024.

10. Weighted Average Return on Net Worth for past three Fiscals i.e. 2023, 2022 and 2021 is 29.70%.

11. The average cost of acquisition of Equity Shares held by the Selling Shareholders ranges from ₹Nil to ₹158.22 per Equity Share, and the Offer Price at upper end of the Price Band is ₹401.

12. The 3 BRLMs associated with the Offer have handled 82 public issues in the past three Fiscals, out of which 24 issues have closed below the offer price on the listing date.

Name of the BRLMs	Total Issues	Issues Closed below IPO price on listing date
Intensive Fiscal Services Private Limited*	1	-
Axis Capital Limited*	30	13
JM Financial Limited*	28	5
Common Issues handled by BRLMs	23	6
Total	82	24

* Issues handled where there were no common BRLMs

BID/ OFFER PERIOD

ANCHOR INVESTOR BIDDING DATE TUESDAY, MARCH 5, 2024

BID/ OFFER OPENS ON WEDNESDAY, MARCH 6, 2024

BID/ OFFER CLOSING ON* MONDAY, MARCH 11, 2024**

*Our Company and Selling Shareholders, in consultation with the Book Running Lead Managers, may consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.
**The UPI mandate end time and date shall be at 5:00 p.m. on Bid/Offer Closing Day.

BASIS FOR OFFER PRICE

The Price Band and Offer Price will be determined by our Company and Selling Shareholders, in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of the quantitative and qualitative factors described below. The face value of the Equity Shares is ₹1 each and the Offer Price is 381 times the face value at the Floor Price and 401 times the face value at the Cap Price of the Equity Shares. Investors should also refer to "Our Business", "Risk Factors", "Restated Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 194, 36, 283 and 347 of the RHP, respectively, to have an informed view before making an investment decision.

Qualitative factors

- Our position in the Indian snack food market as an ethnic savouries brand with a significant presence in Gujarat coupled with our focus on quality and various offerings have helped us create a brand recognition;
- Diversified product portfolio capable of capturing growing Indian snacks market;
- Our position as a manufacturer of gathiya in India coupled with the growing popularity of gathiya as a snack, present opportunities for us to expand in the gathiya segment;
- Strategically located manufacturing facilities;
- Vertically integrated advanced business operations resulting in quality products and cost and operational efficiencies;
- Distribution network;
- Experienced Promoter and management team; and
- Track record of profitable financial performance.

For further details, see "Our Business - Competitive Strengths" on page 198 of the RHP.

Quantitative factors

Some of the information presented below relating to our Company is based on the Restated Financial Information. For further information, see "Financial Information" on page 283, respectively of the Red Herring Prospectus. The quantitative details mentioned below are certified by Maheshwari & Co., Chartered Accountants, pursuant to their certificate dated February 28, 2024.

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

I. Basic and diluted earnings per share ("EPS") as per the Restated Financial Information:

Fiscal / Period	Basic EPS (₹)	Diluted EPS (₹)	Weight
March 31, 2023	9.02	9.02	3
March 31, 2022	3.33	3.33	2
March 31, 2021	1.70	1.70	1
Weighted Average	5.90	5.90	
Six months period ended September 30, 2023*	4.46	4.46	
Six months period ended September 30, 2022*	4.17	4.17	

*Not annualised

For notes, refer to page 129 of the RHP.

II. Price/Earnings ("P/E") ratio in relation to Price Band of ₹381 to ₹401 per Equity Share:

Particulars	P/E at the lower end of the Price Band (number of times)	P/E at the higher end of the Price Band (number of times)
Based on basic EPS for Fiscal 2023	42.24	44.46
Based on diluted EPS for Fiscal 2023	42.24	44.46

III. Industry Peer Group Price/Earnings ratio

Based on the peer group information (excluding our Company) given below in this section:

Particulars	Industry P/E
Highest	137.87
Lowest	104.67
Average	121.27

For notes, refer to page 130 of the RHP.

