*Scan this QR code to view RHP)*

**Red Herring Prospectus**
**Dated: 21.08.2025**
**100% Book Building Issue**
Refer Section 26 & 32 of the Companies Act, 2013

Committed to Quality
SNEHAA ORGANICS

**SNEHAA ORGANICS LIMITED**
**CIN: U24290TG2022PLC164443**

| REGISTERED OFFICE | CORPORATE OFFICE | CONTACT PERSON | EMAIL & TELEPHONE | WEBSITE |
|---|---|---|---|---|
| Plot No 290 & 291, Dulapally Adjacent to Ida Jeedimetla, Quthbullapur, Rangareddi, Hyderabad, Telangana- 500055 | - | Ms. Poonam Jain Company Secretary & Compliance Officer | info.snehaapharma@gmail.com +91 9303553800 | https://snehaaorganics.com/ |

**NAME OF PROMOTER(S) OF THE COMPANY**

***MR. NANDIGALA VENKATA SAI HARISH, MR. NANDIGALA VENKATA SAI KIRAN AND MS. SAMHITHA REDDY TERA***

**DETAILS OF OFFER TO PUBLIC**

| Type | Fresh Issue Size (Rs. in Lakh) | OFS* Size (Rs. in Lakh) | Total Issue Size (by amount in Rs. Lakh) | Eligibility & Share Reservation among NII & RII |
|---|---|---|---|---|
| **Fresh Issue** | **Up to 26,79,000 Equity Shares of face value ₹ 10/- each at a price of ₹ [●] per equity share aggregating to ₹ [●] lakhs** | **NA** | **Up to 26,79,000 Equity Shares of face value of ₹ 10/- each at a price of ₹ [●] per equity share aggregating to ₹ [●] Lakh** | The Issue is being made pursuant to Regulation 229 (2) of SEBI (ICDR) Regulations as the Company's post issue paid-up capital is more than 10 crore rupees and upto 25 crore rupees. For details in relation to share reservation among QIB, NIIs and Individual Bidders, see "Issue Structure" on page 412 of this Red Herring Prospectus. |

**OFS: Offer for Sale*

**DETAILS OF OFFER FOR SALE**

| Name of Selling Shareholder | Type | No. of equity shares offered/ Amount in Rs. | WACA in Rs. Per Equity Shares |
|---|---|---|---|
| NA | | | |

*WACA: Weighted Average Cost of Acquisition on fully diluted basis*

**RISKS IN RELATION TO THE FIRST ISSUE**

This being the first public issue of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 10/- each and the Issue Price is [●] times of the face value of the Equity Shares. The Issue Price (determined and justified by our Company in consultation with the Lead Manager as stated in "Basis for Issue Price" on page 114 of this Red Herring Prospectus) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

**GENERAL RISK**

Investments in Equity and Equity related securities involve a degree of risk and investors should not invest any funds in this issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Equity Shares issued in the Issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the Red Herring Prospectus. Specific attention of the investors is invited to the section "Risk Factors" beginning on page 37 of this Red Herring Prospectus.

**ISSUER'S ABSOLUTE RESPONSIBILITY**

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Red Herring Prospectus contains all information with regard to our Company and the Issue which is material in the context of this Issue, that the information contained in this Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

**LISTING**

The Equity Shares of our Company offered through this Red Herring Prospectus are proposed to be listed on the Emerge Platform of National Stock Exchange of India Limited in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time. Our Company has received an In-Principle approval letter dated July 17, 2025 from National Stock Exchange of India Limited for using its name in the Red Herring Prospectus for listing of our shares on the Emerge Platform of National Stock Exchange of India Limited. For the purpose of this Issue, National Stock Exchange of India Limited shall be the Designated Stock Exchange.

**LEAD MANAGER TO THE ISSUE**

Fasttrack Finsec
Category-I Merchant Banker

**FAST TRACK FINSEC PRIVATE LIMITED**
**SEBI Registration No**. INM000012500
**Registered Office:** Office No. V-116, 1st Floor, New Delhi House, 27, Barakhamba Road, New Delhi - 110001
**Tel No.**: ++91-11-43029809
**Contact Person**: Ms. Sakshi/ Mr. Wajahat Ali Khan
**Email**:mb@ftfinsec.com; investor@ftfinsec.com
**Website:** www.ftfinsec.com

**REGISTRAR TO THE ISSUE**

Skyline Financial Services Pvt. Ltd.

**SKYLINE FINANCIAL SERVICES PRIVATE LIMITED**
**SEBI Registration No.:** INR000003241
**Registered office**:D-153 A, 1st Floor, Okhla Industrial Area, Phase - I, New Delhi-110020
**Tel No**: +91-11-40450193-97,26812682, 011-26812682;
**Fax No**: +91-11-26812683
**Contact Person**: Mr. Anuj Rana
**Email:** virenr@skylinerta.com
**Website:** www.skylinerta.com

**OFFER PROGRAMME**

| BID/ISSUE FOR ANCHOR INVESTORS: August 28 2025 | BID/ISSUE OPENS ON: August 29, 2025 | BID/ISSUE CLOSES ON: September 02,2025 |
|---|---|---|

**Our Company in consultation with the Book Running Lead Manager consider participation by Anchor Investors, in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Issue Opening Date.*

*** Our Company in consultation with the BRLM, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date, in accordance with the SEBI ICDR Regulations.*

**Red Herring Prospectus**
**Dated: 21.08.2025**
**100% Book Building Issue**
Refer Section 26 & 32 of the
Companies Act, 2013

Committed to Quality
SNEHAA ORGANICS

**SNEHAA ORGANICS LIMITED**
**CIN: U24290TG2022PLC164443**

Our company was originally formed as partnership firm under the Indian Partnership Act, 1932 in the name and style of "M/s. Snehaa Pharma Chemicals", pursuant to a deed of partnership dated October 26, 2017. Further, "M/s Snehaa Pharma Chemicals" was converted from partnership firm to a Private Limited Company in the name of "Snehaa Organics Private Limited" vide Certificate of Incorporation dated July 05, 2022 issued by Registrar of Companies, Central Registration Centre, bearing CIN U24290TG2022PTC164443.Thereafter, our Company was converted into a Public Limited Company pursuant of a special resolution passed by the members of our Company at the Extra Ordinary General Meeting held on December 18, 2024. A fresh Certificate of Incorporation consequent to conversion was issued on January 07, 2025 by the Registrar of Companies, CPC, Manesar Haryana and consequently the name of our Company was changed from "Snehaa Organics Private Limited" to "Snehaa Organics Limited". The Company's Corporate Identification Number is U24290TG2022PLC164443. For further details of our company please refer to section titled "Our History and Certain Other Corporate Matters" beginning on page no. 238 of this Red Herring Prospectus.

**Registered Office:** Plot No 290 & 291, Dulapally Adjacent to Ida Jeedimetla, Quthbullapur, Rangareddi, Hyderabad, Telangana- 500055
**Telephone No**.: +91 9303553800; **Website**: https://snehaaorganics.com/ **E-Mail**: info.snehaapharma@gmail.com
**Company Secretary and Compliance Officer:** Ms. Poonam Jain;

***PROMOTERS OF THE COMPANY: MR. NANDIGALA VENKATA SAI HARISH, MR. NANDIGALA VENKATA SAI KIRAN AND MS. SAMHITHA REDDY TERA***

## THE ISSUE

**INITIAL PUBLIC ISSUE OF 26,79,000 EQUITY SHARES OF FACE VALUE RS. 10/- EACH OF SNEHAA ORGANICS LIMITED. ("SNEHAA" OR THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF RS. [●]/-PER EQUITY SHARE ("ISSUE PRICE") INCLUDING A SHARE PREMIUM OF [●]/- PER EQUITY SHARE), AGGREGATING TO RS. [●] LAHKS ("THE ISSUE"), OUT OF WHICH, 1,34,000 EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH FOR CASH AT A PRICE OF RS. [●]/- PER EQUITY SHARE AGGREGATING TO RS. [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER ("MARKET MAKER RESERVATION PORTION"). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 25,45,000 EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH AT AN ISSUE PRICE OF RS. [●]/- PER EQUITY SHARE AGGREGATING TO RS. [●] LAKHS IS HEREINAFTER REFERRED TO AS THE "NET ISSUE". THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 26.32%AND 25%, RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY. FOR FURTHER DETAILS, KINDLY REFER TO CHAPTER TITILED "TERMS OF THE ISSUE" BEGINNING ON PAGE NO. 365 OF THIS RED HERRING PROSPECTUS.**

**THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULATATION WITH THE BRLM AND WILL BE ADVERTISED IN ALL EDITIONS OF BUSINESS STANDARD (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER), ALL EDITIONS OF BUSINESS STANDARD(WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER, AND A REGIONAL NEWSPAPER WHERE OUR REGISTERED OFFICE IS LOCATED, AT LEAST TWO WORKING DAYS PRIOR TO THE BID/ISSUE OPENING DATE AND SHALL BE MADE AVAILABLE TO THE SME PLATFORM OF NATIONAL STOCK EXCHANGE OF INDIA LIMITED (NSE EMERGE) FOR THE PURPOSE OF UPLOADING ON THEIR WEBSITE.**

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

The Issue is being made through the Book Building Process, in terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR") read with Regulation 253 of the SEBI ICDR Regulations, as amended, wherein not more than 50% of the Net Issue shall be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs", the "QIB Portion"), provided that our Company may, in consultation with the Book Running Lead Managers, allocate upto 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations ("Anchor Investor Portion"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, (i) not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to non-institutional investors out of which (a) one third of such portion shall be reserved for applicants with application size of more than two lots and up to such lots equivalent to not more than ₹ 10 lakhs; and (b) two-third of such portion shall be reserved for applicants with application size of more than ₹ 10 lakhs; provided that the unsubscribed portion in either of the sub-categories specified in clauses (a) or (b), investors may be allocated to applicants in the other sub-category of Non-Institutional Investors; and (ii) not less than 35% of the Net Issue shall be available for allocation to Individual Investors who applies for minimum application size in accordance with the SEBI ICDR Regulations; in each case subject to valid Bids being received from them at or above the Issue Price. All potential Bidders (except Anchor Investors) are required to mandatorily utilize the Application Supported by Blocked Amount ("ASBA") process providing details of their respective ASBA accounts, and UPI ID in case of RIBs using the UPI Mechanism, if applicable, in which the corresponding Bid Amounts will be blocked by the SCSBs or by the Sponsor Bank under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. Anchor Investors are not permitted to participate in the Issue through the ASBA process. For details, see "***Issue Procedure***" beginning on page no. 376 of this Red Herring Prospectus.

## RISK IN RELATION TO THE FIRST ISSUE

This being the first public issue of our Company, there has been no formal market for our Equity Shares. The face value of the Equity Shares of our Company is Rs.10/-. The Issue Price as stated under the chapter titled "Basis for the Issue Price" beginning on page 114 of this Red Herring Prospectus should not be taken to be indicative of the market price of the Equity Shares after such Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

## GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and this Issue, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Red Herring Prospectus. Specific attention of the investors is invited to the section titled "Risk Factors" beginning on page **37** of this Red Herring Prospectus.

## ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Red Herring Prospectus contains all information with regard to our Company and the Issue which is material in the context of this Issue, that the information contained in this Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

## LISTING

The Equity Shares of our Company offered through this Red Herring Prospectus are proposed to be listed on the Emerge Platform of National Stock Exchange of India Limited in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time. Our Company has received an In-Principle approval letter dated July 17, 2025 from National Stock Exchange of India Limited for using its name in the Red Herring Prospectus for listing of our shares on the Emerge Platform of National Stock Exchange of India Limited. For the purpose of this Issue, National Stock Exchange of India Limited shall be the Designated Stock Exchange.

| LEAD MANAGER | REGISTRAR TO THE ISSUE |
|---|---|
| **FAST TRACK FINSEC PRIVATE LIMITED**<br>**SEBI Registration No**. INM000012500<br>**Registered Office:** Office No. V-116,1st Floor, New Delhi House, 27, Barakhamba Road, New Delhi - 110001<br>**Tel No.**: ++91-11-43029809<br>**Contact Person**: Ms. Sakshi/ Mr. Wajahat Ali Khan<br>**Email**:mb@ftfinsec.com; investor@ftfinsec.com<br>**Website:** www.ftfinsec.com | **SKYLINE FINANCIAL SERVICES PRIVATE LIMITED**<br>**SEBI Registration No.:** INR000003241<br>**Registered office**:D-153 A, 1st Floor, Okhla Industrial Area, Phase - I, New Delhi-110020<br>**Tel No**: +91-11-40450193-97,26812682, 011-26812682;<br>**Fax No**: +91-11-26812683<br>**Contact Person**: Mr. Anuj Rana<br>**Email:** virenr@skylinerta.com<br>**Website:** www.skylinerta.com |

## OFFER PROGRAMME

| BID/ISSUE FOR ANCHOR INVESTORS: August 28, 2025 | |
|---|---|
| **BID/ISSUE OPENS ON: August 29, 2025** | **BID/ISSUE CLOSES ON: September 02, 2025** |

**Our Company in consultation with the Book Running Lead Manager consider participation by Anchor Investors, in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Issue Opening Date.*

*** Our Company in consultation with the BRLM, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date, in accordance with the SEBI ICDR Regulations.*

*THIS PAGE HAS BEEN LEFT BLANK PURSUANT TO SCHEDULE VI OF SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.*

Committed to Quality
SNEHAA ORGANICS

## TABLE OF CONTENTS


| | |
|---|---|
| **SECTION I –GENERAL**…… | 1 |
| DEFINITIONS AND ABBREVIATIONS…… | 1 |
| CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OF PRESENTATION …..…… | 22 |
| FORWARD - LOOKING STATEMENTS…… | 24 |
| **SECTION II – SUMMARY OF THE OFFER DOCUMENT** ……..…….... | 26 |
| **SECTION III – RISK FACTORS**…… | 37 |
| **SECTION IV – INTRODUCTION**…… | 67 |
| THE ISSUE…… | 67 |
| SUMMARY OF FINANCIAL INFORMATION…… | 70 |
| GENERAL INFORMATION…… | 76 |
| CAPITAL STRUCTURE…… | 89 |
| OBJECTS OF THE ISSUE…… | 103 |
| BASIS FOR ISSUE PRICE…… | 114 |
| STATEMENT OF POSSIBLE TAX BENEFITS…… | 120 |
| **SECTION V – ABOUT THE COMPANY**…… | 123 |
| INDUSTRY OVERVIEW…….... | 123 |
| OUR BUSINESS …… | 178 |
| KEY REGULATION AND POLICIES…… | 224 |
| OUR HISTORY AND CERTAIN OTHER CORPORATE MATTERS……..... | 238 |
| OUR MANAGEMENT…….. | 243 |
| OUR PROMOTER AND PROMOTER GROUP……. | 259 |
| OUR GROUP COMPANIES ……..…... | 266 |
| RELATED PARTY TRANSACTIONS……. | 277 |
| DIVIDEND POLICY…… | 281 |
| **SECTION VI – FINANCIAL INFORMATION**…… | 282 |
| RESTATED FINANCIAL INFORMATION…… | 282 |
| OTHER FINANCIAL INFORMATION…… | 319 |
| MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS……..…… | 320 |
| FINANCIAL INDEBTEDNESS…… | 336 |
| **SECTION VII – LEGAL AND OTHER INFORMATION**…… | 338 |
| OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS…… | 338 |
| GOVERNMENT AND OTHER STATUTORY APPROVALS…….. | 345 |
| OTHER REGULATORY AND STATUTORY DISCLOSURES…… | 349 |
| **SECTION VIII – ISSUE INFORMATION**…… | 365 |
| TERMS OF THE ISSUE…… | 365 |
| ISSUE PROCEDURE…… | 376 |
| RESTRICTION ON FOREIGN OWNERSHIP OF INDIAN SECURITIES…… | 411 |
| ISSUE STRUCTURE…… | 412 |
| **SECTION IX – MAIN PROVISION OF ARTICLES OF ASSOCIATION**…… | 417 |
| **SECTION X – OTHER INFORMATION**…….. | 460 |
| MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION……... | 460 |
| **SECTION XI- DECLARATION**…… | 462 |

Committed to Quality
SNEHAA ORGANICS

## SECTION I - GENERAL

## DEFINITIONS AND ABBREVIATIONS

This Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act, regulation, rule, guideline or policy shall be to such legislation, act, regulation, rule, guideline or policy, as amended, supplemented or re-enacted from time to time, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

The words and expressions used in this Red Herring Prospectus but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, 2013, the SEBI (ICDR) Regulations, 2018, the Securities Contracts Regulation Act,1956 ("SCRA"), the Depositories Act or the rules and regulations made there under.

Notwithstanding the foregoing, terms used in of the sections "Statement of Possible Tax Benefits", "Financial Information of the Company" and "Main Provisions of the Articles of Association" on page, 120, 282 and 417 respectively, shall have the meaning ascribed to such terms in such sections.

**General Terms**

| Terms | Description |
|---|---|
| "Snehaa", "the Company", "us" "Our Company", "Issuer"," the Issuer Company" or "Snehaa Organics Limited" | **Snehaa Organics Limited**, a Public limited company incorporated in India under the Companies Act, 2013, having its Registered office at Plot No 290 & 291, Dulapally Adjacent to Ida Jeedimetla, Quthbullapur, Rangareddi, Hyderabad, Telangana, India, 500055 |
| "we", "us" "our" or "Group" | Unless the context otherwise indicates or implies refers to our Company |
| "you", "your" or "yours" | Prospective investors in this Issue |

## COMPANY RELATED AND CONVENTIONAL TERMS

| Term | Description |
|---|---|
| AOA/ Articles/ Articles of Association | Articles of Association of our Company, as amended from time to time |
| Audit Committee | The Audit Committee of our Board is in accordance with Regulation 18 of the SEBI Listing Obligations and Disclosure Requirements Regulations, and Section 177 of the Companies Act, 2013. For further details, please refer to the chapter titled "Our Management beginning on page 243 of this Red Herring Prospectus. |

| | |
|---|---|
| Auditors / Statutory Auditors | The Statutory Auditors of our Company being M/s. Phanindra & Associates, Chartered Accountants, having office at 1st Floor, 1-65/2/288, Plot no. 288, Road no. 6, Kakatiya Hills, Guttalabegumpet, Madhapur, Hyderabad-500033 |
| Bankers to our Company | HDFC Bank Limited |
| Board of Directors/ the Board/ our Board | The Board of Directors of our Company, including all duly constituted Committees thereof. For further details of our Directors, please refer to section titled "Our Management" beginning on page 243 of this Red Herring Prospectus |
| Chief Financial Officer/ CFO | The Chief Financial Officer of our Company being Mr. Sarath Chandra Bhojanapalli. |
| CIN | Corporate Identification Number of our company being **U24290TG2022PLC164443** |
| Companies Act/ Act | The Companies Act, 2013 and amendments thereto and erstwhile Companies Act, 1956 as applicable |
| Company Secretary and Compliance Officer | The Company Secretary & Compliance Officer of our Company being Ms. Poonam Jain |
| Director(s) / our directors | The Director(s) of our Company, unless otherwise specified. For details of our directors, see "Our Management" on page 243 of this Red Herring Prospectus. |
| Equity Shareholders/ Shareholders | Persons/ Entities holding Equity Shares of our Company. |
| Equity Shares | Equity Shares of the Company of face value of ₹ 10/- each unless otherwise specified in the context thereof. |
| Group Company" or "Group Companies" or "Group Entities" | The Group Companies of our Company, includes companies (other than promoter) with which there were related party transactions as disclosed in the Restated Financial Statements as covered under the applicable accounting standards and other companies as considered material by our Board in terms of the Materiality Policy and as set forth in "Our Group Companies" on page no. 266 of this Red Herring Prospectus. |
| HNI | High Net worth Individual |
| HUF | Hindu Undivided Family |
| IBC | The Insolvency and Bankruptcy Code, 2016 |
| Independent Director | An Independent Director as defined under Section 2(47) of the Companies Act, 2013 and as defined under the Listing Regulations. For details, see section titled "Our Management" on page 243 of this Red Herring Prospectus. |
| Ind AS or Indian Accounting Standards | Indian Accounting Standards notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015, as amended. |
| ISIN | International Securities Identification Number. In this case being INE1OIC01018. |
| IT Act | The Income Tax Act, 1961as amended till date. |
| Key Management Personnel/ KMP | Key Management Personnel of our Company in terms of Regulation 2(1) (bb) of the SEBI Regulations, Section 2(51) of the Companies Act, 2013. For details, see section titled "Our Management" on page 243 of this Red Herring Prospectus |

| | |
|---|---|
| Key Performance Indicators or KPIs | Key financial and operational performance indicators of our Company, as included in "Basis for Issue Price" beginning on page 114. |
| MOA/Memorandum/Memorandum of Association | Memorandum of Association of our Company, as amended from time to time. |
| MD or Managing Director | The Managing Director of our Company being Mr. Nandigala Venkata Sai Kiran |
| Materiality Policy | The policy adopted by our Board on January 21, 2025 for identification of Group Companies and material outstanding litigation and adopted on August 11, 2025 material outstanding dues to creditors, pursuant to the disclosure requirements under the SEBI (ICDR) Regulations, 2018 as amended from time to time. |
| Nomination and Remuneration Committee | The nomination and remuneration committee of our Board constituted in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations as described in the chapter titled "Our Management" beginning on page 243 of this Red Herring Prospectus |
| Non-Executive Director | The non-executive directors (other than the Independent Directors) of our Company in terms of the Companies Act, and the rules thereunder. Non-Executive director of our Company, being Ms. Samhitha Reddy Tera. For details, see section titled "Our Management" on page 243 of this Red Herring Prospectus. |
| NRIs/ Non-Resident Indians | Person of Indian origin as defined under Consolidated Foreign Direct Investment Policy, 2020 |
| Person or Persons | Any Individual, Sole Proprietorship, Unincorporated Association, Unincorporated Organization, Body Corporate, Corporation, Company, Partnership, Limited Liability Company, Joint Venture, or Trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires. |
| Peer Review Auditor | The Independent Peer Reviewed Auditor of our Company M/s. Phanindra and Associates, Chartered Accountants. |
| "Promoters" or "Promoter" or "Our Promoters" | Promoters of our Company, being Mr. Nandigala Venkata Sai Harish & Mr. Nandigala Venkata Sai Kiran and Ms. Samhitha Reddy Tera.<br><br>For further details, please refer to section titled "Our Promoters & Promoter Group" beginning on page 259 of this Red Herring Prospectus. |
| "Promoter Group" or "Members of our Promoter Group" | Includes such Persons and companies constituting our promoter group covered under Regulation 2(1) (pp) of the SEBI (ICDR) Regulations, 2018 as enlisted in the section "Our Promoters and Promoter Group" beginning on page 259 of this Red Herring Prospectus. |
| RBI Act | The Reserve Bank of India Act, 1934 as amended from time to time. |
| Registered Office of our Company | The Registered Office of our Company situated at Plot No 290 & 291, Dulapally Adjacent to Ida Jeedimetla, Quthbullapur, Rangareddi, Hyderabad, Telangana, India, 500055 |
| Reserve Bank of India/ RBI | Reserve Bank of India constituted under the RBI Act, 1934. |

| | |
|---|---|
| Restated Financial Information | The Restated Financial statements of our Company comprising of the Restated Statement of Assets and Liabilities as at March 31, 2025, March 31, 2024 and March 31, 2023 and the Restated Statements of Profit and Loss and Cash Flows for the year ended March 31, 2025, March 31, 2024 and March 31, 2023 of our Company prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, 2018 and the Revised Guidance Note on Reports in Company Prospectus (Revised 2019) issued by the ICAI, together with the schedules, notes and annexure thereto. |
| RoC/ Registrar of Companies | Registrar of Companies, Hyderabad |
| Stakeholders' Relationship Committee | Stakeholders' relationship committee of our Company constituted in accordance with Section 178 of the Companies Act, 2013 and regulation 20 of SEBI (Listing obligations and disclosure requirements) regulations 2015 as described in the chapter titled "Our Management" beginning on page 243 of this Red Herring Prospectus |
| Shareholders | Shareholders of our Company from time to time. |
| Sub- Account | Sub- accounts registered with SEBI under the Securities and Exchange Board of India (Foreign Institutional Investor) Regulations, 1995, other than sub-accounts which are foreign corporate or foreign individuals. |
| Subscriber to MOA | Initial Subscribers to MOA & AOA being Mr. Nandigala Venkata Sai Harish, Mr. Nandigala Venkata Sai Kiran and Mrs. Nandigala Venkata Lakshmi |
| "Whole-Time Directors" | Whole-time directors/Executive Directors on our Board |
| "Wilful Defaulter(s)" | Wilful defaulter as defined under Regulation 2(1) (lll) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. |

**Issue Related Terms**

| Terms | Description |
|---|---|
| Allotment Account(s) | The account(s) opened with the Banker(s) to this Issue, into which the amounts blocked by Application Supported by Blocked Amount in the ASBA Account, with respect to successful Applicants will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act, 2013. |
| Allotment/ Allot/ Allotted | Unless the context otherwise requires, means the allotment of Equity Shares, pursuant to the Issue to the successful bidders. |
| Abridged prospectus | Abridged prospectus means a memorandum containing such salient features of a prospectus as may be specified by SEBI in this behalf. |
| Allotment Advice | A note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange. |
| Acknowledgement Slip | The slip or document issued by a Designated Intermediary to a Bidder as proof of registration of the Bid cum Application Form |
| Allottee | A successful Bidder to whom the Equity Shares are Allotted |

| | |
|---|---|
| Anchor Investor Application Form | The application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus |
| Anchor Investor Bid/ Issue Period | One Working Day prior to the Bid/ Issue Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to the Anchor Investors shall be completed. |
| Anchor Investor Allocation Price | The price at which Equity Shares will be allocated to the Anchor Investors in terms of the Red Herring Prospectus and prospectus, which will be decided by our Company in consultation with the Book Running Lead Managers during the Anchor Investor Bid / Issue Period |
| Anchor Investor Pay-in Date | With respect to Anchor Investor(s), it shall be the Anchor Investor Bidding Date, and in the event the Anchor Investor Allocation Price is lower than the Issue Price, not later than two Working Days after the Bid/Issue Closing Date. |
| Anchor Investor Offer Price | The final price at which the Equity Shares will be Allotted to the Anchor Investors in terms of the, Red Herring Prospectus and Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company, in consultation with the BRLMs. |
| Anchor Investor(s) | A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and Red Herring Prospectus and Prospectus and who has Bid for an amount of at least ₹ 200 Lakh. |
| Anchor Investor Portion | Up to 60% of the QIB Portion which may be allocated by our Company in consultation with the BRLMs, to the Anchor Investors on a discretionary basis, in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations. |
| ASBA Account | A bank account maintained by ASBA Bidders with an SCSB and specified in the ASBA Form submitted by such ASBA Bidder in which funds will be blocked by such SCSB to the extent of the specified in the ASBA Form submitted by such ASBA Bidder and includes a bank account maintained by a Individual Investor linked to a UPI ID, which will be blocked in relation to a Bid by a Individual Investor Bidding through the UPI Mechanism. |
| ASBA Bid | A Bid made by an ASBA Bidder |
| ASBA Form(s) | An application form, whether physical or electronic, used by ASBA Bidders to submit Bids which will be considered as the application for Allotment in terms of Red Herring Prospectus and Prospectus. |
| ASBA Bidder | Any prospective investor(s) / Bidder (s) in this Issue who apply(ies) through the ASBA process except Anchor Investor. |
| Bank(s) / SCSB(s) | The banks registered with SEBI, which offer the facility of ASBA services, (i)in relation to ASBA, where the Bid Amount will be blocked by authorising anSCSB. |
| Banker to the Issue Agreement or BTO" Agreement" | Agreement dated August 12, 2025 entered into amongst the Company, Book Running Lead Manager, the Registrar, Sponsor Bank and the Banker to the Issue. |
| Bankers to the Issue/ Public Issue/ Refund Banker to the Issue/Bank/ Sponsor Bank | Banks which are clearing members and registered with SEBI as Bankers to an Issue and with whom the Public Issue Account will be opened, in this case being ICICI Bank Limited. |

| | |
|---|---|
| Basis of Allotment | The basis on which the Equity Shares will be Allotted to successful bidders under the issue and which is described in the chapter titled "Issue Procedure" beginning on page 376 of this Red Herring Prospectus. |
| Bid Amount | The highest value of Bids indicated in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the Bidder, as the case may be, upon submission of the Bid. |
| Bid Lot | [●] equity shares and in multiples of [●] equity shares thereafter. |
| Bid(s) | An indication to make an offer during the Bid/ Issue Period by a Bidder (other than an Anchor Investor) pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/ Issue Period by an Anchor Investor, pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations and in terms of the Red Herring Prospectus and Prospectus and the Bid cum Application Form. The term "Bidding" shall be construed accordingly. |
| Bid/ Issue Closing Date | The date after which the Designated Intermediaries will not accept any Bids,is September 02, 2025 , which shall be published in all editions of Business Standard, the English national daily newspaper and all editions of Business Standard, the Hindi national daily newspaper and Telangana editions of Mega Jyothi , the regional newspaper, (where our Registered Office is situated), each with wide circulation. In case of any revision, the extended Bid/Issue Closing Date shall be widely disseminated by notification to the Stock Exchanges, and also be notified on the websites of the BRLM and at the terminals of the Syndicate Members, if any and communicated to the Designated Intermediaries and the Sponsor Bank, which shall also be notified in an advertisement in same newspapers in which the Bid/ Issue Opening Date was published, as required under the SEBI ICDR Regulations. |
| Bid/ Issue Opening Date | Except in relation to any Bids received from the Anchor Investors, the date on which the Syndicate, the Designated Branches and the Registered Brokers shall start accepting Bids, which shall be notified in all editions of the English national newspaper Business Standard, all editions of Hindi national newspaper Business Standardand the regional language of Mega Jyothi newspaper where our Registered Office is situated where the registered office of the company is situated, each with wide circulation, and in case of any revision, the extended Bid/ Issue Opening Date also to be notified on the website and terminals of the Syndicate and SCSBs, as required under the SEBI ICDR Regulations. |
| Bid/ Issue Period | The period between the Bid/ Issue Opening Date and the Bid/Issue Closing Date, inclusive of both days, during which prospective ASBA Bidders can submit their Bids, including any revisions thereof in accordance with the SEBI ICDR Regulations, 2018 and the terms of Red Herring Prospectus and Prospectus. Provided, however, that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders. |
| Bidder/ Applicant | Any prospective investor who makes a bid pursuant to the terms of the Red Herring Prospectus and the Bid-Cum-Application Form and unless otherwise stated or implied, which includes an ASBA Bidder and an Anchor Investor |
| Bidding | The process of making a Bid. |
| Bidding/ Collection Centres | Centres at which the Designated intermediaries shall accept the ASBA Forms, i.e., Designated SCSB Branches for SCSBs, specified locations for syndicates, broker centres for registered brokers, designated RTA Locations for RTAs and designated CDP locations for CDPs. |
| Bid cum Application Form | The Anchor Investor Application Form or the ASBA Form, as the context requires. |

| | |
|---|---|
| Book Building Process/ Book Building Method | Book Building Process, as provided in Part A of Schedule XIII of the SEBI ICDR Regulations, in terms of which the Issue is being made. |
| BRLM / Book Running Lead Manager | Book Running Lead Manager to the Issue in this case being Fast Track Finsec Private Limited, SEBI Registered Category I Merchant Banker. |
| Broker Centres | Broker Centres notified by the Stock Exchanges, where the investors can submit the Application Forms to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchange https://www.nseindia.com/. |
| Business Days | Monday to Friday (except public holidays) |
| CAN or Confirmation of Allocation Note | The Note or advice or intimation sent to each successful Applicant indicating the Equity which will be allotted, after approval of Basis of Allotment by the designated Stock Exchange. |
| Cap Price | The higher end of the price band above which the Issue Price will not be finalized and above which no Bids (or a revision thereof) will be accepted. |
| Client Id | Client Identification Number maintained with one of the Depositories in relation to Demat account. |
| Collecting Depository Participants or CDPs | A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI |
| Collecting Registrar and Share Transfer Agent | Registrar to an Issue and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI. |
| Controlling Branches of the SCSBs | Such branches of the SCSBs which coordinate with the Book Running Lead Manager, the Registrar to the Issue and the Stock Exchange and a list of which is available at www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time. |
| Cut Off Price | The Issue Price, which shall be any price within the Price band as finalized by our Company in consultation with the BRLM. Only Individual Investors are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investor) and Non-Institutional Investors are not entitled to Bid at the Cut-off Price. |
| Depository Participant or DP | A Depository Participant as defined under the Depositories Act, 1996. |
| Depository or Depositories | Depositories registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time. |
| Demographic Details | The demographic details of the Bidders including the Bidders' address, PAN, name of the Bidders' father/husband, investor status, occupation, bank account details and UPI ID, wherever applicable. |
| Designated CDP Locations | Such locations of the CDPs where Applicant can submit the Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Bid-Cum Application Forms are available on the website of the Stock Exchange i.e., www.nseindia.com |

| | |
|---|---|
| Designated Date | The date on which funds are transferred from the Escrow Account(s) and the amounts blocked are transferred from the ASBA Accounts, as the case may be, to the Public Offer Account(s) or the Refund Account(s), as applicable, in terms of the Red Herring Prospectus and Prospectus, after the finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange, following which Equity Shares may be Allotted to successful Bidders in the Offer. |
| Designated Intermediaries/ Collecting Agent | An SCSB's with whom the bank account to be blocked, is maintained, a syndicate member (or sub-syndicate member), a Stock Broker registered with recognized Stock Exchange, a Depositary Participant, a registrar to an issue and share transfer agent (RTA) (whose names is mentioned on website of the stock exchange as eligible for this activity). |
| Designated Market Maker | Member Brokers of NSE who are specifically registered as Market Makers with the NSE EMERGE Platform. In our case Nirman Share Brokers Private Limited is the sole Market Marker. |
| Designated RTA Locations | Such locations of the RTAs where Bidder can submit the Bid-Cum-Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Bid-Cum-Application Forms are available on the websites of the Stock Exchange i.e., www.nseindia.com. |
| Designated SCSB Branches | Such branches of the SCSBs which shall collect the ASBA Application Form from the Applicant and a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes Recognized Intermediaries or at such other website as may be prescribed by SEBI from time to time. |
| Designated Stock Exchange | NSE ("SME Exchange") ("NSE Emerge") |
| Draft Red Herring Prospectus | This Draft Red Herring Prospectus dated March 31, 2025, filed with Stock Exchange and prepared in accordance with the SEBI (ICDR) Regulations, 2018, which does not contain complete particulars of the price at which the Equity Shares will be allotted and the Size of the Issue. |
| EBITDA | EBITDA is calculated as profit for the period / year, plus tax expenses (consisting of current tax, deferred tax and current taxes relating to earlier years), finance costs and depreciation and amortization expenses. |
| EBITDA Margin (%) | Calculated as EBITDA divided by Revenue from Operations. |
| Electronic Transfer of Funds | Refunds through NACH, NEFT, Direct Credit or RTGS as applicable. |
| Eligible NRI | A Non-Resident Indian in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom this Red Herring Prospectus will constitute an invitation to subscribe for the Equity Shares. |
| Eligible QFIs | QFIs from such jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to purchase the Equity shares issued thereby and who have opened Demat accounts with SEBI registered qualified depositary participants. |
| Escrow Account(s) | The account(s) to be opened with the Escrow Collection Bank and in whose favour the Anchor Investors will transfer money through NACH/direct credit/ NEFT/ RTGS in respect of the Bid Amount when submitting a Bid. |
| FII or Foreign Institutional Investors | Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India. |

| | |
|---|---|
| First Bidder/ Applicant/ Bidders | Bidder(s) whose name shall be mentioned in the Bid cum Application Form or the Revision Form and in case of joint bids, whose name shall also appear as the first holder of the beneficiary account held in joint names. |
| Floor Price | The lower end of the Price Band, subject to any revision(s) thereto, at or above which the Issue Price and the Anchor Investor Issue Price will be finalised and below which no Bids will be accepted. |
| Foreign Venture Capital Investors | Foreign Venture Capital Investors registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000. |
| FPI/ Foreign Portfolio Investor | A Foreign Portfolio Investor who has been registered pursuant to the provision of Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, provided that any FII or QFI who holds a valid certificate of registration shall be deemed to be a foreign portfolio investor till the expiry of the block of three years for which fees have been paid as per the SEBI (Foreign Institutional Investors) Regulations, 2019, as amended. |
| Fraudulent Borrower | A company or person, as the case may be, categorized as a fraudulent borrower by any bank or financial institution or consortium thereof, in terms of the Master Directions on "Frauds – Classification and Reporting by commercial banks and select FIs" dated July 01, 2016. |
| Fresh Issue" | The Fresh issue of up to 26,79,000 Equity Shares of face value of ₹ 10/- each for cash at a price of ₹ [●]/- each (including premium of ₹ [●]/- per Equity Share) aggregating up to ₹ [●] Lakhs by Our Company. |
| Fugitive Economic Offender | An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018. |
| "Gross Margin (%)" | Calculated as Gross Profit divided by Revenue from Operations. |
| General Corporate Purposes | Include such identified purposes for which no specific amount is allocated or any amount so specified towards general corporate purpose or any such purpose by whatever name called, in the offer document. Provided that any issue related expenses shall not be considered as a part of general corporate purpose merely because no specific amount has been allocated for such expenses in the offer document. |
| General Information Document (GID) | The General Information Document for investing in public issues, prepared and issued in accordance with the SEBI circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020 and the UPI Circulars. The General Information Document shall be available on the websites of the Stock Exchanges, and the Book Running Lead Manager. |
| Gross Profit | Calculated as Revenue from Operations less cost of goods sold. |
| Growth in Revenue from Operations (%) | Calculated as a percentage of Revenue from Operations of the relevant period minus Revenue from Operations of the preceding period, divided by Revenue from Operations of the preceding period. |
| Issue Agreement | The Issue Agreement dated February 28, 2025 between our Company and Book Running Lead Manager, Fast Track Finsec Private Limited. |
| Issue Price | The Price at which the Equity Shares are being issued by our Company under this Red Herring Prospectus being ₹ [●] per Equity share. |
| Issue Proceeds /Gross proceeds | Proceeds to be raised by our Company through this Issue, for further details please refer chapter titled "Objects of the Issue" beginning on page no. 103 of this Red Herring Prospectus |

| | |
|---|---|
| Issue/ Public Issue/ Issue size/ Initial Public Issue/ Initial Public Offering/ IPO | The Initial Public Issue of upto 26,79,000 Equity shares of ₹ [●]- each at issue price of ₹ [●]/- per Equity share, including a premium of ₹ [●]/- per equity share aggregating to ₹ [●] lakhs |
| Listing Agreement | The Equity Listing Agreement to be signed between our Company and the Stock Exchange. |
| Lot Size | [●] |
| "Maximum Individual Bidder Allottees" | Maximum number of Individual Bidders who can be allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to Individual Bidders by the minimum Bid Lot, subject to valid Bids being received at or above the Issue Price. |
| "Mobile App(s)" | The mobile applications listed on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43 or such other website as may be updated from time to time, which may be used by RIBs to submit Applications using the UPI Mechanism. |
| Mandate Request | Mandate Request means a request initiated on the Individual Investor by sponsor bank to authorize blocking of funds equivalent to the application amount and subsequent debit to funds in case of allotment. |
| Market Maker | Market Maker appointed by our Company from time to time, in this case being Nirman Share Brokers Private Limited who has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for any other period as may be notified by SEBI from time to time. |
| Market Maker Reservation Portion | The Reserved Portion of up to 1,34,000 Equity Shares of face value of ₹ 10/- each fully paid for cash at a price of ₹ [●] per Equity Share aggregating up to ₹ [●] Lakhs for the Market Maker in this Issue. |
| Market Making Agreement | The Market Making Agreement dated August 12, 2025 between our Company, Book Running Lead Manager and Market Maker. |
| Mutual Fund Portion | 9000 Equity Shares, which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Issue Price. |
| Mutual Funds | A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time. |
| "National Payments Corporations of India" or "NPCI" | NPCI, a Reserve Bank of India (RBI) initiative, is an umbrella organization for all retail payments in India. It has been set up with the guidance and support of the Reserve Bank of India (RBI) and Indian Bank Association (IBA). |
| "Net Working Capital Days" | Calculated as working capital (current assets minus current liabilities) as at the end of the period / year divided by revenue from operations multiplied by number of days in a period / year. |
| "Net Worth" | The aggregate of the paid-up share capital, share premium account, and reserves and surplus (excluding revaluation reserve) as reduced by the aggregate of miscellaneous expenditure (to the extent not adjusted or written off) and the debit balance of the profit and loss account |
| National Investment Fund or NIF | National Investment Fund set up by resolution F. No. 2/3/2005 – DD – II dated November 23, 2005, of Government of India published in the Gazette of India. |
| Net Fixed Asset Turnover" | Calculated as Revenue from Operations divided by Fixed Assets. |

| | |
|---|---|
| Net Issue | The Issue (excluding the Market Maker Reservation Portion) of 25,45,000 equity Shares of ₹10/- each at a price of ₹ [●] per Equity Share (the "Issue Price"), including a share premium of ₹ [●] per equity share aggregating to ₹ [●] Lakhs. |
| Net Proceeds | The Issue Proceeds received from the fresh Issue excluding Issue related expenses. For further information on the use of Issue Proceeds and Issue expenses, please refer to the section titled "Objects of the Issue" beginning on page 103 of this Red Herring Prospectus. |
| Net QIB Portion | The portion of the QIB Portion less the number of Equity Shares Allocated to the Anchor Investors |
| New Clients Onboarded | The number of new clients onboarded by the company in a year. |
| Non- Resident | A person resident outside India, as defined under FEMA and includes NRIs, FPIs and FVCIs |
| Non-Institutional Bidders | All Bidders that are not QIBs, Individual bidders or Eligible Employees Bidding in the Employee Reservation Portion and who have Bid for Equity Shares, for an amount of more than ₹ 200,000/- (but not including NRIs other than Eligible NRIs) |
| Non-Institutional Portion | The portion of the Issue being not less than 15% of the Issue, consisting of 12,09,000Equity Shares, which shall be available for allocation on a proportionate basis to Non- Institutional Investors, subject to valid Bids being received at or above the Issue Price. |
| Operating Cash Flows | Means net cash generated from operating activities as mentioned in the Restated Financial Statements. |
| Overseas Corporate Body/ OCB | Overseas Corporate Body means and includes an entity defined in clause (xi) of Regulation 2 of the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCB's) Regulations 2003 and which was in existence on the date of the commencement of these Regulations and immediately prior to such commencement was eligible to undertake transactions pursuant to the general permission granted under the Regulations. OCBs are not allowed to invest in this issue. |
| PAT Margin (%) | Calculated as Profit for the year/period as a percentage of Revenue from Operations. |
| Pay-in-Period | The period commencing on the Bid/Issue Opening date and extended till the closure of the Anchor Investor Pay-in-Date. |
| Payment through transfer of funds | Payment through NECS, NEFT or Direct Credit, as applicable. |
| Person/ Persons | Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/ or incorporated in the jurisdiction in which it exists and operates, as the context requires. |
| Price Band | Price Band of a minimum price (Floor Price) of ₹ [●] and the maximum price (Cap Price) of ₹ [●] and includes revisions thereof. The Price Band will be decided by our Company in consultation with the BRLM and advertised in two national daily newspapers (one each in English and in Hindi) with wide circulation and one daily regional newspaper with wide circulation at least two working days prior to the Bid/ Issue Opening Date. |
| Pricing Date | The date on which our Company in consultation with the BRLM, will finalize the Issue Price. |
| Profit After Tax | Profit for the period/year as appearing in the Restated Financial Statements. |

| | |
|---|---|
| Prospectus | The Prospectus to be filed with the RoC on or after the Pricing Date in accordance with Section 26 of the Companies Act, 2013, and the SEBI ICDR Regulations, 2018 containing, inter alia, the Issue Price, the size of the Issue and certain other information, including any addenda or corrigenda thereto. |
| Public Offer Account(s) | Bank account to be opened with the Public Offer Account Bank(s) under Section 40(3) of the Companies Act to receive monies from the Escrow Account(s) and ASBA Accounts on the Designated Date. |
| Public Offer Account Bank(s) | The bank(s) which are clearing members and registered with the SEBI as a banker to an issue under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, with which the Public Offer Account(s) has been opened, being ICICI Bank limited |
| Public Issue Account | Bank account to be opened with the Public Issue Account Bank, under Section 40(3) of the Companies Act, 2013 to receive monies from the Escrow Account and ASBA Accounts on the Designated Date. |
| QIB Category/ QIB Portion | The portion of the Net Issue (including the Anchor Investor Portion) being not more than 50% of the Net Issue, consisting of 1,26,000 Equity Shares which shall be Allotted to QIBs (including Anchor Investors) on a proportionate basis, including the Anchor Investor Portion (in which allocation shall be on a discretionary basis, as determined by our Company in consultation with the BRLMs), subject to valid Bids being received at or above the Issue Price or Anchor Investor Offer Price (for Anchor Investors). |
| Qualified Institutional Buyers/ QIBs/ QIB Bidders | Qualified institutional buyers as defined under Regulation 2(1) (ss) of the SEBI ICDR Regulations. |
| Red Herring Prospectus / RHP | The Red Herring Prospectus dated August 21, 2025 to be issued in accordance with Section 32 of the Companies Act, 2013, and the provisions of the SEBI ICDR Regulations, 2018, which will not have complete particulars of the issue price at which the Equity Shares will be issued and the size of the Issue, including any addenda or corrigenda thereto. The Red Herring Prospectus will be filed with the RoC at least three Working Days before the Bid/Issue Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date |
| "RoCE (%)" or "Return of Capital Employed" | Calculated as profit before tax plus finance costs divided by total equity plus non-current liabilities. |
| "RoNW" | Return on Net Worth is calculated as Restated Profit after tax divided by Restated Net worth of the Equity Shareholders. |
| Refund Account | The 'no-lien' and 'non-interest bearing' account opened with the Refund Bank, from which refunds, if any, of the whole or part, of the Bid Amount to the Anchor Investors shall be made. |
| Refund Bank/ Refund Banker | Bank which is / are clearing member(s) and registered with the SEBI as Bankers to the Issue at which the Refund Account will be opened, in this case being ICICI Bank Limited. |
| Refund through electronic transfer of funds | Refunds through NECS, direct credit, RTGS or NEFT, as applicable. |
| Registered Broker | The stockbrokers registered with the stock exchanges having nationwide terminals, other than the members of the Syndicate and eligible to procure Bids. |
| Registrar Agreement | The agreement dated August 12, 2025 entered into between our Company and the Registrar to the Issue in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue. |

| | |
|---|---|
| Registrar and Share Transfer Agents or RTAs | Registrar and share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 Dated November 10, 2015 issued by SEBI. |
| Registrar/ Registrar to the Issue/ RTA/ RTI | Registrar to the Issue, in this case being Skyline Financial Services Private Limited |
| Regulation | Unless the context specifies something else, this means the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 |
| Reservation Portion | The portion of the Issue reserved for category of eligible Applicants as provided under the SEBI (ICDR) Regulations, 2018. |
| Reserved Category/ Categories | Categories of persons eligible for making application under reservation portion. |
| Resident Indian | A person resident in India, as defined under FEMA. |
| Individual Bidders/ RIBs/ Individual Investors/ RIIs | Individual Bidders, submitting Bids, who have Bid for Equity Shares for 2 lots and amount more than ₹ 2,00,000/- (including HUFs applying through their Karta and Eligible NRIs and does not include NRIs other than Eligible NRIs). |
| Retail Portion | The portion of the Issue being not less than 35 % of the Net Issue, consisting of 12,10,000 Equity Shares, available for allocation to Individual Bidders, who applies for minimum application size. |
| Revenue from Operations | Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps assess the overall financial performance of our Company and size of our business. |
| Revision Form | The form used by the Bidders to modify the quantity of Equity Shares or the Bid Amount in any of their Bid Cum Application Forms or any previous Revision Form(s), as applicable. QIBs and Non-Institutional Investors are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. |
| RoE (%) or "Return on Equity | Calculated as profit for the year/period divided by Average of shareholders Equity. |
| SEBI (ICDR) Regulations/ ICDR Regulation/ Regulation | SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 issued by SEBI on September 11, 2018, as amended, including instructions and clarifications issued by SEBI from time to time. |
| SEBI (Venture Capital Fund) Regulations | The erstwhile Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to SEBI AIF Regulations. |
| SEBI Act/ SEBI | Securities and Exchange Board of India Act, 1992, as amended from time to time. |
| SEBI Insider Trading Regulations | The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time. |
| SEBI Listing Regulations, 2015 / SEBI Takeover Regulations or SEBI (SAST) Regulations | The Securities and Exchange Board of India (Listing Obligation and Disclosure Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, as amended from time to time. |