IV. Return on Net Worth ("RoNW") as per the Restated Financial Information

Fiscal Period ended	RoNW (%)	Weight
March 31, 2023	38.63	3
March 31, 2022	23.38	2
March 31, 2021	15.56	1
Weighted Average	29.70	
Six months period ended September 30, 2023*	16.05	
Six months period ended September 30, 2022*	22.57	

*Not annualised

For notes, refer to page 130 of the RHP.

V. Net asset value per Equity Share (face value of ₹1 each) ("NAV") as per Restated Financial Information

Net Asset Value per Equity Share	Particulars
As on March 31, 2023	23.34
As on September 30, 2023*	27.78
After completion of the Offer	
(i) Floor Price	27.78
(ii) Cap Price	27.78
(iii) Offer Price	401

*Not annualised

For notes, refer to page 130 of the RHP.

Comparison of the KPI metrics of our Company and our listed peers

KPI	Bikaji Foods International Ltd					Prataap Snacks Ltd					Gopal Snacks Limited				
	Fiscal 2021	Fiscal 2022	Fiscal 2023	Six months ended September 30, 2022	Six months ended September 30, 2023	Fiscal 2021	Fiscal 2022	Fiscal 2023	Six months ended September 30, 2022	Six months ended September 30, 2023	Fiscal 2021	Fiscal 2022	Fiscal 2023	Six months ended September 30, 2022	Six months ended September 30, 2023
Revenue from Operations	13,107.49	16,109.61	19,660.72	9961.31	10,907.42	11,710.89	13,966.19	16,529.32	7,353.77	8,215.23	11,288.61	13,521.61	13,946.53	6,993.01	6,761.95
Revenue Growth (%)	-	22.50%	22.04%	-	9.50%	-	19.26%	18.35%	-	11.71%	-	19.78%	3.14%	-	-3.30%
Gross Profit	3,738.54	4,406.76	5,708.59	2605.07	3,584.14	3,279.98	3,596.88	4,609.07	1,964.57	2,768.05	2,046.83	2,786.73	3,958.62	1,888.78	2,027.30
Gross Margin (%)	28.52%	27.35%	29.04%	26.15%	32.86%	28.01%	25.75%	27.88%	26.72%	33.70%	18.13%	20.61%	28.38%	27.01%	29.88%
EBITDA	1,447.65	1,395.45	2,135.92	950.15	1,534.98	630.67	583.09	624.27	158.28	707.97	603.52	947.97	1,962.25	935.53	942.64
EBITDA Margin (%)	11.04%	8.66%	10.86%	9.54%	14.07%	5.39%	4.19%	3.78%	2.15%	8.62%	5.35%	7.01%	14.07%	13.38%	13.94%
Profit after tax (PAT)	903.35	760.28	1,266.04	566.24	1,011.52	141.56	29.09	203.12	-53.78	299.49	211.22	415.38	1,123.69	519.60	555.65
PAT Margin (%)	6.89%	4.72%	6.44%	5.68%	9.28%	1.21%	0.21%	1.23%	-0.73%	3.65%	1.87%	3.07%	8.06%	7.43%	8.22%
Return on Equity-RoE (%)	14.87%	9.26%	13.30%	6.47%*	9.67%*	2.27%	0.47%	3.00%	-0.87%*	4.25%*	15.56%	23.38%	38.63%	22.57%*	16.05%*
Return on Capital Employed - RoCE (%)	18.62%	11.61%	16.66%	7.71%*	10.59%*	1.41%	0.73%	0.05%	-1.47%*	6.03%*	13.48%	18.69%	43.08%	21.43%*	20.83%*
Net Fixed Asset Turnover Ratio	3.20	3.36	3.27	2.04*	1.83*	2.10	2.54	2.85	2.17*	1.45*	7.14	6.86	6.27	3.13*	3.06*

*Not annualised for the six months period ended September 30, 2023 and September 30, 2022

For notes, refer to page 134 of the RHP.

Continued on next page...