| | |
|---|---|
| Securities laws | Means the Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and the rules and regulations made thereunder and the general or special orders, guidelines or circulars made or issued by the Board thereunder and the provisions of the Companies Act, 2013 or any previous company law and any subordinate legislation framed thereunder, which are administered by the Board. |
| Self-Certified Syndicate Bank(s) / SCSB(s) | Shall mean a Banker to an Issue registered under Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, as amended from time to time, and which offer the service of making Application/s Supported by Blocked Amount including blocking of bank account and a list of which is available on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time. |
| SME Exchange | SME Platform of the NSE i.e. "NSE Emerge" |
| Specified Locations | Collection centres where the SCSBs shall accept application form, a list of which is available on the website of SEBI (https://www.sebi.gov.in/) and updated from time to time. |
| Specified Securities | Equity shares offered through this Red Herring Prospectus. |
| Sponsor Bank | Sponsor Bank means a Banker to the Issue registered with SEBI, which is appointed by the Issuer to act as a conduit between the Stock Exchanges and NPCI (National Payments Corporation of India) in order to push the mandate, collect requests and / or payment instructions of the Individual Investors into the UPI. |
| Sub Syndicate Member | A SEBI Registered member of NSE appointed by the BRLM and/ or syndicate member to act as a Sub Syndicate Member in the Issue. |
| Syndicate | Includes the BRLM, Syndicate Members and Sub Syndicate Members. |
| Syndicate ASBA Bidding Locations | Bidding Centres where an ASBA Bidder can submit their Bid in terms of SEBI Circular no. CIR/CFD/DIL/1/2011 dated April 29, 2011, namely Mumbai, Chennai, Kolkata, Delhi |
| Systemically Important Non-Banking Financial Company | Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations. |
| Transaction Registration Slip/ TRS | The slip or document issued by the member of the Syndicate or SCSB (only on demand) as the case may be, to the Applicant as proof of registration of the Application. |
| U.S. Securities Act | U.S. Securities Act of 1933, as amended |
| Underwriter | The BRLM who has underwritten this Issue pursuant to the provisions of the SEBI (ICDR) Regulations, 2018 and the Securities and Exchange Board of India (Underwriters) Regulations, (Repeal) 2021, as amended from time to time. |
| Underwriting Agreement | The Agreement dated August 12, 2025 entered between the Underwriterand our Company. |
| UPI | UPI is an instant payment system developed by the NCPI, it enables merging several banking features, seamless fund routing & merchant payment into one hood. UPI allow instant transfer of money between any two bank accounts using a payment address which uniquely identifies a person's bank account |

| | |
|---|---|
| UPI Circulars | SEBI circular no. CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI Circular no SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/45 dated April 5, 2022, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022 SEBI Circular No: SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/76 dated May 30, 2022, SEBI master circular no. SEBI/HO/CFD/PoD2/P/CIR/2023/00094 dated June 21, 2023,along with (i) the circulars issued by the National Stock Exchange of India Limited having reference no. 23/2022 dated July 22, 2022 and reference no. 25/2022 dated August 3, 2022; and (ii) the circulars issued by BSE having reference no. 20220722-30 dated July 22, 2022 and reference no. 20220803-40 dated August 3, 2022; and any subsequent circulars or notifications issued by SEBI, BSE or National Stock Exchange of India Limited in this regard. |
| UPI ID | ID created on the UPI for single-window mobile payment system developed by the NPCI |
| UPI Mandate Request/ Mandate Request | A request (intimating the Individual Investor by way of notification on the UPI application and by way of a SMS directing the Individual Investor to such UPI application) to the Individual Investor by sponsor bank to authorize blocking of funds equivalent to the application amount and subsequent debit to funds in case of allotment. |
| UPI Mechanism | The mechanism that was used by an Individual Bidder to make a Bid in the Offer in accordance with the UPI Circulars on Streamlining of Public Issues |
| UPI PIN | Password to authenticate UPI transaction |
| Venture Capital Fund/ VCF | Venture capital funds as defined in, and registered with SEBI under, the SEBI VCF Regulations |
| Wilful Defaulter(s) | Wilful defaulter as defined under Regulation 2(1)( lll) of the SEBI (ICDR) Regulations, 2018. |
| Working Day | In accordance with Regulation 2(1) (mmm) of SEBI (ICDR) Regulations, 2018, working days means, all days on which commercial banks in Mumbai are open for business. However, in respect of– (a) announcement of Price Band; and (b) Issue period, working days shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; (c) the time period between the Issue Closing Date and the listing of the Equity Shares on the Stock Exchange, working day shall mean all trading days of the Stock Exchange, excluding Sundays and bank holidays, as per circulars issued by SEBI. |

**Issuer and Industry Related Terms**

| TERM | Description |
|---|---|
| CAGR | Compounded Annual Growth Rate |
| CAP | Corrective Action Plan |
| COA | Certificate of Analysis |

| | |
|---|---|
| CPI | Consumer Price Index |
| CTE | Consent to Establish |
| CY | Current Year |
| EMDE | Emerging Market and Developing Economies |
| ESI ACT | The Employees State Insurance Act, 1948 |
| FIIS | Foreign Institutional Investors |
| FPI | Foreign Portfolio Investment |
| GDP | Gross Domestic Product |
| G-SECS | Government Securities |
| GS | Gas Chromatography (Purity check) |
| GST | Goods and Service Tax Act,2017 |
| GVA | Gross Value Added |
| HDPE | High Density Poly Ethylene |
| HTDS | High density storage tanks |
| HR | Human Resources |
| HSN | Harmonized System Nomenclature |
| IPA | ISO PROPYL ALCOHOL |
| IIP | Index of Industrial Production |
| MW | Mega Watt |
| MC | Moisture Content (amount of water present in a material) |
| MDC | Methylene DI Chloride |
| MNCS | Multinational Corporations |
| MS Storage | Mild Steel Storage |
| MSME's | Micro, Small and Medium Enterprises |
| PATENTS ACT | The Patents Act, 1970 |
| R&D | Research & Development |
| RO | Reverse Osmosis |
| SHWW ACT | Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal Act, 2013 |
| SPENT SOLVENT | A solvent that has been used at least once and cannot be used again for its original purpose without being processed, due to contamination during its use |
| SS Storage | Stainless Steel Storage |
| TAX ACT | Income Tax Act,1961 |
| TAX AMENDMENT ACT 2019 | Taxation Laws (Amendment) Act,2019 |
| THF | Tetrahydrofuran |
| TBA | Tertiary Butyl Alcohol |
| WAGE CODE | Code on Wages, 2019 |
| WATER ACT | The Water (Prevention and control of Pollution) Act, 1974 |

**Conventional and General Terms or Abbreviations**

| Abbreviation | Full Form |
|---|---|
| "₹" or "Rs." or "Rupees" or "INR" | Indian Rupee |
| A/c | Account |
| ACS | Associate Company Secretary |
| AGM | Annual General Meeting |

| | |
|---|---|
| AIF | Alternative Investment Funds registered under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended. |
| AMT | Amount |
| AOA | Articles of Association |
| Approx | Approximately |
| AS/ Accounting Standard | Accounting Standards as issued by the Institute of Chartered Accountants of India |
| ASBA | Applications Supported by Blocked Amount |
| AY | Assessment Year |
| B. Com | Bachelor of Commerce |
| BIFR | Board for Industrial and Financial Reconstruction |
| Bn | Billion |
| BRLM | Book Running Lead Manager |
| C.P.C. | Code of Civil Procedure, 1908 |
| CA | Chartered Accountant |
| CAGR | Compounded Annual Growth Rate |
| CAN | Confirmation of Allocation Note |
| CB | Controlling Branch |
| CC | Cash Credit |
| CDSL | Central Depository Services (India) Limited |
| CENVAT | Central Value Added Tax |
| CFO | Chief Financial Officer |
| CIN | Corporate Identification Number |
| CIT | Commissioner of Income Tax |
| Companies Act, 1956 | Companies Act, 1956 (without reference to the provisions that have ceased upon notification of the Companies Act, 2013) along with the relevant rules made thereunder. |
| Companies Act, 2013 | Companies Act, 2013 to the extent in force pursuant to the notification of sections of the Companies Act, 2013 along with the relevant rules made thereunder as amended |
| "Consolidated FDI Policy" or "FDI Policy" | Consolidated Foreign Direct Investment Policy notified by DPIIT through notification issued by DPIIT, effective from October 15, 2020 |
| CPI-C inflation | CPI-C inflation refers to inflation measured by the Consumer Price Index for industrial workers (CPI-IW), excluding certain items like food and energy. |
| CRM | Customer Relationship Management |
| CrPC | Code of Criminal Procedure, 1973 |
| CS | Company Secretary |
| CS & CO | Company Secretary & Compliance Officer |
| CSR | Corporate Social Responsibility |
| CST | Central Sales Tax |
| CWA/ ICWA | Cost and Works Accountant |
| Digitization | Digitization is the process of converting information, processes, or systems into digital formats, often for easier storage, access, and management. |
| DIN | Director Identification Number |
| DIPP | Department of Industrial Policy and Promotion, Ministry of Commerce, Government of India |
| Disinflation | Disinflation is a decrease in the rate of inflation, where prices rise at a slower pace. |

| | |
|---|---|
| DSA | Direct Selling Agent |
| EBITDA | Earnings Before Interest, Taxes, Depreciation & Amortization |
| ECS | Electronic Clearing System |
| ED | Executive Director |
| EGM/ EOGM | Extraordinary General Meeting |
| Emerging Market | An **emerging market** is a country with a developing economy, rapid growth, and increasing industrialization. |
| EMI | Equated Monthly Instalments |
| EPFA | Employee's Provident Funds and Miscellaneous Provisions Act, 1952 |
| EPS | Earnings Per Share |
| ESIC | Employee's State Insurance Corporation |
| ESOP | Employee Stock Option Plan |
| Euro Area | The **Euro area** refers to the group of European Union countries that have adopted the euro as their official currency. |
| FBT | Fringe Benefit Tax |
| FCNR Account | Foreign Currency Non-Resident Account |
| FDI | Foreign Direct Investment |
| FEMA | Foreign Exchange Management Act, 1999, including the rules and regulations thereunder |
| FEMA Rules | Foreign Exchange Management (Non-debt Instruments) Rules, 2019 |
| FEMA Regulations | The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 |
| FIIs | Foreign Institutional Investors (as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000) registered with SEBI under applicable laws in India |
| Finance Act | Finance Act, 1994 |
| FIPB | Foreign Investment Promotion Board |
| FIs | Financial Institutions |
| Fiscal policy | Fiscal policy is the use of government spending and taxation to influence economic activity and achieve macroeconomic goals. |
| FPIs | "Foreign Portfolio Investor" means a person who satisfies the eligibility criteria prescribed under regulation 4 and has been registered under Chapter II of Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, which shall be deemed to be an intermediary in terms of the provisions of the SEBI Act, 1992. |
| Fraudulent Borrower | A fraudulent borrower as defined in Regulation 2(1) (lll) of the SEBI ICDR Regulations. |
| FV | Face Value |
| FVCI | Foreign Venture Capital Investors registered with SEBI under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000. |
| FY/ Fiscal/ Financial Year | Period of twelve months ended March 31 of that particular year, unless otherwise stated |
| GDP | Gross Domestic Product |
| GoI/ Government | Government of India |
| GST | Goods and Services Tax |
| HFIs | High-frequency indicators are real-time economic data updated frequently, tracking short-term trends. |
| HNI | High Net Worth Individual |
| HP | Horesepower |
| HUF | Hindu Undivided Family |
| I.T. Act | Income Tax Act,1961, as amended from time to time |

| | |
|---|---|
| IBC | The Insolvency and Bankruptcy Code, 2016 |
| ICAI | The Institute of Chartered Accountants of India |
| ICSI | The Institute of Company Secretaries of India |
| ICWAI | The Institute of Cost Accountants of India |
| IFRS | International Financial Reporting Standards |
| IIP | Index of Industrial Production |
| IMF | International Monetary Fund |
| Ind AS Rules | The Companies (Indian Accounting Standard) Rules, 2015 |
| Indian GAAP | Generally Accepted Accounting Principles in India |
| Inflation | Inflation is the rate at which the general level of prices for goods and services rises, eroding purchasing power. |
| IPO | Initial Public Offer |
| IRDA | Insurance Regulatory and Development Authority |
| ISIN | International Securities Identification Number |
| IST | Indian Standard Time |
| IT | Information Technology |
| IT Act | Information Technology Act, 2000 |
| IT Authorities | Income Tax Authorities |
| IT Rules | Income Tax Rule, 1962, as amended, except as stated otherwise |
| KVA | Kilo-volt-amperes |
| KL | Kilolitre |
| KMP | Key Managerial Personnel |
| LL.B. | Bachelor of Law |
| Ltd. | Limited |
| MAPIN | Market Participants and Investors Database |
| MAT | Minimum Alternate Tax |
| MBA | Master of Business Administration |
| MCA | Ministry of Corporate Affairs, Government of India |
| MD | Managing Director |
| Merchant Banker | Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 |
| MFPs | MFPs (Multifactor Productivity) measure the efficiency with which multiple inputs, such as labor and capital, are used together in the production process, reflecting overall productivity growth. |
| Mm | Milimeter |
| Mn | Million |
| MoF | Ministry of Finance, Government of India |
| Monetary policy | Monetary policy is the process by which a central bank controls money supply and interest rates to manage economic growth, inflation, and employment. |
| MoU | Memorandum of Understanding |
| MSME | Micro, Small and Medium Enterprises |
| NA | Not Applicable |
| NACH | National Automated Clearing House |
| NAV | Net Asset Value |
| NCLT | National Company Law Tribunal |
| NCT | National Capital Territory |
| NECS | National Electronic Clearing System |
| NED | Non-executive director |
| NEFT | National Electronic Funds Transfer |

| | |
|---|---|
| Net worth | The aggregate of paid-up Share Capital and Share Premium account and Reserves and Surplus (Excluding revaluation reserves) as reduced by aggregate of Miscellaneous Expenditure (to the extent not written off) and debit balance of Profit & Loss Account |
| Nm | Nanometer |
| NOC | No Objection Certificate |
| Nominal GDP | Nominal GDP is the total value of all goods and services produced in a country, measured at current market prices, without adjusting for inflation. |
| NPV | Net Present Value |
| NRE Account | Non-Resident External Account |
| NRIs | Non-Resident Indians |
| NRO Account | Non-Resident Ordinary Account |
| NSDL | National Securities Depository Limited |
| NSE | National Stock Exchange of India Limited |
| OCB or Overseas Corporate Body | A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts in which not less than 60% of the beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to the general permission granted to OCBs under the FEMA. OCBs are not allowed to invest in the Issue. |
| P/E Ratio | Price/ Earnings Ratio |
| PAN | Permanent Account Number |
| PAT | Profit After Tax |
| PBT | Profit Before Tax |
| PFUTP Regulations | Trade Practices relating to Securities Markets) Regulations, 2003 |
| PSU | Public Sector Undertaking(s) |
| Pvt. | Private |
| R&D | Research & Development |
| RBI | The Reserve Bank of India |
| Real wages | Real wages are income adjusted for inflation, reflecting purchasing power |
| Registration Act | Registration Act, 1908 |
| RoC | Registrar of Companies |
| ROE | Return on Equity |
| RONW | Return on Net Worth |
| Rs. / Rupees/ INR/ ₹ | Indian Rupees, the legal currency of India |
| RTGS | Real Time Gross Settlement |
| SCRA | Securities Contracts (Regulation) Act, 1956, as amended from time to time |
| SCRR | Securities Contracts (Regulation) Rules, 1957, as amended from time to time |
| SCSB | Self-Certified syndicate Banks |
| SEBI | Securities and Exchange Board of India |
| SEBI (PFUTP) Regulations/ | SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003 |
| SEBI Act | Securities and Exchange Board of India Act, 1992, as amended |
| SEBI AIF Regulations | Securities and Exchange Board of India (Alternate Investments Funds) Regulations, 2012, as amended. |
| SEBI FII Regulations | Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended from time to time. |

| | |
|---|---|
| SEBI FPI Regulations | Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended from time to time. |
| SEBI FVCI Regulations | Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended from time to time. |
| SEBI Insider Trading Regulations | Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended |
| SEBI Regulations/ SEBI ICDR Regulations | Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended. |
| Sec. | Section |
| SEZ | SEZ (Special Economic Zone) is a region with unique economic policies, offering tax incentives and relaxed regulations to attract investment. |
| SICA | Sick Industrial Companies (Special Provisions) Act, 1985 |
| SME | Small and Medium Enterprises |
| SPV | Special Purpose Vehicle |
| SSI | Small Scale Industry |
| STT | Securities Transaction Tax |
| TAN | Tax Deduction Account Number |
| Tariff Structure | Tariff structure refers to the system of taxes or duties imposed on imported and exported goods, detailing rates and classifications based on product types or countries. |
| Tax Buoyancy | Tax buoyancy refers to the responsiveness of tax revenue to changes in a country's economic growth or income levels. |
| TIN | Taxpayers Identification Number |
| Trade Marks Act | Trade Marks Act, 1999 |
| TRS | Transaction Registration Slip |
| TR | Ton of refrigeration |
| U.N. | United Nations |
| U.S. GAAP | Generally Accepted Accounting Principles in the United States of America |
| U.S. Securities Act | The United States Securities Act, 1933 |
| UIN | Unique identification number |
| US/ United States | United States of America |
| USD/ US$/ $ | United States Dollar, the official currency of the Unites States of America |
| VCF | Venture Capital Funds |
| VCFs | Venture capital funds as defined in and registered with the SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as the case may be. |
| w.e.f. | With effect from |
| WDV | Written Down Value |
| Wilful Defaulter(s) | Company or person categorised as a wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India and includes any company whose directors or promoters is categorised as such and as defined under Regulation 2(1) (III) of the SEBI (ICDR) Regulations, 2018. |
| WTD | Whole Time Director |
| YoY | year-over-year |

## CERTAIN CONVENTION, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA AND CURRENCY OF FINANCIAL PRESENTATION

### CERTAIN CONVENTIONS

All references to "India" in this Red Herring Prospectus are to the Republic of India and its territories and possessions and all references herein to the "Government", "Indian Government", "GoI", "Central Government" or the "State Government" are to the Government of India, central or state, as applicable.

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

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

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

### FINANCIAL DATA

Unless stated otherwise, the financial data included in this Red Herring Prospectus are extracted from the restated financial statements of our Company, prepared in accordance with the applicable provisions of the Companies Act and Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Reviewed Auditors, set out in the section titled "Financial Information", as Restated beginning on page 282 this Red Herring Prospectus. Our restated financial statements are derived from our audited financial statements prepared in accordance with Indian GAAP and the Companies Act and have been restated in accordance with the SEBI (ICDR) Regulations.

Our fiscal year commences on 1st April of each year and ends on 31st March of the next year. All references to a particular fiscal year are to the 12 months period ended 31st March of that year. In this Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off. All decimals have been rounded off to two decimal points. There are significant differences between Indian GAAP, IFRS and US GAAP. The Company has not attempted to quantify their impact on the financial data included herein and urges you to consult your own advisors regarding such differences and their impact on the Company's financial data. Accordingly, to what extent, the financial statements included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices / Indian GAAP. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited. Any percentage amounts, as set forth in "Risk Factors", "Our Business", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and elsewhere in this Red Herring Prospectus unless otherwise indicated, have been calculated on the basis of the Company's restated financial statements prepared in accordance with the applicable provisions of the Companies Act and Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Reviewed Auditors, set out in the section titled "Financial Information, as Restated" beginning on page 282 of this Red Herring Prospectus.

## CURRENCY AND UNITS OF PRESENTATION

In this Red Herring Prospectus, references to Rupees or INR or Rs. are to Indian Rupees, the official currency of the Republic of India. All references to $, US$, USD, U.S $ or U.S. Dollars are to United States Dollars, the official currency of the United States of America. All references to million / Million / MN refer to one million, which is equivalent to ten lacs or ten lakhs, the word Lacs / Lakhs / Lac means one hundred thousand and Crore means ten million and billion / BN/ Billions means one hundred crores.

## INDUSTRY AND MARKET DATA

Unless stated otherwise, industry data used throughout the Red Herring Prospectus has been obtained or derived from industry and government publications, publicly available information and sources. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although our Company believes that industry data used in the Red Herring Prospectus is reliable, it has not been independently verified. Further, the extent to which the industry and market data presented in the Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of, the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

## EXCHANGE RATE

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

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Indian Rupee and other foreign currencies:

| Currency | Exchange rate as on (in ₹) | | |
|---|---|---|---|
| | **March 28, 2025** | **March 28, 2024** | **March 31, 2023** |
| 1 USD | 85.54 | 83.37 | 82.22 |

*(Source: www.rbi.org.in and www.fbil.org.in )*

## FORWARD LOOKING STATEMENTS

*All statements contained in the Red Herring Prospectus that are not statements of historical facts constitute forward-looking statements". All statements regarding our expected financial condition and results of operations, business, objectives, strategies, plans, goals and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, our revenue and profitability, planned projects and other matters discussed in the Red Herring Prospectus regarding matters that are not historical Facts. These forward-looking statements and any other projections contained in the Red Herring Prospectus (whether made by us or any third party) are predictions and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections.*

*These forward-looking statements can generally be identified by words or phrases such as "will", "aim", "will likely result", "believe", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "contemplate", "seek to", "future", "objective", "goal", "project", "should", "will pursue" and similar expressions or variations of such expressions. Important factors that could cause actual results to differ materially from our expectations include but are not limited to:*

- Our ability to successfully implement our growth strategy and expansion plans;
- Our Company's inability to meet its working capital requirements or maintain its existing credit facilities
- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Our ability to meet our capital expenditure requirements;
- Fluctuations in operating costs;
- Our ability to attract and retain qualified personnel;
- Our inability to maintain quality standards;
- Changes in government policies and regulatory actions that apply to or affect our business;
- Our inability to respond to new innovations in our industry;
- Any adverse outcome in the legal proceedings in which we and our promoters are involved;
- Conflict of Interest with affiliated companies, the promoter group and other related parties;
- General social and political conditions in India which have an impact on our business activities or investments;
- Adverse natural calamities and man-made disaster having significant impact on our business;
- Other Factors beyond our control
- Developments affecting the Indian economy;
- Loss of consumers;

For a further discussion of factors that could cause our current plans and expectations and actual results to differ, please refer to the chapters titled "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations"* beginning on page 37, 178 and 320, respectively of this Red Herring Prospectus.

Forward-looking statements reflects views as of the date of the Red Herring Prospectus and not a guarantee of future performance. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither our Company / our directors nor the Book Running Lead Manager, nor any of its affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the Book Running Lead Manager will ensure that investors in India are informed of material developments until such time as the listing and trading permission is granted by the Stock Exchange(s).

***Remainder of this page has been left blank intentionally***

## SECTION II – SUMMARY OF OFFER DOCUMENT

*This section is a general summary of certain disclosures included in this Red Herring Prospectus and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Red Herring Prospectus or all details relevant to prospective investor. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Red Herring Prospectus, including the sections titled 'Risk Factors', 'The Issue', 'Capital Structure', 'Objects of the Issue', 'Industry Overview', 'Our Business', 'Financial Information', 'Outstanding Litigation and Material Developments', 'Issue Procedure' and 'Main Provisions of the Articles of Association' beginning on at pages no. 37, 67,89, 103, 123, 178, 282, 338, 376, and 417 respectively, of this Red Herring Prospectus.*

### OVERVIEW

Our Promoters initially acquired M/s Snehaa Pharma Chemicals a partnership firm, and the erstwhile partnership form was thereby reconstituted by retiring old partners and addition of new partners. Further, in July 2022 "M/s Snehaa Pharma Chemicals" was converted from partnership firm to a Private Limited Company in the name of "Snehaa Organics Private Limited". Thereafter, our Company was converted into a Public Limited Company in pursuance of a special resolution passed by the members of our Company at the Extra Ordinary General Meeting dated December 18, 2024 and a fresh Certificate of Incorporation consequent to conversion was issued on January 07, 2025 by the Registrar of Companies, CPC Manesar Haryana and consequently the name of our Company was changed from "Snehaa Organics Private Limited" to "Snehaa Organics Limited".

### SUMMARY OF OUR INDUSTRY

Solvents are versatile chemical substances that facilitate the dissolution, dilution, or dispersion of other materials without changing their chemical structure. They are crucial across various industries, including pharmaceuticals, chemicals, coatings, food processing, and cleaning, due to their ability to enhance formulation processes and extraction techniques.

Solvent recovery is a process designed to extract and reclaim solvents from waste or by-products generated during industrial operations. This method purifies used solvents, making them suitable for reuse in production processes. By reducing the need to purchase new solvents and minimizing waste disposal, solvent recovery significantly lowers operational costs and environmental impact. It is widely employed across industries such as pharmaceuticals, chemicals and manufacturing. Without solvent recovery, many industrial processes would become economically unviable due to the high cost of solvent procurement and disposal. In India, various solvent recovery processes are employed across different industries to optimize efficiency, reduce costs, and enhance environmental sustainability.

For detail information please refer to chapter tittle "**Industry Overview**" on page no. 123 of the Red Herring Prospectus.

### SUMMARY OF OUR PRIMARY BUSINESS

Snehaa Organics Limited operates in the solvent recovery and recycling sector, providing sustainable solutions for industries that utilize solvents in their processes. The company collects spent solvents from various industries and employs distillation and purification technologies to process them for reuse. Company's workforce ensures efficient recovery from diverse solvent mixtures, including those with significant variability between batches.

Each batch undergoes comprehensive quality control measures to align with industry requirements. The company also maintains a testing facility to address specific customer needs. The recovered solvents are returned to the respective companies for reuse, while the additional purified solvents are sold in the market, supporting resource efficiency and waste reduction. Additionally, the company engages in direct trading of solvent, sourcing raw materials from suppliers, conducting quality assessments, and sold them in the open market.

For further details of our business please refer chapter titled "Our business" on page no. 178 of this Red Herring Prospectus.

## OUR PROMOTERS

Currently, Mr. Nandigala Venkata Sai Harish, Mr. Nandigala Venkata Sai Kiran and Ms. Samhitha Reddy Tera are the promoters of our company

For detail information please refer chapter titled "Our Promoters and Promoter Group" on page no. 259 of this Red Herring Prospectus.

## OFFER SIZE

| **PRESENT ISSUE IN TERMS OF THIS RED HERRING PROSPECTUS** | |
|---|---|
| Equity Shares Offered through Public Issue | Issue of up to 26,79,000* Equity Shares of face value ₹10/- each fully paid-up for cash at price of ₹ [•] per Equity Share aggregating to ₹ [•], of our Company. |
| **Out of which:** | |
| Issue Reserved for the Market Makers | 1,34,000 Equity Shares of face value ₹ 10/- each fully paid-up for cash at price of ₹ [•] per Equity Share aggregating to ₹ [•]. |
| Net Issue to the Public | 25,45,000 Equity Shares of face value ₹ 10/- each fully paid-up for cash at price of ₹ [•] per Equity Share aggregating to ₹ [•]. |
| **Out of which*** | |
| A. QIB Portion | Not more than 1,26,000 Equity Shares aggregating up to ₹ [•] lakhs. |
| **Of which** | |
| i) Anchor Investor Portion | Nil |
| ii) Net QIB Portion (assuming Anchor Investor Portion is fully subscribed) | Up to 1,26,000 Equity Shares of face value of ₹ 10/- each fully paid up for cash at price of ₹ [•] /- per Equity Share aggregating to ₹ [•] Lakhs |
| **Of which** | |
| (a) Available for allocation to Mutual Funds only (5% of the Net QIB Portion) | Up to 9,000Equity Shares of face value of ₹ 10/- each fully paid up for cash at price of ₹ [•] /- per Equity Share aggregating to ₹ [•] Lakhs. |
| (b) Balance of QIB Portion | Up to 1,17,000Equity Shares of face value of ₹ 10/- each fully paid up for cash at price of ₹ [•] /- per Equity Share aggregating to ₹ [•] Lakhs. |

| | |
|---|---|
| B. Non-Institutional Portion | Not Less than 12,09,000Equity Shares of face value of ₹ 10/- each fully paid-up for cash at price of ₹ [•] /- per Equity Share aggregating to ₹ [•] Lakhs |
| (a) one third of the portion available to non - institutional investors shall be reserved for applicants with application size of more than two lots and up to such lots equivalent to not more than ₹10 lakhs; | Up to 4,03,000 Equity Shares of face value ₹10/ - each |
| (b) two third of the portion available to non-institutional investors shall be reserved for applicants with application size of more than ₹10 lakhs | Up to 8,06,000 Equity Shares of face value ₹10/ - each |
| C. Individual Investor Portion who applies for minimum application size | Not Less than 12,10,000Equity Shares of face value of ₹ 10/- each fully paid-up for cash at price of ₹ [•] /- per Equity Share aggregating to ₹ [•] Lakhs |
| **Pre and Post – Issue Equity Shares** | |
| Equity Shares outstanding prior to the Issue | 75,00,000 Equity Shares of face value ₹10/- each |
| Equity Shares outstanding after the Issue | 101,79,000 Equity Shares of face value ₹ 10/- each |
| Use of Net Proceeds by our Company | For further details please refer chapter titled "Objects of the Issue" beginning on page no. 103 of this Red Herring Prospectus for information on use of Issue Proceeds |

**Subject to finalisation of the Basis of Allotment. Number of shares may need to be adjusted for lot size upon determination of issue price.*

## OBJECTS OF THE ISSUE

1. To meet the Working Capital requirements of the Company;
2. Repayment of loans availed by our Company
3. General Corporate Purposes; and
4. To meet the Issue Expenses.

For further details of our business please refer chapter titled "Our business" on page no. 178 of this Red Herring Prospectus.

## UTILIZATION OF NET PROCEEDS

The details of utilization of net proceeds are set out in the following tables:

**(Amt. in Lakhs)**

| Sr. No | Object of the Issue | Estimated Amount |
|---|---|---|
| 1. | To meet Working Capital Requirements | 2,394.17 |
| 2. | Repayment of loans availed by our Company | 350.00 |
| 3. | General Corporate Purpose* | [•] |
| | **Total** | [•] |

**To be finalised upon determination of the Issue Price and updated in the Prospectus prior to filing with the RoC and the amount to be utilized for general corporate purposes shall not exceed 15% of the amount raised by our Company or Rs. 10 Cr. whichever is lower.*

For further details please refer to the chapter titled "Object of the Issue" beginning on page no.103 of this Red Herring Prospectus.

## AGGREGATE PRE-ISSUE SHAREHOLDING OF PROMOTERS AND PROMOTER GROUP

Our Promoters and Promoter Group collectively hold 74,99,995 Equity shares of our Company aggregating to 100% of the pre- issue paid-up Share Capital of our Company. Following are the details of the shareholding of the Promoters and Promoter Group, as on date of this Red Herring Prospectus:

| Sr. no. | Name of the Shareholder | Pre-Issue | |
|---|---|---|---|
| | | No. of Equity Shares | % of Pre-Issue Capital |
| | **Promoters** | | |
| 1. | Mr. Nandigala Venkata Sai Kiran | 37,49,995 | 49.99% |
| 2. | Mr. Nandigala Venkata Sai Harish | 37,50,000 | 50% |
| **TOTAL(A)** | | **74,99,995** | **99.99%** |

For further details please refer to the chapter titled "Capital Structure" beginning on page 89 of this Red Herring Prospectus.

## SHAREHOLDING OF PROMOTER/ PROMOTER GROUP AND ADDITIONAL TOP 10 SHAREHOLDERS OF THE COMPANY AS AT ALLOTMENT:

| Sr. no. | Pre-Issue shareholding as at the date of allotment | | | Post-issue shareholding as at allotment | | | |
|---|---|---|---|---|---|---|---|
| | Shareholding | No. of Equity shares | Shareholding (%) | At the lower end of the price end | | At the upper end of the price end | |
| | | | | No. of Equity shares (2) | Share holding (%)(2) | No. of Equity shares (2) | Share holding (%)(2) |
| | **Promoter Shareholder** | | | | | | |
| 1. | Nandigala Venkata Sai Kiran | 37,49,995 | 49.99% | 37,49,995 | 36.84% | 37,49,995 | 36.84% |
| 2. | Nandigala Venkata Sai Harish | 37,50,000 | 50% | 37,50,000 | 36.84% | 37,50,000 | 36.84% |
| | **Public Shareholders** | | | | | | |
| 3. | P Poornachandra Reddy | 1 | Negligible | 1 | Negligible | 1 | Negligible |
| 4. | Nadagapu Kesava Rao | 1 | Negligible | 1 | Negligible | 1 | Negligible |
| 5. | Tirumalasetti Sambasiva Rao | 1 | Negligible | 1 | Negligible | 1 | Negligible |
| 6. | D Srinivas Rao | 1 | Negligible | 1 | Negligible | 1 | Negligible |
| 7. | Vijaya Lakshmi Padigapati | 1 | Negligible | 1 | Negligible | 1 | Negligible |
| **Total** | | **75,00,000** | **100%** | **75,00,000** | **73.68** | **75,00,000** | **73.68** |

**Notes:**
1. There are no Promoter Group shareholders in the Company
2. Includes all options that have been exercised until date of Red Herring Prospectus.
3. Based on the Issue price of ₹ [●] and subject to finalization of the basis of allotment.

## SUMMARY OF FINANCIAL INFORMATION

Following are the details as per the restated financial statements for the financial years ended on March 31, 2025, March 31, 2024 and March 31, 2023

**(₹ in Lakhs unless otherwise stated)**

| Particulars | As at March 31, 2025 | As at March 31, 2024 | As at March 31, 2023 | As at 04th July 2022 |
|---|---|---|---|---|
| Equity Share Capital | 750 | 100 | 100 | 100 |
| Net worth | 1477.63 | 743.81 | 377.83 | 100 |
| Total Income | 2629.45 | 2380.31 | 1372.09 | 669.32 |
| Profit after tax | 733.82 | 365.98 | 277.83 | 46.83 |
| Earnings per Share (In ₹) Basic | 9.78 | 4.88 | 4.76 | - |
| Earnings per Share (In ₹) Diluted | 9.78 | 4.88 | 4.76 | - |
| Net Asset Value per Equity share as Restated (Pre-Bonus) | 147.76 | 74.38 | 48.58 | - |
| Net Asset Value per Equity share as Restated (post bonus) | 19.70 | 9.92 | 6.48 | - |
| **Total Borrowings** | | | | |
| Long Term Borrowings* | 678.57 | 392.13 | 355.98 | 390.93 |
| Short Term Borrowings | 229.95 | 0 | 3.17 | 3.26 |

**it includes current maturity of long-term borrowings as well.*

## AUDITOR QUALIFICATIONS

There are no audit qualifications which have not been given effect in the restated financial statements.

## SUMMARY OF OUTSTANDING LITIGATIONS

A summary of pending legal proceedings and other material litigations involving our Company is provided below:

| Particulars | No. of Cases | Total Amount Involved (Amt in Lakhs) |
|---|---|---|
| **Proceedings against our Company** | | |
| Civil | 0 | 0 |
| Criminal | 0 | 0 |
| Statutory/tax notices | 1 | 7.71 |
| **Proceedings by our Company** | | |

| | | |
|---|---|---|
| Criminal | 0 | 0 |
| Statutory/tax notices | 0 | 0 |
| **Proceedings against /by our promoters/directors** | | |
| Civil | 0 | 0 |
| Criminal | 0 | 0 |
| Statutory/tax notices | 0 | 0 |
| **Proceedings involving our Group entities** | | |
| Civil | 8 | 58.75 |
| Criminal | 0 | 0 |
| Statutory/tax notices | 0 | 0 |
| **Litigation involving our KMP** | | |
| Civil | 0 | 0 |
| Criminal | 0 | 0 |
| Statutory/tax notices | 0 | 0 |

*Note: - Company does not have any SMP and Subsidiary*

For details related to **'Outstanding Litigations and Material Developments'** please refer to chapter titled '*Legal and Other Information' on page no.338* of this Red Herring Prospectus.

## RISK FACTORS

For details on the risks involved in our business, please see the Chapter titled "Risk Factors" beginning on page 37 of this Red Herring Prospectus.

## SUMMARY OF CONTINGENT LIABILITIES

**(Amount in lakhs)**

| **Particulars** | **As at** | | | |
|---|---|---|---|---|
| | **31st March, 2025** | **31st March, 2024** | **31st March, 2023** | **04th July, 2022** |
| i. Claims against the Company not acknowledged as debts | Unascertainable | Unascertainable | Unascertainable | Unascertainable |
| ii. Income tax demand | - | - | - | - |
| iii. TDS demand | - | - | - | - |
| iv. GST demand | 7.71 | - | - | - |
| **Total** | **7.71** | - | - | - |

Note: - The Company has received various GST notices from tax authorities in previous years, indicating potential discrepancies in GST reporting and payment. These cases are currently under review, and the Company is uncertain whether any actual liabilities will arise from these notices.

For further details please refer to the chapter titled "Restated Financial Information" beginning on page no. 282 of this Red Herring Prospectus.

## SUMMARY OF RELATED PARTY TRANSACTIONS

**Summary of the transactions with the above related parties:**

**List of Related parties and nature of relationship**

| Sr. no. | Name of the Related Party | Nature of Relationship |
|---|---|---|
| 1. | Sri Nandigala Venkata Sai Kiran | Managing Director |
| 2. | Sri Nandigala Venkata Sai Harish | Whole time Director |
| 3. | Khushbu Kachhawa | Independent Director |
| 4. | Sri Nandigala Venkata Lakshmi | Director (till 1-04-2024) |
| 5. | Gurprit Kaur | Independent Director |
| 6. | Samhitha Reddy Tera | Non-Exceutive Director |
| 7. | B Sharath Chandra | Chief Financial Officer |
| 8. | Poonam Jain | Company Secretary |
| 9. | Sri Nandigala Ramasubba Reddy | Partner (till the year ended 31-03-2022) and relative of directors |
| 10. | Sri Nandigala Ramasubba Reddy(HUF) | Partner (till the year ended 31-03-2022) |
| 11. | Vestro Solvents Private Limited | Group company |
| 12. | Vestro Chemical Corporation Private Limited | Group company |
| 13. | Vestro Labs Private Limited | Group company |
| 14. | Vestro Containers Private Limited | Group company |
| 15. | Vedant Petrochem Private Limited | Group company |
| 16. | Vedant Agri Foods Private Limited | Group company |
| 17. | Vedant Logitech Private Limited | Group company |
| 18. | Vedant Chemicals | Group enterprise |
| 19. | N Ramasubbareddy HUF | Group enterprise |
| 20. | Vedant Crop Sciences | Group enterprise |
| 21. | TCR Chemical Industries | Promoters group relative Partnership firm |
| 22. | Sree Sai Sinivasa Chemicals | Promoters group relative Partnership firm |
| 23. | Magnus Life Sciences Pvt Ltd | Promoters group relative company |

**(Amt. in Lakhs)**

| S. no | Name of the Party | Nature of Transaction | As at 31st March 2025 | % of Revenue from operations | As at 31st March, 2024 | % of Revenue from operations | As at 31st March, 2023 | % of Revenue from operations | As at 04th July, 2022 | % of Revenue from operations |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Sri Nandigala Ramasubba Reddy | Loan Availed | - | | - | | - | | - | |
| | | Loan Repaid | - | | - | | - | | - | |
| | | Rent | 3.60 | 0.14 | 3.60 | 0.15 | 0.90 | 0.07 | - | |
| 2. | Sri Nandigala Ramasubba Reddy (HuF) | Loan Availed | - | | - | - | - | - | - | |
| | | Loan Repaid | 15.00 | 0.57 | - | - | - | - | - | |
| 3 | | Loan Availed | - | | - | - | 16.43 | 1.20 | 87.09 | 13.50 |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Sri Nandigala Venkata Lakshmi | Loan Repaid | 86.79 | 3.31 | 5.47 | 0.23 | 3.00 | 0.22 | 25.25 | 3.92 |
| | | Partners remuneration | - | | - | - | - | - | 9.00 | 1.40 |
| **4** | Sri Nandigala Venkata Sai Harish | Loan Availed | 156.47 | 5.97 | - | - | - | - | 185.91 | 28.82 |
| | | Loan Repaid | 193.94 | 7.40 | 110.54 | 4.66 | 9.67 | 0.71 | 28.24 | 4.38 |
| | | Directors remuneration | 8.89 | 0.34 | - | - | 16.00 | 1.17 | - | - |
| **5** | Sri Nandigala Venkata Sai Kiran | Loan Availed | - | | - | - | - | - | 167.65 | 25.99 |
| | | Loan Repaid | 6.74 | 0.26 | 93.96 | 3.96 | 38.72 | 2.84 | 28.24 | 4.38 |
| | | Directors remuneration | 8.89 | 0.34 | - | - | 40.00 | 2.93 | - | - |
| **6.** | Kushbu Kachhawa | Sitting fees | 0.33 | 0.01 | - | - | - | - | - | - |
| **7.** | Gurprit Kaur | Sitting fees | 0.25 | 0.01 | - | - | - | - | - | - |
| **8.** | B Sharath Chandra | Salary | 8.00 | 0.31 | - | - | - | - | - | - |
| **9.** | Poonam Jain | Salary | 0.71 | 0.03 | - | - | - | - | - | - |
| **10.** | Vestro Solvents Private Limited | Sales | 25.75 | 0.98 | 307.94 | 12.98 | 102.40 | 7.50 | 101.67 | 15.76 |
| | | Purchases | 212.11 | 8.09 | 201.54 | 8.50 | 43.31 | 3.17 | 53.06 | 8.23 |
| | | Services | 109.12 | 4.16 | - | - | - | - | 18.59 | 2.88 |
| | | Rent | 1.20 | 0.05 | - | - | - | - | - | - |
| **11.** | Vestro Chemical Corporation Private Limited | Sales | - | | 32.62 | 1.38 | - | - | - | - |
| **12.** | Vestro Labs Private Limited | Sales | 6.45 | 0.25 | 1.66 | 0.07 | - | - | - | - |
| | | Purchases | 17.02 | 0.65 | - | - | - | - | - | - |
| | | Service | 0.06 | 0.00 | | | | | | |
| **13.** | Vestro Containers Private Limited | Sales | - | | 5.64 | 0.24 | - | - | - | - |
| | | Purchases | 34.02 | 1.30 | 48.38 | 2.04 | 29.43 | 2.16 | 9.91 | 1.54 |
| **14** | Vedant Petrochem Private Limited | Sales | 245.99 | 9.38 | 624.58 | 26.33 | 542.19 | 39.71 | - | - |
| | | Purchases | 42.53 | 1.62 | 144.01 | 6.07 | 36.61 | 2.68 | - | - |
| **15.** | Vedant Chemicals | Sales | - | | - | - | 243.81 | 17.86 | - | - |
| | | Purchases | - | | - | - | 53.61 | 3.93 | - | - |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Services | - | | - | - | - | - | - | - |
| **16.** | TCR Chemical Industries | Sales | 190.99 | 7.28 | 4.76 | 0.20 | 14.23 | 1.04 | - | - |
| | | Purchases | 3.17 | 0.12 | 9.56 | 0.40 | 34.89 | 2.56 | - | - |
| **17** | Sree Sai Srinivasa Chemicals | Sales | 60.98 | 2.33 | - | - | - | - | - | - |
| **18** | Magnus Life Sciences Private limited | Sales | 11.02 | 0.42 | - | - | - | - | - | - |
| | | Purchases | 13.15 | 0.50 | - | - | - | - | - | - |

**(Amt. in lakhs)**

| **C. Summary of the Outstanding balances with the above related parties:** | | | | | | |
|---|---|---|---|---|---|---|
| **S.no** | **Name of the Party** | **Nature of Transaction** | **As at 31st March, 2025** | **As at 31st March, 2024** | **As at 31st March, 2023** | **As at 04th July, 2022** |
| 1 | Sri Nandigala Ramasubba Reddy | Rent payable | 7.38 | - | - | - |
| 2 | Sri Nandigala Venkata Lakshmi | Loan Payable | - | 86.79 | 92.27 | 78.84 |
| | | Directors remuneration Payable | - | - | - | - |
| 3 | Sri Nandigala Venkata Sai Harish | Loan Payable | - | 37.47 | 148.01 | 157.68 |
| | | Directors remuneration Payable | 2.00 | - | 5.90 | - |
| 4 | Sri Nandigala Ramasubba Reddy (HUF) | Loan Payable | - | 15.00 | 15.00 | 15.00 |
| 5 | Sri Nandigala Venkata Sai Kiran | Loan Payable | - | 6.74 | 100.70 | 139.42 |
| | | Directors remuneration Payable | 11.00 | 3.00 | 7.50 | - |
| 6 | Kushbu Kachhawa | Sitting fees payable | 0.30 | - | - | - |
| 7. | Gurprit Kaur | Sitting fees payable | 0.23 | - | - | - |
| 8. | B. Sharath Chandra | Salary payable | 2.00 | - | - | - |
| 9. | Poonam Jain | Salary payable | 0.30 | - | - | - |
| 10 | Vestro Solvents Private Limited | Creditors | 112.37 | 220.86 | 14.61 | 144.19 |
| | | Creditors (transport) | - | 37.73 | 26.43 | - |

| | | | | | | |
|---|---|---|---|---|---|---|
| | | Debtors | 107.24 | 284.68 | 8.67 | (168.19 ) |
| | | Rent Payable | 1.42 | - | - | - |
| 11 | Vestro Chemical Corporation Private Limited | Debtors | - | - | (0.47) | - |
| 12 | Vestro Labs Private Limited | Debtors | 1.56 | 0.10 | - | - |
| | | Creditors | 0.01 | - | - | - |
| 13. | Vestro Containers Private Limited | Creditors | 6.12 | 0.79 | - | - |
| 14 | Vedant Petrochem Private Limited | Debtors | 11.08 | 23.44 | 99.61 | - |
| | | Creditors | - | 1.10 | - | - |
| 15 | TCR Chemical Industries | Debtors | 221.48 | (0.17) | (0.17) | - |
| | | Creditor | 3.55 | - | - | - |
| 16 | Vedant Chemicals | Debtors | - | 1.62 | 1.62 | 179.64 |
| 17 | Magnus Life Sciences Private limited | Creditors | 2.52 | - | - | - |
| 18 | Sree Sai Srinivasa chemicals | Debtors | 71.97 | - | - | - |

For further details please refer to ANNEXURE – XXXIII of the chapter titled "Restated Financial Information" beginning on page no. 309 of this Red Herring Prospectus.

## FINANCING ARRANGEMENTS

There are no financing arrangements whereby the promoters, members of the promoter group, the directors of the issuer and their relatives have financed the purchase by any other person of securities of the issuer other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of this Red Herring Prospectus.

## WEIGHTED AVERAGE PRICE OF THE SHARES ACQUIRED BY PROMOTERS IN LAST ONE YEAR

| Name | Promoter / Promoter Group | No. of Shares held | Weighted Avg. Cost of Acquisition*(in ₹) |
|---|---|---|---|
| Nandigala Venkata Sai Harish | Promoter | 37,50,000 | Nil |
| Nandigala Venkata Sai Kiran | Promoter | 37,49,995 | Nil |

*As Certified by M/s Phanindra & Associates, Chartered Accountants dated 14.08.2025.

## AVERAGE COST OF ACQUISITION OF SHARES

The average cost of acquisition of Equity Shares by our Promoters is set forth in the table below:

| Name | Promoter / Promoter Group | No. of Shares held | Avg. Cost of Acquisition*(in ₹) |
|---|---|---|---|
| Nandigala Venkata Sai Harish | Promoter | 37,50,000 | 1.07 |

| | | | |
|---|---|---|---|
| Nandigala Venkata Sai Kiran | Promoter | 37,49,995 | 1.07 |

Note:- Including the Equity Shares issued pursuant to bonus issue and transfer.
*As Certified by M/s Phanindra & Associates, Chartered Accountants dated 14.08.2025.

## PRE IPO-PLACEMENT

Our Company does not contemplate any issuance or placement of Equity Shares from the date of this Red Herring Prospectus until the listing of the Equity Shares. Our Company undertakes:

1. That Pre-IPO proceeds being discretionary in nature, if raised, shall be completely attributed/adjusted towards GCP portion; unless auditor certified disclosures are made with regards to its utilization towards the disclosed specific objects of the issue. A confirmation to this effect we shall submit at the time of filing of Red Herring Prospectus with the Exchange and the confirmation should form part of material documents available for inspection.

2. Disclosure shall be made of the price and the name of the shareholder on the day of the allotment in case if any Pre-IPO placement is done, through public advertisement. A confirmation to this effect we shall submit at the time of filing of Red Herring Prospectus with the Exchange and the confirmation should form part of material documents available for inspection. The details of the Pre-IPO shall also form part of the Price Band Advertisement.

## EQUITY SHARES ISSUED FOR CONSIDERATION OTHER THAN CASH

Except as set out below, we have not issued Equity Shares for consideration other than cash in the last one year.

| Date of Allotment | No. of Equity Shares | Face Value (₹ ) | Issue Price (₹ ) | Nature of Consideration | Reason for Allotment | Person to Whom Equity Shares Allotted | |
|---|---|---|---|---|---|---|---|
| | | | | | | Name of the Allottees | No. of Shares Allotted |
| 07-12-2024 | 65,00,000 | 10 | NIL | Other than Cash | Bonus Issue of the Equity in the ratio of 65:10 | Nandigala Venkata Sai Harish | 32,50,000 |
| | | | | | | Nandigala Venkata Sai Kiran | 32,50,000 |
| | | | | | | **TOTAL(A)** | 65,00,000 |

## SPLIT/ CONSOLIDATION OF EQUITY SHARES

Our Company has not undertaken split or consolidation of the Equity Shares in the one (1) year preceding the date of this Red Herring Prospectus.

## EXEMPTION FROM COMPLYING WITH ANY PROVISIONS OF SECURITIES LAWS, IF ANY, GRANTED BY SEBI

As on date of the Red Herring Prospectus, our Company has not availed any exemption from complying with any provisions of securities laws granted by SEBI.

***Remainder of this has been left blank intentionally***

## SECTION III – RISK FACTORS

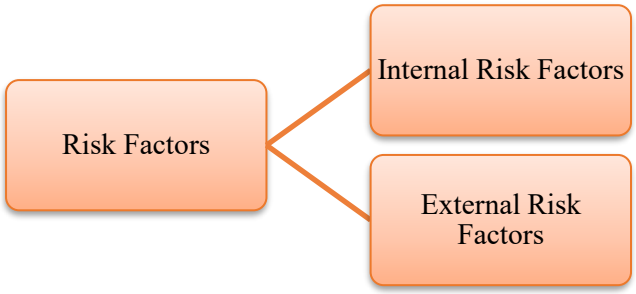
*An investment in Equity Shares involves a high degree of risk. Prospective investors should carefully consider all the information in this Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. In making an investment decision 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.*

*Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein. To obtain a complete understanding, you should read this section in conjunction with the chapters titled "Our Business" beginning on page no.178, "Industry overview" beginning on page on 123 and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page on 320 respectively, of this Red Herring Prospectus as well as other financial information contained herein.*

*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 financial statements under Indian GAAP, as restated in this Red Herring Prospectus. 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 chapter, refer to the chapter titled "Definitions and Abbreviations" beginning on page no. 01 of this Red Herring Prospectus. 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.*

*The risk factors are classified as under for the sake of better clarity and increased understanding:*




## INTERNAL RISK FACTOR

1. ***We derive a significant part of our revenue from selected customers. If one or more of such customers choose not to source their requirements from us, our business, financial condition and results of operations may be adversely affected.***

   Significant proportion of our total revenue comes from our top 10 customers and the loss of any of our customers may adversely affect our sales and consequently on our business and results of operations. The loss of one or more of these significant or key customers or a reduction in the amount of business we obtain from them could have an adverse effect on our business, results of operations, financial condition and cash flows. We cannot assure you that we will be able to maintain historic level of business for our top 10 customer. We don't have any binding agreement with our customer, resulting in our inability in to retain our customers. We cannot assure you that we shall generate the same quantum of business, or any business at all, and the loss of business from one or more of them may adversely affect our revenues and results of operations. However, the composition and revenue generated from these customers might change, as we continue to add new customers in the normal course of business. Though we believe that we will not face substantial challenges in maintaining our business relationship with them or finding new customers, there can be no assurance that we will be able to maintain long term relationships with such customers or find new customers in time.

   The following table sets forth percentage from our top one, top three and top five in the years/ periods indicated:

| Particulars | FY 24-25 | FY 23-24 | FY 2022-23 (5th July, 2022 to 31st March, 2023) | FY 2022-23 (1st April, 2022 to 04th July, 2022) |
|---|---|---|---|---|
| Top 1 Customer | 19.43% | 22.32% | 33.66% | 32.03% |
| Top 5 Customers | 56.27% | 62.25% | 67.88% | 63.56% |
| Top 10 Customers | 75.67% | 81.44% | 83.86% | 79.57% |

*For more details in respect to Top 10 customers, please refer to page no.* 205 *under section titled "Our Business"*

2. ***The property used by the Company for the purpose of its warehousing and Registered office is not owned by us. Any termination of the relevant rent agreement in connection with such property or our failure to renew the same could adversely affect our operations.***

As on the date of this Red Herring Prospectus, our Registered Office and storage area premises are taken on lease basis. The details of the leasehold properties have been provided below: -

| S. No. | Purpose | Address | Details of Lessor | Lease Tenure | Lease Rent |
|---|---|---|---|---|---|
| **1.** | Registered Office | Plot No 290 & 291, Doolapally, Adjacent to IDA Jeedimetla, Hyderabad, Telangana - 500055 | Vestro Solvents Pvt Ltd. | 11 months (March 01, 2025 to January 31, 2026) | 10,000 per month |
| **2.** | Storage Unit | Survey No. 296/7/3, IDA Bollaram, Jinnaram Mandal, Sangareddy, Telangana - 502325 | Nandigala Rama Subba Reddy | 11 months (November 01, 2024 to August 31, 2025) | 30,000 per month |

*Note: - The Lessor, as mentioned above, is associated with Snehaa Organics Limited. Vestro Solvents Private Limited is a group company and part of the promoter group of Snehaa Organics Limited. Additionally, Nandigala Rama Subba Reddy is a member of the promoter group of Snehaa Organics Limited and aforementioned lease deed is adequately stamped.*

There can be no assurance that the term of the agreements will be renewed and in the event the Lessor/Licensor terminates or does not renew the agreements on commercially acceptable terms, or at all, and we are required to vacate our offices, we may be required to identify alternative premises and enter into fresh lease or leave and license agreement, potentially causing operational disruptions and incurring increased costs associated with relocation. Even if the lessor is open to renewal, negotiations over lease terms may arise. An increase in monthly rent could strain the company's budget and financial planning. Unfavorable new terms might impact profitability and overall financial health.

Additionally, changes in local regulations or market conditions can complicate lease agreements. For example, new laws concerning commercial leasing or economic downturns could lead to higher rents or less favorable terms during negotiations. For details on properties taken on lease/rent by us please refer to the heading titled "Place of Business" in chapter titled "Our Business" beginning on page no. 183 of this Red Herring Prospectus.

3. ***The Company is dependent on few suppliers for purchase. Loss of any of these large suppliers may affect our business operations.***

Following is table showing the contribution of the suppliers in our business process.

| Particulars | FY 24-25 | FY 23-24 | FY 2022-23 (5th July, 2022 to 31st March, 2023) | FY 2022-23 (1st April, 2022 to 04th July, 2022) |
|---|---|---|---|---|
| Top 1 Suppliers | 39.10% | 24.23% | 13.20% | 36.33% |
| Top 5 Suppliers | 69.95% | 64.75% | 44.45% | 85.85% |

| | | | | |
|---|---|---|---|---|
| Top 10 Suppliers | 81.78% | 87.37% | 71.32% | 91.84% |

We cannot assure that we will be able to get the same quantum and quality of supplies from our major suppliers or any supplies at all, and the loss of supplies from one or more of them may adversely affect our purchases and ultimately our revenue and results of operations. However, the composition and amount of purchase from these suppliers might change as we continue to seek new suppliers for our business operations, for better price in the normal course of business. Though we believe that we will not face substantial challenges in maintaining our business relationship with them or finding new suppliers, but there can be no assurance that we will be able to maintain long term relationships with such suppliers or find new suppliers in time or at all. For further details of our top ten suppliers, please refer "*Our Business*" on page 178 of this Red Herring Prospectus.

4. ***We provide our goods majorly in Telangana, any adverse changes in the conditions affecting this region can adversely affect our business, financial condition and results of operations.***

We derive majority of our revenue from Telangana. Details of our revenue are as follow:

**(Amt. in lakhs)**

| **Particulars** | **FY 24-25** | **%** | **FY 23-24** | **%** | **FY 2022-2023 (05th July, 2022 to 31st March, 2023)** | **%** | **FY 22-23 (1st April 22 to 4th July 22)** | **%** |
|---|---|---|---|---|---|---|---|---|
| **Job work charges** | 897.48 | 34.22% | 730.45 | 30.80% | 438.91 | 32.15% | 105.91 | 16.42% |
| **Direct Trade** | 437.11 | 16.67% | 106.82 | 4.50% | 117.98 | 8.64% | 21.79 | 3.38% |
| **Sale of Products (Distilled)** | 1024.97 | 38.09% | 1,096.15 | 46.22% | 717.43 | 52.55% | 417.23 | 64.68% |
| **Total** | **2359.56** | **89.98%** | **1933.42** | **81.52%** | **1274.32** | **93.34%** | **544.93** | **84.48%** |

In the event of a regional slowdown in the economic activity in these states or any other developments including political unrest, disruption or sustained economic downturn or natural calamities in those regions affecting the ability of our merchants to continue their operations within their respective communities, or that make our services and/or products in these states less available or attractive and beneficial to the customer, we may experience an adverse effect on our financial condition and results of operations, which are largely dependent on the performance, geo-political and other prevailing conditions affecting the economies of the state. The market of Telangana may perform differently from,

and be subject to, market and regulatory developments that are different from the requirements in other states of India. There can be no assurance that the demand for our products will grow, or will not decrease, in the future, in these regions. There has been no prior instances of this event.

5. ***There may be potential conflict of interests between Our Company, Promoter Group Entities, Group Companies/Entities which are in similar businesses to ours, and this may result in potential conflict of interest with us.***

Our Promoter Group Company i.e., TCR Chemicals and Group Company i.e. Magnus Life Sciences Private Limited is involved in line of business that may potentially compete with our Company. We may hence have to compete with our Promoter Group Entities for business, which may impact our business, financial condition and results of operations. The interests of our Promoters or Promoter Groups may also conflict in material aspects with our interests or the interests of our shareholders. For further details, please refer "Our Promoter and Promoter Group" beginning on page no. 359 of this Red Herring Prospectus. Further, our Promoters may become involved in ventures that may potentially compete with our Company. The interests of our Promoters or Promoter Groups, Group Companies may conflict with the interests of our other Shareholders and our Promoters may, for business considerations or otherwise, cause our Company to take actions, or refrain from taking actions, in order to benefit themselves instead of our Company's interests or the interests of its other Shareholders and which may be harmful to our Company's interests or the interests of our other Shareholders, which may impact our business, financial condition and results of operations.

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

We have entered into various transactions with our Directors/ Promoter and Promoter Group members. These transactions, inter-alia include, remuneration, loans and advances, etc. For details, please refer page no. 309 to "Annexure-XXXIII- Related Party Transactions" under Section titled "Financial Information of the Company" and details in respect to transactions at page no. 277 under section titled "Related Party Transactions" of this Red Herring Prospectus. Our Company has entered such transactions due to easy proximity and quick execution on arms-length price in compliance with provisions of Companies Act, 2013, as amended and other applicable laws. Although all related-party transactions are on arm length basis and that we may enter into in the future are subject to approval by Board or shareholders, as required under the Companies Act, we cannot assure you that such future transactions or any other future transactions, individually or in aggregate, will not have an adverse effect on our financial condition and results of operations or that we could not have achieved more favorable terms if such transactions are not entered into with related parties. Furthermore, it is likely that we may enter into related party transactions in the future. Any future transactions with our related parties could potentially involve conflicts of interest. Accordingly, there can be no assurance that such transactions, individually or in the aggregate, will not have a material adverse effect on our business, financial condition, results of operations and prospects. For details regarding percentage of Total RPT s compared to total revenue, please refer page no. 32 of Chapter titled 'Summary of Offer Document' of this Red Herring Prospectus.

7. ***We are subject to certain risks arising from our operations involving hazardous substances, and the requirement to obtain and maintain necessary approvals and licenses.***

Our business operations involve the handling, purification, recycling, storage, and transportation of various hazardous and corrosive substances and chemicals, including certain raw materials that are toxic and flammable. These activities inherently expose us to significant risks such as leakages, ruptures, explosions, fires, or the release of hazardous substances, which may result in personal injury, property damage, environmental contamination, regulatory action, and reputational harm. While no such incident has occurred to date, we cannot guarantee the absence of such occurrences in the future.

We may be required to obtain and maintain various statutory licenses and approvals from regulatory authorities to carry out activities involving hazardous substances. Furthermore, we have entered into a third-party arrangement for certain activities that would otherwise require authorization from the Central Pollution Control Board (CPCB), and therefore, we are not required to obtain a separate CPCB license as of now.

However, depending on the scale and nature of our future operations or due to changes in applicable regulatory frameworks, we may be required to obtain additional licenses or approvals. Any failure to obtain, maintain, or renew such approvals in a timely manner, or comply with applicable environmental, safety, and operational regulations, may result in the imposition of penalties, suspension of operations, or revocation of licenses by the competent authorities.

Moreover, any unforeseen incidents involving hazardous materials could lead to civil or criminal liability, disruption of operations, or forced shutdown of our manufacturing facilities, any of which could have a material adverse effect on our business, financial condition, and results of operations.

8. ***We are subject to certain risks consequent to our operations involving our business process, usage and storage of various hazardous substances.***

Our business processes involve solvent handling, purification, and recycling, storage and transportation of various hazardous substances and certain raw materials that we use in the process that are highly corrosive, hazardous and toxic chemicals, and we are required to obtain approvals from various authorities for storing hazardous substances.

We are subject to operating risks associated with handling of such hazardous materials such as possibility for leakages and ruptures from containers, explosions, and the discharge or release of toxic or hazardous substances, which in turn may cause personal injury, property damage and environmental contamination. In the event of occurrence of any such accidents, our business operations may be interrupted. Any of these occurrences may result in the shutdown of our manufacturing facility and expose us to civil and / or criminal liability which could have an adverse effect on our business, financial condition and results of operations. Further, such occurrences may result in the termination of our approvals for storing such substances or penalties thereunder. Although no such incident has occurred in the past, we cannot ensure you against the risk of occurrences of any such incidences in future.

9. ***Our insurance coverage may not adequately protect us against all losses or the insurance cover may not be available for all the losses as per the insurance policy, which could adversely affect business, financial condition and results of operations.***

Our insurance coverage may not adequately protect us against certain operating risks and this may have a material adverse effect on our business. There can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time. Accordingly, to the extent that we suffer loss or damage that is not covered by insurance or which exceeds our insurance coverage, our results of operations or cash flows may be affected. There is a risk that our insurance policies may not be sufficient in covering all losses in which we or any third parties may suffer. If we suffer in an event for which we are not adequately insured, there is a risk that it could have a material adverse effect on our business, results of operations and financial condition.

In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, at acceptable cost or at all. To the extent that we suffer loss or damage for which we did not obtain or maintain insurance, and which is not covered by insurance, exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, cash flows and financial performance could be adversely affected. However, there have been some claims against insurance made in past as per our track record. For more information, please refer page no. 178 under chapter titled "**Our Business**" of the Company.

10. ***Our Company, Promoters, and Directors are involved in certain legal and regulatory proceedings. Any adverse decision in such proceedings may have a material adverse effect on our business, financial condition, cash flows and results of operations.***

There are outstanding legal proceedings involving our Company/group companies and our Promoter/promoter group which are pending at different levels of adjudication before various courts, tribunals and other authorities. Such proceedings could divert management time and attention, and consume financial resources in their defence or prosecution. The amounts claimed in these proceedings have been disclosed to the extent ascertainable and quantifiable and include amounts claimed jointly and severally from our Company and Promoter.

Any unfavourable decision in connection with such proceedings, individually or in the aggregate, could adversely affect our reputation, business, financial condition and results of operations. Certain details of such outstanding legal proceedings as of date of this Red Herring Prospectus are set out below:

| Nature of litigation | No. of cases | Amount involved (in lakhs) |
|---|---|---|
| **Outstanding/Concluded Litigations and Material Developments against the Company and/or its director/promoter or Group company** | | |
| Civil cases | 8 | 58.75 |
| Statutory Notices | 1 | 7.71 |
| Criminal Litigation | 0 | 0 |
| **Total** | **9** | **66.46** |

*For more details, please refer page no.338 under section title "Outstanding Litigations and Material Developments"*

11. ***Our existing manufacturing facility is concentrated in a single region i.e., Sangareddy, Telangana, any inability to operate and grow our business in this particular region may have an adverse effect on our business, financial condition, results of operations, cash flows and future business prospects.***

Our business operations are based and concentrated in one area i.e., Sangareddy, Telangana. As a result, our manufacturing units are, and may continue, to be subject to operating risks, including but not limited to:

- forced or voluntary closure, including as a result of regulatory inspections or natural or man-made disasters at our facilities or our suppliers' facilities;
- manufacturing shutdowns or equipment breakdown or failure and industrial accidents;
- labor disputes, strikes or lock-outs;
- local community, political or other opposition;
- shortage of personnel;
- interruptions in supply of water and electricity or other resources;
- changes in applicable laws and regulations impacting our operations;
- failure or bottlenecks in production processes, especially due to inadequate supply of utilities such
- as power or water outages, wastage, yield losses; and
- other malicious acts, technical issues, terrorism, catastrophic events.

Further, any continuous addition of similar industries/competitors in and around these areas, without commensurate growth of its infrastructural facilities may put pressure on the existing infrastructure and

also increase competition in the area, which may affect our business and results of operation. The prices we are able to obtain for our products that we trade depend largely on prevailing market prices.

12. ***Non-compliance with and changes in, safety, health, environmental and labour laws and other applicable regulations, may adversely affect our business, financial condition and results of operations.***

We are subject to laws and government regulations, including in relation to safety, health, environmental protection and labour. These laws and regulations impose controls on air and water discharge, processing, handling, storage, transport or disposal of hazardous substances including employee exposure to hazardous substances and other aspects of our business operations. Further, our process, including the process of manufacture, storage and distribution of such products, are subject to numerous laws and regulations in relation to quality, safety and health. We handle and use hazardous materials in our business activities and the improper handling or storage of these materials could result in accidents, injure our personnel, property and damage the environment. Any accident at our facility may result in personal injury or loss of life, environmental damage, substantial damage to or destruction of property and equipment resulting in the suspension of operations.

Further, laws and regulations may limit the amount of hazardous and pollutant discharge that our manufacturing facility may release into the air and water. The discharge of materials that are chemical in nature or of other hazardous substances into the air, soil or water beyond these limits may cause us to be liable to regulatory bodies or third parties. Any of the foregoing could subject us to legal proceedings, which could have an adverse impact on our profitability in the event we were found liable and could also adversely affect our reputation. Additionally, the government or the relevant regulatory bodies may require us to shut down our manufacturing plants, which in turn could lead to product shortages that delay or prevent us from fulfilling our obligations to customers.

We have incurred and expect to continue incurring costs for compliance with such laws and regulations. These laws and regulations have, however, become increasingly stringent and it is possible that they will become significantly more stringent in the future. We cannot assure you that we will not be found to be in non-compliance with, or remain in compliance with all applicable environmental, health and safety and labour laws and regulations or the terms and conditions of any consents or permits in the future or that such compliance will not result in a curtailment of production or a material increase in the costs of production.

13. ***Frequent changes in Statutory Auditor of our company may raise concerns regarding financial reporting, governance, and compliance.***

We have frequently changed our Statutory Auditors in the past due to other pre occupations of the resigning auditors and may do so in the future due to reasons beyond the control of management. Frequent changes could result in a lack of continuity, inconsistencies in financial reporting, and increased regulatory scrutiny. They may also impact investor confidence, create administrative burdens, and raise concerns about audit quality. Additionally, such changes may affect our credibility. While we comply with all applicable laws, we cannot ensure that these changes will not adversely impact our business, financial condition, or operations. For details regarding changes in auditors during the last three years, please refer page 84 of Chapter titled 'General Information' of this Red Herring Prospectus.

14. ***Our Company's logo is not registered as on date of Red Herring Prospectus. We may be unable to adequately protect our intellectual property. Furthermore, we may be subject to claims alleging breach of third-party intellectual property rights.***

Currently our company is using  as logo (in device) and "Snehaa Organics" (in word), but these are not owned by us. We do not have registered trademarks for our corporate name and logo under the Trade Marks Act, 1999 hence, we do not enjoy the statutory protections accorded to a registered logo. We have applied for trademark registration under class 35 and 40 which is under process however, we cannot assure you that any application for registration of our logo will be granted by the relevant authorities in a timely manner or at all. Further, there can be no assurance that third parties will not infringe our intellectual property, causing damage to our business prospects, reputation and goodwill. We may not be able to detect any unauthorized use or our efforts to protect our intellectual property may not be adequate and may lead to erosion of our business value and our operations could be adversely affected. We may need to litigate in order to determine the validity of such claims and the scope of the proprietary rights of others. Any such litigation could be time consuming and costly, and the outcome cannot be guaranteed. For further details of our logo. Please refer to chapter "Government and Other Statutory Approval" on page 345 of this Red Herring Prospectus.

15. ***Our Company had filed certain ROC forms with delayed fees and company cannot assure that no proceedings or regulatory actions will be initiated against it in relation to the delayed filings. Any penalty or action taken by any regulatory authority in future, for non-compliance with provisions of corporate or any other law could impact the financial position of the Company.***

There are few discrepancies noticed in some of our corporate records relating to e-forms filed with the Registrar of Companies, which inter-alia includes delayed filing of Returns and forms with the ROC in past years, details of forms which were delayed in filing with ROC are as follows:

| Sr. no. | Form | Purpose | Days delayed |
|---|---|---|---|
| 1 | CHG-1 | Creation of charge ID_100977659 with HDFC Bank | 54 |
| 2 | CHG-1 | Creation of charge ID_100873330 with HDFC Bank | 8 |
| 3 | ADT-1 | Appointment of Sarangpani & Co. | 25 |
| 4 | ADT-1 | Appointment of Sumalatha & Associates | 5 |

Although, no show cause notice in respect of the above has been received by the Company till date, any penalty imposed for such non-compliance in future by any regulatory authority could affect our financial conditions to that extent.

To mitigate such risks in future and to ensure timely completion of compliance filings, our Company now conducts regular review meetings, and appointment of the company secretary and compliance officer by the Company further strengthens our compliance management.

16. ***We have a large work force and our employee benefits expense is one of the components of our fixed operating costs. An increase in employee benefits expense could reduce our profitability. Further, our operations could be adversely affected by work stoppages, shortage of labour, or increased wage demands by our employees or any other kind of disputes with our employees***

Our business process is manpower intensive and we are dependent on the availability of our permanent employees and the supply of a sufficient pool of workers at our factories.

Unavailability or shortage of such a pool of workmen or any strikes, work stoppages, increased wage demands by workmen or changes in regulations governing hiring of labour may have an adverse impact on our cash flows and results of operations.

As at July 31, 2025, our Company's work force comprised 59 full time employees Set out below are the details of our employee benefits expense for the financial year ended 2025, 2024 and 2023 respectively:

| Particular | 31.03.2025 | 31.03.2024 | For the period from 05th July, 2022 to 31st March, 2023 | For the period from 01st April, 2022 to 04th July, 2022 |
|---|---|---|---|---|
| Employee benefits expense (in ₹ Lakhs) | 214.48 | 149.88 | 133.43 | 38.86 |
| Employee benefits expense (as a % of total expense) | 13.01 | 7.98 | 13.45 | 6.56 |

Set out below are the details of attrition rate of our employees in the Fiscal 2025, Fiscal 2024 and Fiscal 2023:

| Year | 31.03.2025 | 31.03.2024 | For the period from 05th July, 2022 to 31st March, 2023 | For the period from 01st April, 2022 to 04th July, 2022 |
|---|---|---|---|---|
| Attrition rate % | 24.56% | 64.86% | 22.58% | 16.00% |
| Average no. of Employees during the year | 57 | 37 | 31 | 25 |
| Employee left during the year | 14 | 24 | 07 | 04 |

Further, a shortage in the skilled employee pool or general inflationary pressures will also increase our employee costs. A significant long-term increase in our employee benefits expense could reduce our profitability, which could, amongst others, impact our growth prospects.

**17.** ***We have very short span of operating history as company.***

Our Promoter has initially acquired M/s Snehaa Pharma Chemicals, a partnership firm vide Reconstitution of Partnership Deed dated June 21, 2019, thereafter M/s Snehaa Pharma Chemicals" was converted from partnership firm to a Private Limited Company in the name of "Snehaa Organics Private Limited" vide Certificate of Incorporation dated July 05, 2022 and thereafter converted to a public company in the name of "Snehaa Organics Limited" vide Certificate of Incorporation dated January 07, 2025.

Our limited operating history as a company may adversely affect our ability to implement our growth strategies, and may make it difficult for you to evaluate our past performance and future prospects in connection with any investment in the Equity Shares. Prospective investors should accordingly consider our future prospects in light of the risks and the challenges encountered by a company with a limited operating history.

We cannot guarantee our ability to effectively navigate the challenges, uncertainties, costs, and difficulties we may encounter, nor can we ensure the successful achievement of our objectives. The

limited duration of our operational history further complicates the prediction of our future prospects and financial performance.

18. ***Our performance may be adversely affected if we do not manage our inventory or working capital successfully***

The results of operations of our business are dependent on our ability to effectively manage our inventory. To effectively manage our inventory, we must be able to accurately estimate customer demand and supply requirements and plan our purchases accordingly. If our management fails to estimate the expected customer demand it could adversely impact the results by causing either a shortage of products or an accumulation of excess inventory which could affect the cost. We estimate our sales based on the demand and requirements and also on the customer specifications. Further, any disruptions to the delivery of materials may occur for reasons such as poor handling, transportation bottlenecks or labour strikes, which could lead to delayed or lost deliveries or damaged products and disrupt our supply of these products. An optimal level of inventory is important to our business as it allows us to respond to customer demand effectively. If we overstock inventory, our capital requirements will increase and we will incur additional financing costs. If we under-stock inventory, our ability to meet customer demand and our operating results may be adversely affected. Any mismatch between our planning and actual consumer demand could lead to potential excess inventory or out-of-stock situations, either of which could have an adverse effect on our business, financial condition and results of operation. For further details of our business, please refer chapter titled "Business Overview" beginning on page 178 of this Red Herring Prospectus.

19. ***Our Company does not have any comparable listed industry peers***

Our Company is engaged in the business of solvent handling, purification, and recycling, which has limited market players due to various challenges, including high initial investment costs, the availability of low-cost new solvents, technological complexities in handling complex solvent mixtures, and the need for trained personnel to operate and maintain specialized equipment. These factors create significant entry barriers, making it difficult for new competitors to enter the market. As a result, our Company does not have any listed industry peers. The absence of comparable listed companies may make it challenging for investors to find relevant industry benchmarks and assess our Company's performance, which could impact their investment decisions.

20. ***Any fluctuations in prices of our materials or shortage in supply of chemicals for trading in our products, could adversely impact our business and our profitability.***

Our Company is dependent on the various chemicals required for the trading of our products. Thus, we do not have long-term supply agreements with our suppliers and procure chemicals on an order-to-order basis. Any significant increase in the cost of key chemicals or supply shortages could raise our procurement costs, potentially affecting our profitability. If we are unable to pass on these increased costs to consumers, our financial performance may be adversely impacted.

21. ***Our success largely depends upon the knowledge and experience of our Promoters and Directors as well as our ability to attract and retain skilled personnel. Any loss of our Directors, Senior Management or our ability to attract and retain them and other skilled personnel could adversely affect our business, financial condition and results of operations.***

Our performance depends largely on the efforts and abilities of our Promoters and Key Managerial Personnel, see "Our Management" and "Our Business – Description of Our Business – Employees" on pages 243 and 217, respectively. We believe that the inputs and experience of our Promoters and Key Managerial Personnel are valuable for the growth and development of business and operations and the strategic directions taken by our Company. Our business and operations are led by qualified and

experienced management team, we cannot assure you that we will be able to retain or find adequate replacements in a timely manner, or at all. We cannot assure that our business will not be adversely affected by the loss of any such personnel in the future.

22. ***Industry information included in this Red Herring Prospectus has been derived from an industry report exclusively commissioned and paid for by our Company.***

We have availed the services of an independent third-party research agency, D&B - Dun & Bradstreet Information Services India Pvt Ltd.(D&B), to prepare an industry report titled "Industry Report on Solvents and Solvent Recycling" dated March 2025 ("D&B Report") exclusively for purposes of inclusion of such information in this Red Herring Prospectus. D&B's Report highlights certain industry and market data, which may be subject to estimates and/or assumptions. We cannot assure you that estimates and/or assumptions are correct or will not change and, accordingly, our position in the market may differ from that presented in this Red Herring Prospectus. Additionally, some of the data and information in the D&B Report is also based on discussions/conversations with industry sources. Industry sources and publications are also prepared based on information as of specific dates and may not be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. The report is a paid report that has been commissioned by our Company. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Red Herring Prospectus. Further, the D&B Report is not a recommendation to invest or disinvest in our Company.

23. ***The demand for our business process is dependent on the performance of pharmaceuticals industry as a whole, any downturn or cyclical fluctuation in the pharma sector could materially affect our business and financial performance.***

Our business is primarily engaged in the purification and recycling of organic solvents, which are predominantly consumed by industries such as pharmaceuticals, paints and coatings, and cleaning. The pharmaceutical industry, in particular, is a major consumer of solvents for the production of active pharmaceutical ingredients (APIs) and other related products. Solvent recovery plays a crucial role in this sector, offering significant economic, operational, and environmental benefits.

The demand for our products is closely tied to the performance of the pharmaceutical industry. Any downturn, cyclical fluctuations, or regulatory changes within this sector could adversely impact our business and financial performance.

24. ***We require various licenses and approvals for undertaking our businesses and the failure to obtain or retain such licenses or approvals in a timely manner, or at all, may adversely affect our operations.***

Our business is subject to various government regulations and we require approvals, licenses, registrations and permissions for operating our business.

We are also required to renew certain approvals and licenses from time to time, and may be required to obtain new licenses and permissions as our operations expand. Any failure to obtain or renew such approvals, or comply with applicable laws and regulations, could result in penalties or sanctions by relevant authorities. For further details, see "Government and Other Statutory Approvals" beginning on page 245 of this Red Herring Prospectus.

If we are unable to obtain or renew the required licenses and approvals in a timely manner or at all, or if the terms on which they are granted are not favorable, our business operations, financial condition and results of operations may be adversely affected.

25. ***There have been instances of delay in GST and ESIC filings by our Company. We may be subject to regulatory actions or penalties for any such delay and our business, financial condition and reputation may be adversely affected.***

We have certain past instances of delayed filing of statutory returns due to some reasons beyond the control of management of the Company. Any demand or penalty imposed by the concerned authority in future for late payments or non-payments, both for any previous year and current year, will have an impact on the financial position of the Company.

**GST Filing detail: -**

**FY - 2021-22**

| Month | Due Date | Filing Date | Delay in days |
|---|---|---|---|
| April | 20-05-21 | 07-06-21 | 18 |
| May | 20-06-21 | 12-07-21 | 22 |
| November | 20-12-21 | 21-12-21 | 1 |

**FY 2022-23**

| Month | Due Date | Payment Date | Delay in days |
|---|---|---|---|
| April | 20-05-22 | 24-05-22 | 4 |

**ESIC details: -**

**FY 2023-24**

| Month | Due date | Payment date | Delay in days |
|---|---|---|---|
| April | 15-05-23 | 13-06-24 | 395 |
| May | 15-06-23 | 15-07-23 | 30 |

***Note: -*** *M/s Snehaa Pharma Chemicals" was converted from partnership firm to a Private Limited Company in the name of "Snehaa Organics Private Limited" vide Certificate of Incorporation dated July 05, 2022. M/s Snehaa Pharma Chemicals made delay in certain payment and filing of GST Returns in past years, if any demand or penalty imposed by the concerned authority in future for late payments or non-payments, for any previous year, will have an impact on the financial position of the Company.*

26. ***We require working capital for our smooth day-to-day operations of business and any discontinuance or our inability to acquire adequate working capital timely and on favorable terms may have an adverse effect on our operations, profitability and growth prospects.***

Our business operations are dependent on the adequate and timely availability of working capital. Over the last financial years, we have observed fluctuations in our working capital requirements due to variations in our operational scale, procurement cycles, and market conditions. Any discontinuance, delay, or inability to secure sufficient working capital, whether due to inadequate cash flows, delays in disbursement of arranged funds, or unfavorable borrowing terms, could adversely impact our ability to meet day-to-day operational needs. This, in turn, may hinder our operational efficiency, profitability, and growth prospects.

Till date, we have successfully met our working capital requirements through internal accruals. As we plan to expand our business operations, the demand for working capital is expected to increase correspondingly. If we fail to maintain adequate cash flow, secure necessary credit facilities, or arrange for other sources of funding in a timely and favorable manner, our financial condition and operational results may be negatively impacted.

| **Particulars** | **For the period ended 31st March, 2025** | **For the period ended 31st March, 2024** | **For the period from 05th July, 2022 to 31st March, 2023** | **For the period from 01st April, 2022 to 04th July, 2022** |
|---|---|---|---|---|
| Net Working Capital (₹ in lakh) | 805.35 | 172.37 | 254.09 | 40.99 |
| Trade receivables (₹ in lakh) | 942.67 | 648.64 | 378.87 | 405.70 |
| Trade payable (₹ in lakh) | 275.02 | 378.61 | 185.87 | 240.06 |
| Net Working Capital Days (number of days) | 96 | 8 | 20 | 40 |
| Trade Receivables Days (number of days) | 111 | 79 | 78 | 56 |
| Trade Payables Days (number of days) | 96 | 92 | 106 | 37 |
| Inventories (₹ in lakhs) | 366.51 | 39.04 | 98.27 | 97.20 |
| Inventory Days (number of days) | 81 | 21 | 49 | 20 |

For more detailed information regarding our working capital requirements, please refer to the chapter titled “Objects of the Issue” beginning on page 103 of this Red Herring Prospectus.

27. ***The Objects of the Issue for which funds are being raised, are based on our management estimates and have not been appraised by any bank or financial institution or any independent agency.***

The deployment of funds will be entirely at the discretion of Company's management and audit committee, based on the parameters as mentioned in the chapter titled "Objects of the Issue". The fund requirement and deployment, as mentioned in the "Objects of the Issue" on page 103 of this Red Herring Prospectus is based on the estimates of our management and has not been appraised by any bank or financial institution or any other independent agency. These fund requirements are based on our current business plan. We cannot assure that the current business plan will be implemented in its entirety or at all. In view of the highly competitive and dynamic nature of our business, we may have to revise our business plan from time to time and consequently these fund requirements. This may result in rescheduling of our expenditure plans and an increase or decrease in our proposed expenditure for a particular object. Further, we cannot assure that the actual costs or schedule of implementation as stated under chapter "Objects of the Issue" will not vary from the estimated costs or schedule of implementation. Any such variance may be on account of one or more factors, some of which may be beyond our control. Occurrence of any such event may delay our business plans and/or may have an adverse bearing on our expected revenues and earnings.

28. ***In addition to our existing indebtedness for our existing operations, we may incur further indebtedness during the course of business. We cannot assure that we would be able to service our existing and/ or additional indebtedness.***

As on March 31, 2025, we had a total outstanding debt of ₹ 908.21 lakhs from secured loans.

The below are the details of secured loans:

(Amt. in lakhs)

| Name of Lender | Purpose | Sanctioned Amount | Rate of Interest | Outstanding as on March 31, 2025 |
|---|---|---|---|---|
| **HDFC Bank Ltd.** | Working Capital-Cash Credit | 500.00 | 9.10% | 229.65 |
| **HDFC Bank Ltd.** | Commercial Vehicle loan | 118.50 | 8.75% | 110.09 |
| **HDFC Bank Ltd.** | Benz Car Loan | 257.70 | 8.45% | 173.19 |
| **HDFC Bank Ltd** | Term loan | 400.00 | 9.1% | 395.28 |
| **Total** | | **1276.2** | | **908.22** |

In addition to the indebtedness for our existing operations, we may incur further indebtedness during the course of our business. We cannot assure you that we will be able to obtain further loans at favorable terms. Our future borrowings may also include restrictive covenants. Any failure to service our indebtedness or otherwise perform our obligations under our financing agreements entered with our lenders or which may be entered into by our Company could trigger default provisions, penalties, acceleration of repayment of amounts etc. furthermore, during any period of default, we may be unable to secure additional financing, and any refinancing of our existing debt could be subject to higher interest rates and more onerous covenants.

29. ***Our Promoters and certain of our directors may be interested in our Company other than remuneration and reimbursement of expenses.***

Our Promoters and Directors may be deemed to be interested in our Company, in addition to the regular remuneration or benefits, reimbursements of expenses, to the extent of equity Shares held by them or their relatives, their dividend, bonus entitlement, or other distributions on such Equity Shares. Our Promoters, Directors, Key Managerial Personnel and Senior Management may also be interested to the extent of any transaction entered into by our Company with any other company or firm in which they are directors or partners.

Interests of Promoters, Promoter Group and Directors, may conflict with the interests of our Company, and they may, for business considerations or otherwise, cause us to take certain actions, or refrain from taking certain actions, which in turn may materially adversely impact our business, financial condition, results of operations and cash flows.

For further details, see 'Our Management, 'Summary of Offer Documents' and "Financial Information' on pages, 243, 26 and 282 respectively.

30. ***The directors of our company do not have prior experience of the listed company and the requirements of being a listed company may strain our resources.***

The Directors of the company do not have prior experience of a listed Company; however, the Promoters have the experience of this industry from past years. We have not been subjected to the increased scrutiny of our affairs by shareholders, regulator and the public at large that is associated with being a listed company.

Further, as a listed company, Directors and the Company will need to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, including keeping adequate records of daily transactions to support the existence of effective disclosure controls and procedures and internal control over financial reporting. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant resources and management attention will be required.

As a result, our management's attention may be diverted from business concerns, which may adversely affect our business, prospects, financial condition, and results of operations. Further, we may need to hire additional staff with appropriate listed company experience and technical knowledge to fulfill the compliance requirements after listing.

31. ***We have certain contingent liabilities which may adversely affect our financial condition***

We have certain "Unascertainable" contingent liabilities as per "Restated Financial information - Restated statement of contingent liabilities" on page 318 of this Red Herring Prospectus. The Company has received various GST notices from tax authorities in previous years, indicating potential discrepancies in GST reporting and payment. These cases are currently under review, and the Company is uncertain whether any actual liabilities will arise from these notices. In the event that any of these contingent liabilities materialize, our financial condition may be adversely affected.

32. ***We are dependent on third party transportation and logistics service providers. Any increase in the charges of these entities could adversely affect our business, results of operations and financial condition.***

As of March 31, 2025, we own 10 vehicles for our transportation of requirements in India, but we also rely on third party transportation and logistics providers for delivery of our raw materials and products.

We do not have long-term contractual arrangements with such third-party transportation and logistics providers. Disruptions of logistics could impair our ability to procure raw materials and/or deliver our products on time, which could materially and adversely affect our business, financial condition and results of operations.

A significant portion of our expenses is due to freight carriage charges.

The following table sets forth the freight charges incurred as a percentage of our total expenses and revenue from operations in the years/ periods indicated:

| **Particulars** | **For the period ended 31st March 2025** | | |
|---|---|---|---|
| | **Amt. (in lakhs)** | **% of total expense** | **% of Revenue from operations** |
| **Freight** | 164.09 | 9.96 | 6.26 |

| **Particulars** | **Fiscal 23-24** | | |
|---|---|---|---|
| | **Amt. (in lakhs)** | **% of total expense** | **% of Revenue from operations** |
| **Freight** | 157.97 | 8.41 | 6.66 |

| **Particulars** | **For the period from 05th July 22 to 31st March 23** | | | **For the period from 01st April 22 to 04th July 22** | | |
|---|---|---|---|---|---|---|
| | **Amt. (in lakhs)** | **% of total expense** | **% of Revenue from operations** | **Amt. (in lakhs)** | **% of total expense** | **% of Revenue from operations** |
| **Freight** | 82.07 | 8.27 | 6.01 | 35.90 | 6.06 | 5.57 |

We are subject to the risk of increases in freight costs. Freight costs fluctuate with the prices of oil and gas. If we cannot fully offset any increases in freight costs, through increases in the prices for our products, we would experience lower margins. In addition, any increase in export tariffs also will increase expenses which in turn may adversely affect our business, financial condition and results of operations. We have not entered into any definitive agreements with any third-party transport service providers and engage them on a need basis. We rarely enter into written documentation in relation to the transportation services we hire which poses various additional risks including our inability to claim insurance. Further, the cost of our goods carried by such third-party transporters is typically much higher than the consideration paid for transportation, due to which it may be difficult for us to recover compensation for damaged, delayed or lost goods. Our operations and profitability are dependent upon the availability of transportation and other logistic facilities in a time and cost-efficient manner. Further, the profit share of our Company may reduce on account of increased expenses of our customers from increased transportation costs including as a result of increase in fuel costs, transportation strikes, delays, damage or losses of goods in transit and disruption of transportation services because of weather related problems, strikes, lockouts, accidents, inadequacies in road infrastructure or other events. Our Company does not have in-transit insurance for transportation of commodities of our customers, therefore if damage is caused to the goods during the process of such deliveries or in case of accidents or in case of theft by the delivery persons, such damages are to be borne by our customers or by our Company, which may increase our Company's liability, reduce our revenue share and can adversely affect the profitability and reputation of our Company.

**33.** ***The average cost of acquisition of Equity Shares by our Promoter could be lower than the Issue Price.***

Our Promoters' average cost of acquisition of Equity Shares in our Company may be lower than the Issue Price which is proposed to be determined on a book building basis. For further details regarding average cost of acquisition of Equity Shares by our Promoters in our Company and build-up of Equity Shares by our Promoters in our Company, please refer to the chapter titled "Capital Structure" on page 89 of this Red Herring Prospectus.

**34.** ***We have issued equity shares pursuant to a bonus issue in the last 12 months issued Equity Shares at a price that may be at lower than the Issue Price, and we will be eligible to issue equity shares pursuant to a bonus issue only when we have sufficient reserves***

During the financial year 2024-25, the company has issued 65,00,000 bonus shares to the equity shareholders of the company in the proportion of 65:10 i.e. sixty-five new fully paid equity shares for every ten existing equity shares held on that date. The Equity Shares allotted to investors pursuant to this Issue is being priced significantly higher due to various reasons including better performance by the Company, better economic conditions and passage of time.

Our reserves and surplus immediately before the bonus issue were ₹ 655 Lakhs as per March 31, 2024 audited financial statements and immediately after the bonus issue were ₹ 630.93 Lakhs.

Bonus issue shall be made only out of free reserves, securities premium account or capital redemption reserve account and built out of the genuine profits or securities premium collected in cash. Therefore, our Company will be eligible to issue further bonus shares only when we have sufficient monies in our free reserves and our securities premium account.

For Further details of equity shares issued, please refer to the chapter titled "Capital Structure" beginning on page 89 of the Red Herring Prospectus.

**35.** ***There may be potential conflict of interests between Our Company, Promoter Group Entities, Group Companies/Entities which are in similar businesses to ours, and this may result in potential conflict of interest with us.***

Our Promoter Group Company i.e., TCR Chemicals and Group Company i.e. Magnus Life Sciences Private Limited is involved in line of business that may potentially compete with our Company. We may hence have to compete with our Promoter Group Entities for business, which may impact our business, financial condition and results of operations. The interests of our Promoters or Promoter Groups may also conflict in material aspects with our interests or the interests of our shareholders. For further details, please refer "Our Promoter and Promoter Group" beginning on page no.259 of this Red Herring Prospectus. Further, our Promoters may become involved in ventures that may potentially compete with our Company.

The interests of our Promoters or Promoter Groups, Group Companies may conflict with the interests of our other Shareholders and our Promoters may, for business considerations or otherwise, cause our Company to take actions, or refrain from taking actions, in order to benefit themselves instead of our Company's interests or the interests of its other Shareholders and which may be harmful to our Company's interests or the interests of our other Shareholders, which may impact our business, financial condition and results of operations.

**36.** ***Our manufacturing facilities are dependent on adequate and uninterrupted supply of electricity, fuel and water. Any shortage or non-availability of such essential utilities could lead to disruption in operations, higher operating cost and consequent decline in our operating margins.***

Our process requires substantial amount of power and fuel facilities. Power and fuel cost accounts for a significant percentage of our cost of operations. We source the power requirements for our manufacturing facility from Southern Power Distribution Company of TG Limited. The quantum and nature of power and fuel requirements of our industry and Company is such that it cannot be supplemented/ augmented by alternative/ independent sources of power supply since it involves significant capital expenditure and per unit cost of electricity produced is high. To battle electricity failures, we also have diesel generators to meet exigencies at our main facility, however, we cannot assure you that our facilities will be operational during power failures. Any disruption / non-availability of power or water or any failure on our part to arrange alternate sources of electricity and water supply, in a timely manner and at an acceptable cost shall directly affect our production which in turn shall have an impact on operations and results of our Company.

**37.** ***Any variation in the utilization of our Net Proceeds would be subject to certain compliance requirements, including prior Shareholders' approval.***

We propose to utilize the Net Proceeds towards utilization for the working capital requirement and General Corporate Purposes of our Company. For further details of the proposed objects of the Issue, see Chapter titled as "Objects of the Issue" beginning on page no. 103. However, these objects of the Issue have not been appraised by any bank, financial institution or other independent agency. Further, we cannot determine with any certainty if we would require the Net Proceeds to meet any other expenditure or fund any exigencies arising out of the competitive environment, business conditions, economic conditions or other factors beyond our control. In accordance with the Companies Act, 2013 and the SEBI ICDR Regulations and any other laws which may be applicable on company, we cannot undertake any variation in the utilization of the Net Proceeds as disclosed in this Red Herring Prospectus without obtaining the approval of shareholders of our Company through a special resolution. In the event of any such circumstances that require us to vary the disclosed utilization of the Net Proceeds, we may not be able to obtain the approval of the shareholders of our Company in a timely manner, or at all. Any delay or inability in obtaining such approval of the shareholders of our Company may adversely affect our business or operations. Further, our Promoters would be required to provide an exit opportunity to the shareholders of our Company who do not agree with our proposal to modify the objects of the Issue, at a price and manner as prescribed by SEBI. Additionally, the requirement to provide an exit opportunity to such dissenting shareholders of our Company may deter our Promoters from agreeing to the variation of the proposed utilization of the Net Proceeds, even if such variation is in the interest of our Company. Further, we cannot assure you that the Promoters will have adequate resources at their disposal at all times to enable them to provide an exit opportunity. In light of these factors, we may not be able to vary the objects of the Issue to use any unutilized proceeds of the Issue, if any, even if such variation is in the interest of our Company. This may restrict our Company's ability to respond to any change in our business or financial condition, if any, which may adversely affect our business and results of operations.

**38.** ***The requirements of being a publicly listed company may strain our resources.***

We have no experience as a listed company and have not been subjected to the increased scrutiny of our affairs by shareholders, regulators and the public that is associated with being a listed company. As a listed company, we will incur additional legal, accounting, corporate governance and other expenses that we did not incur as an unlisted company. We will be subject to the listing agreements with the Stock Exchanges and compliances of SEBI Listing Regulation, 2015 which would require us to file audited annual and unaudited semi-annual and limited review reports with respect to our

business and financial condition. If we delay making such filings, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations as timely as other listed companies.

As a listed company, we will need to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, including keeping adequate records of daily transactions to support the existence of effective disclosure controls and procedures, internal control over financial reporting and additional compliance requirements under the Companies Act, 2013. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant resources and management oversight will be required. As a result, management's attention may be diverted from other business concerns, which could adversely affect our business, prospects, financial condition and results of operations. In addition, we may need to hire additional legal and accounting staff with appropriate listed company experience and technical accounting knowledge and we cannot assure you that we will be able to do so in a timely manner.

**39.** ***We cannot assure payment of dividends on the Equity Shares in the future. Our ability to pay dividends in the future will depend upon our earnings, financial condition, cash flows and capital requirements.***

Our Company has not declared any dividend since incorporation. Our ability to pay dividends in the future will depend on a number of factors, including our profit after tax for the fiscal year, our capital requirements, our financial condition, our cash flows and applicable taxes, including payment of dividend distribution tax. We may decide to retain all our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on our Equity Shares. We cannot assure you that we will be able to pay dividends in the future, and our future dividend policy will depend on our capital requirements and financing arrangements in respect of our operations, financial condition and results of operations. Our Company has not declared dividends in the past, and there can be no assurance that our Company will declare dividends in the future also. For further details, please refer to the chapter titled "Dividend Policy" on page 281 of this Red Herring Prospectus.

**40.** ***We have been recently converted into public limited company and any non-compliance with the provisions of Companies Act, 2013 may attract penalties against our Company which could impact our financial and operational performance and reputation.***

Our Company was converted in to Limited Company pursuant to a special resolution passed by our shareholders at the Extra-Ordinary General Meeting held on December 18, 2024 and consequently the name of our Company was changed to "Snehaa Organics Limited" and a fresh certificate of incorporation was issued by the Registrar of Companies, CPC Manesar Haryana dated January 07, 2025. However, consequent to the aforesaid conversion, our Company is required to observe compliance with various provisions pertaining to public limited companies of the Companies Act. Further, our Company is going to the public for further requirement of funds and needs to comply with provisions of SEBI ICDR Regulations and SEBI (LODR) Regulations. Though our Company will take due care to comply with the provisions of the Companies Act and other applicable laws and regulations. In case of our inability to timely comply with the requirements or in case of any delay, we may be subject to penal action from the concerned authorities which may have an adverse effect on our financial and operational performance and reputation.

**41.** ***The deployment of funds raised through this Issue shall be monitored by Infomerics Valuation and Rating Limited, which has been voluntarily appointed as the Monitoring Agency by our Company.***

Since the Issue size is less than ₹ 50 Crore, there is no mandatory requirement under applicable regulations to appoint an independent Monitoring Agency to oversee the utilization of funds raised through this Issue. However, as a measure of good governance and transparency, our Company has voluntarily appointed Infomerics Valuation and Rating Limited as the Monitoring Agency for this purpose. Accordingly, the deployment of funds raised through this Issue shall be monitored by the said agency and will not be solely at the discretion of the management and the Board of Directors of our Company. Any inability on our part to effectively utilize the Issue proceeds could adversely impact our financial performance.

## EXTERNAL RISK FACTORS

**42.** ***Our business is substantially affected by prevailing economic, political and other prevailing conditions in India.***

Our Company is incorporated in India, and our assets and employees are located in India. As a result, we are highly dependent on prevailing economic conditions in India and our results of operations are significantly affected by factors influencing the Indian economy. Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- any increase in Indian interest rates or inflation;
- any scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing for our expansions;
- prevailing income conditions among Indian consumers and Indian corporations;
- volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- changes in India's tax, trade, fiscal or monetary policies;
- political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighboring countries;
- occurrence of natural or man-made disasters
- prevailing regional or global economic conditions, including in India's principal export markets; and
- Other significant regulatory or economic developments in or affecting India or our industry.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could adversely impact our business, results of operations and financial condition and the price of the Equity Shares.

**43.** ***The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.***

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. Terrorist attacks and other acts of violence or war in India or globally may adversely affect the Indian securities markets. In addition, any deterioration in international relations, especially between India and its neighboring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business. Such incidents could also create

a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

**44.** ***Any fluctuations in prices of our materials or shortage in supply of chemicals for trading in our products, could adversely impact our business and our profitability.***

Our Company is dependent on the various chemicals required for the trading of our products. Thus, we do not have long-term supply agreements with our suppliers and procure chemicals on an order-to-order basis. Any significant increase in the cost of key chemicals or supply shortages could raise our procurement costs, potentially affecting our profitability. If we are unable to pass on these increased costs to consumers, our financial performance may be adversely impacted.

**45.** ***Any downgrading of India's debt rating by an international rating agency could have a negative effect on our business and the trading price of the Equity Shares.***

India's sovereign debt rating could be downgraded due to several factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, all which are beyond our control. Our borrowing costs and our access to the debt capital markets depend significantly on the sovereign credit ratings of India. Any adverse revisions to India's credit ratings for domestic and overseas debt by international rating agencies may adversely affect our ability to raise additional external financing, and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our business and future financial performance, our ability to obtain financing for capital expenditures and the trading price of the Equity Shares.

**46.** ***Investor may be restricted in your ability to exercise pre-emptive rights under Indian law and may be adversely affected by future dilution of your ownership position.***

Under Indian law, investors may face restrictions in exercising pre-emptive rights, which could lead to future dilution of their ownership. The Companies Act mandates that an Indian-incorporated company must offer existing shareholders the right to subscribe to new shares in proportion to their existing holdings before issuing additional shares. However, these pre-emptive rights may be waived if a special resolution is passed by at least three-fourths of the voting shareholders or if the Government of India grants approval for an issuance without such a resolution—provided that votes in favor of the proposal exceed those against it.
Furthermore, if the laws of your jurisdiction require our Company to file an offering document or a registration statement with the relevant authority before allowing you to exercise pre-emptive rights, and such a filing is not made, you will be unable to exercise these rights. Consequently, if you are unable to participate in the pre-emptive offer, your proportional ownership in our Company may be diluted.

**47.** ***Political, economic or other factors that are beyond our control may have an adverse effect on our business, results of operations and cash flows.***

We currently operate only in India and are dependent on domestic and regional market conditions. Our performance, growth and market price of our Equity Shares are and will be dependent on the solvent and recycling industry of the Indian economy. There have been periods of slowdown in the economic growth of India. If such condition prevails for longer time the Demand for our products & services may be adversely affected by an economic downturn in domestic, regional and global economies. India's economic growth is also affected by various other factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports, global economic uncertainty and liquidity crisis, volatility in exchange currency rates. Consequently, any future slowdown in the Indian economy could harm our business, results of operations, cash flows and financial condition. Also, a change in the Government or a change in the economic and deregulation

policies could affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

**48. *Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws, in the jurisdictions in which we operate may adversely affect our business and results of operations.***

Our business, results of operations and financial condition could be materially adversely affected by changes in the laws, rules, regulations or directions applicable to us, or the interpretations of such existing laws, rules and regulations, or the promulgation of new laws, rules and regulations. For further details, please see "Key Regulations and Policies in India" on page 224 of this Red Herring Prospectus**.**

The governmental and regulatory bodies may notify new regulations and/or policies, which may require us to obtain approvals and licenses from the government and other regulatory bodies, impose onerous requirements and conditions on our operations, in addition to those which we are undertaking currently. Any such changes and the related uncertainties with respect to the implementation of new regulations may have a material adverse effect on our business, results of operations and financial condition.

Unfavorable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. We may incur increased costs and other burdens relating to compliance with 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, cash flows and prospects. Uncertainty in the application, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our businesses in the future.

**49. *Fluctuations in the exchange rate between the Indian Rupee and foreign currencies may have an adverse effect on the value of our Equity Shares, independent of our operating results.***

On listing, our Equity Shares will be quoted in Indian Rupees on the Emerge Platform of NSE. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by Equity Shareholders. For example, the exchange rate between the Indian Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may have an adverse effect on the trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results.

**50. *Financial instability, economic developments and volatility in securities markets in other countries may also cause the price of the Equity Shares to decline.***

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging Asian market countries. Financial turmoil in Europe and elsewhere in the world in recent years has affected the Indian economy. In recent times, the Indian financial markets had been negatively affected by the volatility in global financial market, including on account of certain European nations' debt troubles and move to break away by the United Kingdom from the European

Union. Although, economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. Currencies of a few Asian countries have in the past suffered depreciation against the U.S. Dollar due to various reasons. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur and could harm our business, future financial performance and the prices of the Equity Shares.

The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections in recent years. Liquidity and credit concerns and volatility in the global credit and financial markets have increased significantly with the bankruptcy or acquisition of, and government assistance extended to, several major U.S. and European financial institutions. These and other related events, such as the European sovereign debt crisis, have had a significant impact on the global credit and financial markets as a whole, including reduced liquidity, greater volatility, widening of credit spreads and a lack of price transparency in global credit and financial markets. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, have implemented a number of policy measures designed to add stability to the financial markets.
However, the overall impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. In the event that the current difficult conditions in the global credit markets continue or if there is any significant financial disruption, such conditions could have an adverse effect on our business, future financial performance and the trading price of the Equity Shares.

**51.** ***Our Equity Shares have never been publicly traded and may experience price and volume fluctuations following the completion of the Issue, an active trading market for the Equity Shares may not develop, the price of our Equity Shares may be volatile and you may be unable to resell your Equity Shares at or above the Issue Price or at all.***

Prior to the Offer, there has been no public market for our Equity Shares, and an active trading market for our Equity Shares may not develop. Listing and quotation does not guarantee that a market for our Equity Shares will develop, or if developed, the liquidity of such market for our Equity Shares. The Offer Price of our Equity Shares decided by the company in consultation with lead manager is based on numerous factors, including factors as described under "Basis for issue Price" on page 114, and may not be indicative of the market price of our Equity Shares at the time of commencement of trading of our Equity Shares or at any time thereafter. The market price of our Equity Shares may be subject to significant fluctuations in response to, among other factors:

• quarterly variations in our results of operations;
• results of operations that vary from the expectations of research analysts and investors;
• results of operations that vary from those of our competitors;
• changes in expectations as to our future financial performance, including financial estimates by research analysts and investors;
• conditions in financial markets, including those outside India;
• a change in research analysts' recommendations;
• announcements by us or our competitors of new products, significant acquisitions, strategic alliances, joint operations or capital commitments;
• announcements by third parties or government entities of significant claims or proceedings against us;
• new laws and government regulations or changes in laws and government regulations applicable to our industry;
• additions or departures of Key Managerial Personnel and Senior Management;
• general economic and stock market conditions; and

• changes in relation to any of the factors listed above could affect the price of our Equity Shares.

Consequently, the price of our Equity Shares may be volatile, and you may be unable to resell your Equity Shares at or above the Offer Price, or at all. A decrease in the market price of our Equity Shares could cause investors to lose some or all of their investment.

**52.** ***Investor may not be able to immediately sell any of the Equity Shares you subscribe to in this Offer on an Indian Stock Exchange.***

The Equity Shares are proposed to be listed on the Stock Exchanges. Pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and commence trading, including the crediting of the investor's demat accounts within the timeline specified under applicable law. Further, in accordance with Indian law, permission for listing and trading of the Equity Shares will not be granted until after certain actions have been completed in relation to this Offer and until Allotment of Equity Shares pursuant to this Offer. The Allotment of Equity Shares in the Offer and the credit of Equity Shares to the investor's demat account with the relevant depository participant and listing is expected to be completed within the period as may be prescribed under applicable law. Any failure or delay in obtaining the approvals or otherwise commence trading in the Equity Shares would restrict investors' ability to dispose of their Equity Shares. Our Company cannot assure that the Equity Shares will be credited to investor's demat accounts, or that trading in the Equity Shares will commence, within the prescribed time periods or at all which could restrict ability to dispose of the Equity Shares.

**53.** ***Any further issuance of Equity Shares, or convertible securities or other equity linked instruments by us may dilute your shareholding.***

Our Company may be required to finance our growth through future equity offerings. Any future equity issuances by our Company, including a primary offering of Equity Shares, convertible securities or securities linked to Equity Shares including through exercise of employee stock options, may lead to the dilution of investors' shareholdings in our Company. Any future equity issuances by us or sales of the Equity Shares by the Promoters may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of the Equity Shares or incurring additional debt. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of the Equity Shares. There can be no assurance that we will not issue Equity Shares, convertible securities or securities linked to Equity Shares or that the Shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

**54.** ***The determination of the Price Band and Offer Price is based on various factors and assumptions and the Offer Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Offer. Further, the current market price of some securities listed pursuant to certain previous issues managed by the BRLMs is below the respective issue price.***

The determination of the Price Band is based on various factors and assumptions and will be determined by our Company in consultation with the BRLMs. Furthermore, the Offer Price of the Equity Shares will be determined by our Company in consultation with the Book Running Lead Managers through the Book Building Process. These will be based on numerous factors, including factors as described under *'Basis for the Issue Price*' beginning on page *114* and may not be indicative of the market price for the Equity Shares after the Offer. In addition to the above, the current market price of securities listed pursuant to certain previous initial public offerings managed by the Book Running Lead Managers is below their respective issue price. For further details, see '*Other Regulatory and Statutory Disclosures'* on page *349* The factors that could affect the market price of the Equity Shares include, among others, broad market trends, our financial performance and results post-listing, and other factors beyond our Company's control. Our Company cannot assure you that an active market will develop, or sustained

trading will take place in the Equity Shares or provide any assurance regarding the price at which the Equity Shares will be traded after listing.

**55. *Investor will not be able to sell immediately on Indian Stock Exchanges any of the Equity Shares you purchase in the Issue until the Issue receives appropriate trading permissions***

The Equity Shares will be listed on the Stock Exchange. Pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading on stock exchange. We cannot assure you that the Equity Shares will be credited to investor's demat accounts, or that trading in the Equity Shares will commence, within the time periods specified in this Red Herring Prospectus. Any failure or delay in obtaining the approval would restrict your ability to dispose of the Equity Shares. In accordance with section 40 of the Companies Act and SEBI ICDR Regulation, 2018 as the case may be, if the permission of listing the Equity Shares is denied by the stock exchanges, we are required to refund all monies collected to investors.

**56. *There are restrictions on daily movements in the trading price of the Equity Shares, which may adversely affect a shareholder's ability to sell Equity Shares or the price at which Equity Shares can be sold at a particular point in time.***

Following the listing of Equity Shares through the Offer, the Equity Shares will be subject to a daily "circuit breaker" imposed on listed companies by the Stock Exchanges, which does not allow transactions beyond certain volatility in the trading price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on Indian Stock Exchanges. The percentage limit on the Equity Shares' circuit breaker will be set by the Stock Exchanges based on historical volatility in the price and trading volume of the Equity Shares. The Stock Exchanges are not required to inform our Company of the percentage limit of the circuit breaker, and they may change the limit without our knowledge. This circuit breaker would effectively limit the upward and downward movements in the trading price of the Equity Shares beyond the circuit breaker limit set by the Stock Exchanges. As a result of this circuit breaker, there can be no assurance regarding the ability of shareholders to sell Equity Shares or the price at which shareholders may be able to sell their Equity Shares.

**57. *QIBs and Non-Institutional Bidders are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid and Retail Individual Investors are not permitted to withdraw their Bids after Bid/Issue Closing Date.***

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after submitting a Bid. Individual Bidders can revise their Bids during the Bid/Issue Period and withdraw their Bids until Bid/Issue Closing Date. While we are required to complete Allotment, listing and commencement of trading pursuant to the Issue within three (3) Working Days from the Bid/ Issue Closing Date, events affecting the Bidders decision to invest in our Equity Shares, including adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operations, cash flows and financial condition may arise between the date of submission of the Bid and Allotment, listing and commencement of trading. We may complete the Allotment, listing and commencement of trading of our Equity Shares even if such events occur and such events may limit the Bidders ability to sell our Equity Shares Allotted pursuant to the Issue or may cause the trading price of our Equity Shares to decline on listing.

**58.** ***If security or industry analysts do not publish research, or publish unfavourable or inaccurate research about the business of our Company, the price and trading volume of the Equity Shares may decline.***

The trading market for the Equity Shares may depend, in part, on the research and reports that securities or industry analysts publish about us or our business. Our Company may be unable to sustain coverage by established and / or prominent securities and industry analysts. If either none or only a limited number of securities or industry analysts maintain coverage of our Company, or if these securities or industry analysts are not widely respected within the general investment community, the trading price for the Equity Shares would be negatively impacted. In the event our Company obtains securities or industry analyst coverage, if one or more of the analysts downgrade the Equity Shares of our Company or publish inaccurate or unfavourable research about our business, the price of the Equity Shares may decline. If one or more of these analysts cease coverage of our Company or fail to publish reports on our Company regularly, the demand for the Equity Shares of our Company could decrease, which might cause the price and trading volume of the Equity Shares of our Company to decline.

**59.** ***Subsequent to the listing of the Equity Shares, we may be subject to pre-emptive surveillance measures such as the Additional Surveillance Measures and the Graded Surveillance Measures by the Stock Exchanges in order to enhance the integrity of the market and safeguard the interest of investors.***

Subsequent to the listing of the Equity Shares, we may be subject to Additional Surveillance Measures ("ASM") and Graded Surveillance Measures ("GSM") by the Stock Exchanges. These measures are in place to enhance the integrity of the market and safeguard the interest of investors. The criteria for shortlisting any security trading on the Stock Exchanges for ASM is based on objective criteria, which includes market-based parameters such as high low price variation, concentration of client accounts, close to close price variation, market capitalization, average daily trading volume and its change, and average delivery percentage, among others. Securities are subject to GSM when its price is not commensurate with the financial health and fundamentals of the issuer. Specific parameters for GSM include net worth, net fixed assets, price to earnings ratio, market capitalization and price to book value, among others. Factors within and beyond our control may lead to our securities being subject to GSM or ASM. In the event our Equity Shares are subject to such surveillance measures implemented by any of the Stock Exchanges, we may be subject to certain additional restrictions in connection with trading of our Equity Shares such as limiting trading frequency (for example, trading either allowed once in a week or a month) or freezing of price on upper side of trading which may have an adverse effect on the market price of our Equity Shares or may in general cause disruptions in the development of an active trading market for our Equity Shares.

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

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our 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. Such provisions may discourage or prevent certain types of transactions involving actual or threatened change in control of our Company. Under the SEBI Takeover Regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to its stakeholders, it is possible that such a takeover would not be attempted.

**61.** ***Our Company's ability to raise foreign capital may be constrained by Indian law.***

As an Indian company, our Company is subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions could constrain our Company's ability to obtain financings on competitive terms and refinance existing indebtedness. In addition, our Company cannot assure you that any required regulatory approvals for borrowing in foreign currencies will be granted to our Company without onerous conditions, or at all. Limitations on foreign debt may have an adverse effect on our Company's business growth, financial condition and results of operations**.**

**62.** ***Under Indian law, foreign investors are subject to investment restrictions that limit our Company's ability to attract foreign investors, which may adversely impact the trading price of the Equity Shares.***

Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the valuation and reporting requirements specified by the RBI. If a transfer of shares is not in compliance with such requirements and does not fall under any of the exceptions specified by the RBI, then the RBI's prior approval is required. In addition, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. Our Company cannot assure you that any required approval from the RBI or any other Government agency can be obtained on any particular terms or at all.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the DPIIT and the FEMA Rules, any investment, subscription, purchase or sale of equity instruments by entities, investments under the foreign direct investment route by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country will require prior approval of the Government of India. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government of India. Our Company cannot assure you that any required approval from the RBI or any other governmental agency can be obtained on any particular terms, in a timely manner or at all.

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

Under the Companies Act, a company having share capital and incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the pre-emptive rights have been waived by adoption of a special resolution by holders of three-fourths of the equity shares voting on such resolution.

However, if the law of the jurisdiction the investors are in, does not permit them to exercise their preemptive rights without our Company filing an offering document or registration statement with the applicable authority in such jurisdiction, the investors will be unable to exercise their pre-emptive rights unless our Company makes such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for the investor's benefit. The value such custodian receives on the sale of such securities and the related transaction costs cannot be predicted. In addition, to the extent that the investors are unable to exercise pre-emptive rights granted in respect of the Equity Shares held by them, their proportional interest in our Company would be reduced.

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

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities may differ from those that would apply to a company in another jurisdiction. Investors may have more difficulty in asserting their rights as shareholders in an Indian company than as shareholder of a corporation in another jurisdiction. Shareholders' rights under Indian law may not be as extensive as shareholders' rights under the laws of other jurisdictions. Under the Companies Act, prior to issuance of any new equity shares, a public limited company incorporated under Indian law must offer its equity shareholders pre-emptive rights to subscribe to a proportionate number of equity shares to maintain existing ownership, unless such pre-emptive rights are waived by a special resolution by a three-fourths majority of the equity shareholders voting on such resolution. If you are a foreign investor and the law of the foreign jurisdiction that you are in does not permit the exercise of such pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such foreign jurisdiction, you will be unable to exercise such pre-emptive rights, unless we make such a filing. If we elect not to file an offering document or a registration statement, the new securities may be issued to a custodian, who may sell the securities for your benefit. The value such custodian receives on the sale of any such securities and the related transaction costs cannot be predicted. To the extent that you are unable to exercise pre-emptive rights granted in respect of our Equity Shares, your proportional interest in our Company would decline.

***Remainder of this page has been left blank intentionally***

## SECTION IV – INTRODUCTION

## THE ISSUE

| PRESENT ISSUE IN TERMS OF THIS RED HERRING PROSPECTUS | |
|---|---|
| Equity Shares Offered through Public Issue [(1)(2)] | Issue of up to 26,79,000* Equity Shares of face value ₹10/- each fully paid-up for cash at price of Rs. [•] per Equity Share aggregating to Rs. [•], of our Company. |
| **Out of which:** | |
| Issue Reserved for the Market Makers | 1,34,000 Equity Shares of face value Rs.10/- each fully paid-up for cash at price of Rs. [•] per Equity Share aggregating to Rs. [•]. |
| Net Issue to the Public | 25,45,000 Equity Shares of face value Rs.10/- each fully paid-up for cash at price of Rs. [•] per Equity Share aggregating to Rs. [•]. |
| **Out of which*** | |
| A. QIB Portion [(3)(4)] | Not more than 1,26,000 Equity Shares aggregating up to ₹ [●] lakhs. |
| **Of which** | |
| i) Anchor Investor Portion | Nil |
| ii) Net QIB Portion (assuming Anchor Investor Portion is fully subscribed) | Up to 1,26,000 Equity Shares of face value of Rs.10/- each fully paid up for cash at price of Rs. [•] /- per Equity Share aggregating to Rs. [•] Lakhs |
| **Of which** | |
| (a) Available for allocation to Mutual Funds only (5 % of the Net QIB Portion) | Up to 9,000 Equity Shares of face value of Rs.10/- each fully paid up for cash at price of Rs. [•]/- per Equity Share aggregating to Rs. [•] Lakhs. |
| (b) Balance of QIB Portion | Up to 1,17,000 Equity Shares of face value of Rs.10/- each fully paid up for cash at price of Rs. [●] /- per Equity Share aggregating to Rs. [●] Lakhs. |
| **B. Non-Institutional Portion** | |
| (a) one third of the portion available to non -institutional investors shall be reserved for applicants with application size of more than two lots and up to such lots equivalent to not more than ₹10 lakhs; | Up to 4,03,000 Equity Shares of face value ₹10/ - each |

| | |
|---|---|
| (b) two third of the portion available to non-institutional investors shall be reserved for applicants with application size of more than ₹10 lakhs | Up to 8,06,000 Equity Shares of face value ₹10/ - each |
| **C. Individual Investor Portion** who applies for minimum application size | Not less than 12,10,000 Equity Shares of ₹10 each for cash at a price of ₹ [●] (including a Share premium of ₹ [●] per Equity Share) per share aggregating to ₹ [●] Lakhs |
| **Pre and Post – Issue Equity Shares** | |
| Equity Shares outstanding prior to the Issue | 75,00,000 Equity Shares of face value ₹10/- each |
| Equity Shares outstanding after the Issue | 1,01,79,000 Equity Shares of face value ₹ 10/- each |
| Use of Net Proceeds by our Company | For further details please refer chapter titled "Objects of the Issue" beginning on page no. 103 of this Red Herring Prospectus for information on use of Issue Proceeds |

**Subject to finalisation of the Basis of Allotment. Number of shares may need to be adjusted for lot size upon determination of issue price.*

**Notes:**

1) *The Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. This Issue is being made by our company in terms of Regulation of 229 (2) of SEBI (ICDR) Regulations read with Rule 19(2)(b)(i) of SCRR wherein not less than 25 % of the post – issue paid up equity share capital of our company are being offered to the public for subscription.*

2) *The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on February 24, 2025 and by the Shareholder of our Company, vide a special resolution passed pursuant to Section 62(1)(c) of the Companies Act, 2013 at the Extra Ordinary General Meeting held on February 26, 2025.*

3) *The SEBI ICDR Regulations permit the issue of securities to the public through the Book Building Process, which states that, not less than 15 % of the Net Issue shall be available for allocation on a proportionate basis to Non- Institutional Bidders and not less than 35 % of the Net Issue shall be available for allocation on a proportionate basis to Individual Bidders and not more than 50% of the Net Issue shall be allotted on a proportionate basis to QIBs, subject to valid Bids being received at or above the Issue Price. Accordingly, we have allocated the Net Issue i.e. not more than 50% of the Net Issue to QIB and not less than 35% of the Net Issue shall be available for allocation to Individual Investors and not less than 15% of the Net Issue shall be available for allocation to Non-institutional bidders.*

4) *Under-subscription, if any, in the QIB Portion would not be allowed to be met with spill-over from other categories or a combination of categories. Subject to valid Bids being received at or above the Issue Price, undersubscription, if any, in any category, except in the QIB Portion, would be allowed*

*to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the Book Running Lead Manager and the Designated Stock Exchange, subject to applicable laws.*

*Provided (a) One third of the portion available to non-institutional investors shall be reserved for applicants with an application size of more than two lots and up to such lots equivalent to not more than ₹10 lakhs;(b) Two-thirds of the portion available to non-institutional investors shall be reserved for applicants with an application size of more than ₹10 lakhs. Provided that the unsubscribed portion in either of the sub-categories specified in clauses (a) or (b) may be allocated to applicants in the other sub-category.*

*Our Company may, in consultation with the Book Running Lead Manager, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion. Further, 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids.*

5) *In the event of over-subscription, allotment shall be made on a proportionate basis, subject to valid Bids received at or above the Issue Price. Allocation to investors in all categories, except the Individual Investor Portion, shall be made on a proportionate basis subject to valid bids received at or above the Issue Price. The allocation to each Individual Investor shall not be less than the minimum Bid Lot, and subject to availability of Equity Shares in the Individual Investor Portion, the remaining available Equity Shares, if any, shall be allocated on a proportionate basis.*

***Remainder of this page has been left blank intentionally***

## SUMMARY OF FINANCIAL INFORMATION

*The following tables provide the summary of financial information of our Company derived from the Restated Financial Information for the Financial Years ended March 31, 2025, March 31, 2024, March 31, 2023 and July 04, 2022. The Restated Financial Information referred to above is presented under "Restated Financial Information" beginning on page no.* 282*. The summary of financial information presented below should be read in conjunction with the Restated Financial Information, the notes thereto and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page no*. 320
.

***Remainder of this page has been left blank intentionally***

## ANNEXURE – I
## STANDALONE STATEMENT OF ASSETS & LIABILITIES, AS RESTATED

*(All amounts in ₹ lacs, unless otherwise stated)*

| Particulars | Note No. | As at 31st March, 2025 | As at 31st March, 2024 | As at 31st March, 2023 | As at 04th July, 2022 |
|---|---|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | | | |
| **1. Shareholders' funds** | | | | | |
| (a) Share capital/Partner's Capital | 3 | 750.00 | 100.00 | 100.00 | 100.00 |
| (b) Reserves and surplus | 4 | 727.63 | 643.81 | 277.83 | - |
| | | 1,477.63 | 743.81 | 377.83 | 100.00 |
| **2. Non-current liabilities** | | | | | |
| (a) Long-term borrowings | 5 | 520.32 | 319.19 | 355.98 | 390.93 |
| (b) Deferred tax liabilities (net) | 6 | 21.99 | 11.88 | 3.72 | - |
| (C) Long-term provisions | 7 | 4.09 | 2.21 | 3.38 | 2.79 |
| | | 546.40 | 333.28 | 363.08 | 393.73 |
| 3. Current liabilities | | | | | |
| (a) Short-term borrowings | 8 | 388.20 | 72.94 | 3.17 | 3.26 |
| (b) Trade payables | | | | | |
| (i) total outstanding dues of micro enterprises & small enterprises: and | | - | - | - | - |
| (ii) total outstanding dues of creditors other than micro and small enterprises | 9 | 275.02 | 378.61 | 185.87 | 240.06 |
| (c) Other current liabilities | 10 | 51.41 | 38.73 | 36.11 | 184.57 |
| (d) Short-term provisions | 11 | 266.89 | 142.81 | 113.65 | 139.70 |
| **Total Current Liabilities** | | **981.51** | **633.08** | **338.80** | **567.60** |
| **TOTAL** | | **3,005.55** | **1,710.18** | **1,079.72** | **1,061.32** |
| **ASSETS** | | | | | |
| **1. Non-current assets** | | | | | |
| (a) Property, Plant & Equipment and Intangible Assets | | | | | |
| (i) Property, Plant and Equipment | 12 | 1,398.14 | 802.67 | 418.58 | 364.13 |
| (ii) Intangible assets | | - | 7.30 | 39.82 | 63.78 |
| (iii) Capital Work in Progress | 12A | - | 46.94 | 4.21 | - |
| (b) Non-Current Investment | | - | - | - | - |
| (c) Other Non-Current Assets | 13 | 30.98 | 30.94 | 10.66 | 10.42 |
| | | 1,429.11 | 887.85 | 473.27 | 438.33 |
| 2. Current assets | | | | | |
| (a) Inventories | 14 | 366.51 | 39.04 | 98.27 | 97.20 |
| (b) Trade receivables | 15 | 942.67 | 648.64 | 378.87 | 405.70 |
| (c) Cash and Cash equivalents | 16 | 19.22 | 16.87 | 13.56 | 14.41 |
| (d) Short-term loans and advances | 17 | 218.11 | 117.77 | 114.87 | 102.57 |
| (e) Other current assets | 18 | 29.92 | - | 0.87 | 3.12 |
| **Total Current Assets** | | **1,576.43** | **822.33** | **606.45** | **622.99** |
| **TOTAL** | | **3005.55** | **1,710.18** | **1,079.72** | **1,061.32** |

## ANNEXURE – I
## STANDALONE STATEMENT OF PROFIT & LOSS, AS RESTATED

*(All amounts in ₹ lacs, unless otherwise stated)*

| Particulars | Note No. | For the period ended 31st March, 2025 | For the period ended 31st March, 2024 | For the period from 5th July, 2022 to 31st March, 2023 | For the period from 01 April, 2022 to 4th July 2022 |
|---|---|---|---|---|---|
| **Income** | | | | | |
| I. Revenue from Operations | 19 | 2622.33 | 2,371.79 | 1,365.23 | 645.02 |
| II. Other Income | 20 | 7.12 | 8.53 | 6.87 | 24.30 |
| III. **Total Income (I + II)** | | **2,629.45** | **2,380.31** | **1,372.09** | **669.32** |
| | | | | | |
| **IV. Expenses** | | | | | |
| (i) Cost of material consumed | 21 | 731.24 | 805.42 | 422.74 | 415.57 |
| (ii) Purchase of Stock-in-Trade | 22 | 491.02 | 320.11 | 122.97 | 19.56 |
| (iii) Changes in Inventories. | 23 | (309.23) | 56.08 | (5.29) | (5.60) |
| (iv) Employee benefits expenses | 24 | 214.48 | 149.88 | 133.43 | 38.86 |
| (v) Finance Costs | 25 | 53.34 | 9.27 | - | 18.57 |
| (vi) Depreciation and Amortization Expense | 12 | 121.44 | 80.04 | 44.05 | 23.01 |
| (vii) Other expenses | 26 | 345.87 | 457.20 | 274.40 | 82.75 |
| **Total expenses** | | **1,648.16** | **1,878.00** | **992.31** | **592.71** |
| | | | | | |
| **V. Profit before exceptional and extraordinary items & tax (III- IV)** | | 981.29 | 502.32 | 379.78 | 76.61 |
| **VI.** Exceptional items - Prior Period | | - | - | - | - |
| **VII. Profit Before extraordinary item and tax (V-VI)** | | 981.29 | 502.32 | 379.78 | 76.61 |
| **VIII. Extraordinary items** | | - | - | - | - |
| **IX. Profit before Tax** | | **981.29** | **502.32** | **379.78** | **76.61** |
| **X.** Tax Expense: | | | | | |
| 1. Current Tax | | 237.36 | 128.18 | 98.23 | 29.78 |
| 2. Deferred Tax | | 10.11 | 8.16 | 3.72 | - |
| **XI. Profit (Loss) from the period from continuing operations (IX-X)** | | **733.82** | **365.98** | **277.83** | **46.83** |
| **XII.** Profit/(Loss) from discontinuing operations | | - | - | - | - |
| **XIII.** Tax expense of discontinuing | | - | - | - | - |

| | | | | | |
|---|---|---|---|---|---|
| operations | | | | | |
| **XIV.** Profit/(Loss) from discontinuing operations (after tax) (XI-XIII) | | - | - | - | - |
| **XV. Profit/(Loss) for the period (XI +XIII)** | | **733.82** | **365.98** | **277.83** | **46.83** |
| **XVI. Earning Per Equity Share:** | | | | | |
| (1) Basic earnings per share | | **9.78** | **4.88** | **4.76** | **-** |
| (1) Diluted earnings per share | | **9.78** | **4.88** | **4.76** | **-** |

***Remainder of this page has been left blank intentionally***

## ANNEXURE – III
## STANDALONE CASH FLOW STATEMENT, AS RESTATED

*(All amounts in ₹ lacs, unless otherwise stated)*

| PARTICULARS | For the period ended 31st March, 2025 | For the period ended from 31st March, 2024 | For the period from 5th July, 2022 to 31st March, 2023 | For the period from 01st April, 2022 to 4th July 2022 |
|---|---|---|---|---|
| **A. Cash Flow from Operating Activities** | | | | |
| **Profit Before Tax as per Profit & Loss A/c** | **981.29** | **502.32** | **379.78** | **76.61** |
| **Adjustment for:** | | | | |
| Depreciation | 121.44 | 80.04 | 44.05 | 23.01 |
| Gratuity | 1.81 | (1.20) | 0.69 | - |
| Interest on Fixed Deposit | (0.29) | (0.41) | (0.33) | (0.14) |
| Interest Charges/Finance Cost | 53.34 | 9.27 | - | 18.57 |
| **Operating profit before working capital changes** | **1157.59** | **590.02** | **424.19** | **118.05** |
| **Adjustment for** | | | | |
| (Increase)/Decrease in Trade Receivables | (294.03) | (269.77) | 26.82 | (45.05) |
| (Increase)/Decrease in Other current assets | (29.92) | 0.87 | 2.25 | (3.12) |
| (Increase)/Decrease in Other Non-current assets | (0.04) | (20.28) | (0.23) | (0.99) |
| Increase / (Decrease) in Trade Payables | (103.59) | 192.74 | (54.19) | 142.58 |
| Increase / (Decrease) in Other Current Liabilities | 12.68 | 2.62 | (148.46) | 164.96 |
| Increase / (Decrease) in Short-term Provisions | 124.15 | 29.18 | (26.15) | 7.17 |
| Increase / (Decrease) in Long-term Provisions | 10.11 | 8.16 | 3.72 | - |
| (Increase) / Decrease in Inventory | (327.46) | 59.23 | (1.08) | (9.72) |
| | | | | |
| **Cash generated from operations** | **549.48** | **592.76** | **226.87** | **373.88** |
| Net Income Tax (Paid)/Refund | (247.47) | (136.34) | (101.95) | (29.78) |
| **Net cash generated from Operating Activities (A)** | **302.01** | **456.42** | **124.92** | **344.10** |
| | | | | |
| **B Cash Flow from Investing Activities** | | | | |
| Purchase of Fixed Assets | (709.60) | (431.61) | (74.55) | (2.31) |
| Changes in CWIP | 46.94 | (42.73) | (4.21) | - |
| Increase in Long/Short Term Loans & Advances | (100.34) | (2.90) | (12.30) | (25.37) |
| Interest on Fixed Deposit | 0.29 | 0.41 | 0.33 | 0.14 |
| **Net Cash from / (Used) in Investing Activities (B)** | **(762.71)** | **(476.84)** | **(90.72)** | **(27.55)** |
| | | | | |
| **C. CASH FLOW FROM FINANCING ACTIVITES** | | | | |
| a. Interest Charges/ Finance Cost | (53.34) | (9.27) | - | (18.57) |
| Change in Partners Capital | - | - | - | (347.03) |

| | | | | |
|---|---|---|---|---|
| Increase/(Decrease) in Secured/Unsecured Loans | 516.39 | 32.98 | (35.05) | 28.48 |
| **Net Cash From/(used in) Financing Activities (C)** | **463.05** | **23.72** | **(35.05)** | **(337.12)** |
| | | | | |
| **Net Increase in cash and cash equivalents during the years** | 2.35 | 3.30 | (0.84) | (20.57) |
| **Cash and cash equivalents at the beginning of the year** | 16.87 | 13.56 | 14.41 | 34.97 |
| **Cash and cash equivalents at the end of the year** | **19.22** | **16.87** | **13.56** | **14.41** |

***Remainder of this page has been left blank intentionally***

## GENERAL INFORMATION

Our Company was originally incorporated on July 05, 2022 as a private limited company, 'Snehaa Organics Private Limited', under the Companies Act, 2013, vide certificate of incorporation issued by Registrar of Companies, Central Registration Centre bearing CIN U24290TG2022PTC164443 pursuant to conversion from the Partnership Firm 'Snehaa Pharma Chemicals'. Further, our Company was converted into a Public Limited Company pursuant to a special resolution passed by the members of our Company at the Extra Ordinary General Meeting held on December 18, 2024. A fresh Certificate of Incorporation consequent to conversion was issued on January 07, 2025 by the Registrar of Companies, CPC, Manesar Haryana and consequently, the name of our Company was changed from "Snehaa Organics Private Limited" to "Snehaa Organics Limited". The Company's Corporate Identification Number (CIN) is U24290TG2022PLC164443.

Mr. Nandigala Venkata Sai Harish, Mr. Nandigala Venkata Sai Kiran & Mrs. Nandigala Venkata Lakshmi were initial subscribers to the Memorandum of Association of our company.

*For further details please refer Chapter titled "Our History and certain other corporate matters" beginning on Page 238 of this Red Herring prospectus.*

| | |
|---|---|
| **CIN** | U24290TG2022PLC164443 |
| **Registration No.** | 164443 |
| **Date of Incorporation** | 05/07/2022 |
| **Registered Office** | Plot No 290 & 291, Dulapally Adjacent to Ida Jeedimetla, Quthbullapur, Rangareddi, Hyderabad, Telangana, India, 500055<br><br>Tel. No.: +91-9346077666<br>Email: info.snehaapharma@gmail.com<br>Website: https://snehaaorganics.com/ |
| **Designated Stock Exchange** | Emerge platform of National Stock Exchange of India Limited |
| **Address of the Registrar of Companies** | 2nd Floor, Corporate Bhawan, GSI Post, Nagole, Bandlaguda Hyderabad, Telangana - 500068<br><br>Phone: 040-29805427<br>Fax: 040-29803727<br><br>Email ID: roc.hyderabad@mca.gov.in<br>Website- www.mca.gov.in |

## BOARD OF DIRECTORS

The Board of Directors of our Company as on the date of filing of this Red Herring Prospectus consists of:

| Name of Directors | Designation | Address | DIN |
|---|---|---|---|
| Nandigala Venkata Sai Harish | Whole Time Director | Villa No 167, Ashoka Ala Maison, Doolapally, Dulapalle, Medchal−malkajgiri Telangana - 500014 | 07967075 |
| Nandigala Venkata Sai Kiran | Managing Director | Villa No 167, Ashoka Ala Maison, Dulapalle, Medchal−malkajgiri Telangana - 500014 | 07986570 |
| Samhitha Reddy Tera | Non-Executive Director | 5-11-117/2, Venkateshwara Nagar, H.B. Colony, Maula Ali Post, Secunderabad, Hyderabad, Andhra Pradesh- 500040 | 10913944 |
| Khushbu Kachhawa | Non-Executive Independent Director | 2-1-163/1, Street No. 16, Old Nallakunta, Near Old Ramalayam, New Nallakunta, Hyderabad, Telangana-500044 | 10872432 |
| Gurprit Kaur | Non-Executive Independent Director | House No. 235/A2, Hanuman Nagar, Booty More, Ranchi, Near Gymkhana Club, Booti, Ranchi Jharkhand-834009 | 10894590 |

For further details in relation to our directors, please refer to chapter titled "Our Management" on page 243 of this Red Herring Prospectus.

| Chief Financial Officer | Company Secretary & Compliance Officer |
|---|---|
| **Name**: Sarath Chandra Bhojanapalli<br>**Address**: H. No. 8-4-300/1/a, Flat No. B-505, Kalpataru Residency, Ashok Marg, Near Erragadda Metro Station, Erragadda, Sanathnagar, Hyderabad, Telangana-500018<br><br>**Tel. No**. 8309404803<br>**Email**: cfo@snehaaorganics.com | **Name:** Ms. Poonam Jain<br>**Address**: Plot No 290 & 291, Dulapally Adjacent To Ida Jeedimetla, Quthbullapur, Rangareddi, Hyderabad, Telangana, India, 500055<br><br>**Tel. No**.: 9303553800<br>**Email:** cs@snehaaorganics.com |

***Investor Grievances:***

Investors may contact our Company Secretary and Compliance Officer and/or the Registrar to the Issue and/or the Book Running Lead Manager, in case of any pre-issue or post-issue related problems, such as non-receipt of letters of allotment, credit of allotted Equity Shares in the respective beneficiary account or refund orders or non-receipt of funds by electronic mode etc.

All grievances in relation to the application through ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted, giving details such as the full name of the sole or First Applicant, ASBA Form number, Applicants DP ID, Client ID, PAN, number of Equity Shares applied for, date of submission of ASBA Form, address of Bidder, the name and

address of the relevant Designated Intermediary, where the ASBA Form was submitted by the Bidder, ASBA Account number in which the amount equivalent to the Bid Amount was blocked and UPI ID used by the Individual Investors. Further, the Bidder shall enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents or information mentioned hereinabove.

For all Issue-related queries and redressal of complaints, Applicants may also write to the Book Running Lead Manager. All complaints, queries or comments received by the Stock Exchange/SEBI shall be forwarded to the Book Running Lead Manager, who shall respond to the same.

All grievances relating to the Anchor Investors may be addressed to the Registrar to the Issue, giving full details such as name of the sole or first Applicant, Bid cum Application Form number, Applicant DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Applicant, number of Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form and the name and address of the relevant BRLM where the Anchor Investor Application Form was submitted by the Anchor Investor. For all Issue-related queries and redressal of complaints, investors may also write to the BRLM.

## DETAILS OF KEY INTERMEDIARIES PERTAINING TO THIS ISSUE AND OUR COMPANY:

| LEAD MANAGER & UNDERWRITER TO THE ISSUE | LEGAL ADVISOR TO THE ISSUE |
|---|---|
| Fasttrack Finsec<br>Category-I Merchant Banker<br>**FAST TRACK FINSEC PRIVATE LIMITED**<br>SEBI Registration No. INM000012500<br>Address: Office No. V-116, 1st Floor, New Delhi House, 27, Barakhambha Road, New Delhi – 110 001<br>Tel No.: +91-11-43029809<br>Contact Person: Ms. Sakshi/Mr. Wajahat<br>Email: mb@ftfinsec.com;<br>Website: www.ftfinsec.com | A&M \| A & M Legal<br>Advocates & Legal Consultants<br>**A & M Legal, Advocates & Legal Consultants**<br>Address: S-75, Greater Kailash 2, New Delhi-110048<br>Contact No.- 011-9717671403<br>Email- Shikhar@anmlegal.in<br>Contact Person: Mr. Shikhar Mittal<br>Enrolment No.: D/1488/2015 |
| **REGISTRAR TO THE ISSUE** | **STATUTORY AUDITOR AND PEER REVIEW AUDITOR** |
| Skyline Financial Services Pvt. Ltd.<br>**Skyline Financial Services Pvt. Ltd.**<br>**Address:** D-153A, First Floor, Phase I, Okhla Industrial Area, Delhi -110020<br>**Tel No.**: 011-40450193-97 & 011-26812682-83<br>**Fax No.** +91-11-26812682<br>**Email:** virenr@skylinerta.com<br>**Investor Grievance Email**: ipo@skylinerta.com<br>**Contact Person**: Mr. Anuj Rana<br>**Website:** www.skylinerta.com<br>**SEBI Registration Number:** INR000003241 | **Phanindra & Associates Chartered Accountants**<br>**Address:** First Floor, 1-65/2/288, Plot No. 288, Road No. 6, Kakatiya Hills, Guttalabegumpet, Madhapur, Hyderabad, Telangana - 500033<br>**Tel No**. +91-9703486888<br>**Email:** casrinivast@piassociates.in<br>**Contact Person:** Chartered Accountant, T. Srinivasulu<br>**Membership No**. 222868<br>**Firm Registration No**.: 013969S<br>**Peer Review Certificate No**. 015912 |
| **BANKERS TO THE COMPANY** | **MARKET MAKER** |

| | |
|---|---|
| **HDFC BANK LTD.**<br>**Address:** - Banjara Hills, Hyderabad<br>**Contact Number**: 8919715143<br>**Contact Person**: M N S Sabarinadh<br>**Email**: sabarinadh.ns@hdfcbank.com<br>**Website**: www.hdfcbank.com | **Nirman Share Brokers Private Limited**<br>**Address:** Nirman House-8, Zone-1, M.P. Nagar Bhopal, Madya Pradesh, india, 462011<br>**Tel No.:** 0755-4260000<br>**Email:** accounts@nirmanbroking.com<br>**Website:** www.nirmanbroking.com<br>**Contact Person:** Abhishek Jain<br>**SEBI Registration No.:** INZ000197638 |
| **BANKER TO THE ISSUE AND SPONSOR BANK** | |
| **ICICI Bank Limited**<br>**Address:** Capital Market Division, 163, 5th Floor, H.T Parekh Marg, Backbay Reclamation, Churchgate, Mumbai-400020**Tele. No.:** 022- 68052182<br>**E-mail:** varun.badai@icicibank.com<br>**Website:** Mr. Varun Badai<br>**Contact Person:** www.icicibank.com | |

## SELF-CERTIFIED SYNDICATE BANKS (SCSB'S)

The list of banks that have been notified by SEBI to act as SCSBs for the ASBA process is provided on the website of the SEBI (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes) and updated from time to time. For details on Designated Branches of SCSBs collecting the Bid-cum-Application Forms, refer to the above-mentioned SEBI link.

Further, as notified by SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019; the applications through UPI in IPOs can be made only through the SCSBs/ mobile applications whose name appears on the SEBI website www.sebi.gov.in at the following path: Home >> Intermediaries/Market Infrastructure Institutions >> Recognized intermediaries>> Self Certified Syndicate Banks eligible as Issuer Banks for UPI.

Investors shall ensure that when applying in IPO using UPI, the name of their Bank appears in the list of SCSBs displayed on the SEBI website which are live on UPI. Further, he/she shall also ensure that the name of the app and the UPI handle being used for making the application is also appearing in the aforesaid list.

## SYNDICATE SCSB BRANCHES

In relation to ASBA Bids submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 and updated from time to time. For more information on such branches collecting Bid-cum-Application Forms from the Syndicate at Specified Locations, refer to the above-mentioned SEBI link.

## REGISTERED BROKERS

Bidders can submit Bid cum Application Forms in the Issue using the stock brokers network of the Stock Exchanges, i.e., through the Registered Brokers at the Broker Centres. The list of the Registered Brokers eligible to accept ASBA forms, including details such as postal address, telephone number and email address, is provided on the website of the SEBI at (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes), respectively, as updated from time to time.

## REGISTRAR AND SHARE TRANSFER AGENTS

The list of the Registrar to Issue and Share Transfer Agents (RTAs) eligible to accept Bid cum Applications forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=10 , as updated from time to time.

## COLLECTING DEPOSITORY PARTICIPANTS (CDP'S)

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, is provided on the websites of SEBI at (https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes) , as updated from time to time.

## BROKERS TO THE ISSUE

All members of the recognized stock exchanges would be eligible to act as Brokers to the Issue.

## EXPERT OPINION

Our Company has not obtained any expert opinions except we have received consent from the Peer review Auditors of the Company to include their name as an expert in this Red Herring Prospectus in relation to the

(a) Independent Auditors' reports on the restated Audited financial statements; and

(b) Statement of Tax Benefits

(c) Statement of Financial Indebtedness and such consent has not been withdrawn as on the date of this Red Herring Prospectus.

## INTER-SE ALLOCATION OF RESPONSIBILITIES

Since, Fast Track Finsec Private Limited is the sole Book Running Lead Manager to this Issue, a statement of inter se allocation of responsibilities among Book Running Lead Manager is not applicable.

## APPRAISAL AND MONITORING AGENCY

As per regulation 262(1) of SEBI ICDR Regulations, the requirement of a monitoring agency is not mandatory if the Issue size is up to ₹ 50 Crores. However, as a measure of good governance and transparency, our Company has voluntarily appointed '***Infomerics Valuation and Rating Limited***' as the Monitoring Agency for this purpose of monitoring utilization of IPO proceeds.

## GREEN SHOE OPTION

No Green Shoe Option is applicable for this Issue.

## CREDIT RATING

As this is an issue of Equity Shares, there is no credit rating for the Issue.

## IPO GRADING

Since the issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018 there is no requirement to appoint an IPO Grading agency.

## DEBENTURE TRUSTEES

As this is an issue of Equity Shares, the appointment of Debenture trustees is not required.

## FILING OF RED HERRING PROSPECTUS/PROSPECTUS WITH THE SEBI/ ROC

The Red Herring Prospectus is being filed with the National Stock Exchange of India. The Red Herring Prospectus will not be filed with SEBI, nor will SEBI issue any observation on the Offer Document in terms of Regulation 246(2) of SEBI (ICDR) Regulations, 2018. Pursuant to Regulation 246(5) of SEBI (ICDR) Regulations, 2018 and SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of Red Herring Prospectus/Prospectus will be filed online through SEBI Intermediary Portal at https://siportal.sebi.gov.in. A copy of the Red Herring Prospectus along with the material contracts and documents required to be filed under Section 32 of the Companies Act, 2013 would be filed with the RoC at its office through the electronic portal at http://www.mca.gov.in and a copy of the Prospectus to be filed under Section 26 of the Companies Act, 2013 would be filed with the RoC at its office and through the electronic portal at http://www.mca.gov.in.

## BOOK BUILDING PROCESS

Book Building, with reference to the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band. The Price Band shall be determined by our Company in consultation with the Book Running Lead Manager in accordance with the Book Building Process, and advertised in all edition of Business Standard (a widely circulated English national daily newspaper), alledition of Business Standard (a widely circulated Hindi national daily newspaper) and Telengana edition of Mega Jyothi(regional language where our Registered office is located) at least two working days prior to the Bid/ Issue Opening date. The Issue Price shall be determined by our Company, in consultation with the Book Running Lead Manager in accordance with the Book Building Process after the Bid/ Issue Closing Date. The principal parties involved in the Book Building Process are:

➢Our Company;

➢The Book Running Lead Manager in this case: Fast Track Finsec Private Limited.

➢The Registrar to the Issue and;

➢The Designated Intermediaries and Sponsor bank

The SEBI ICDR Regulations have permitted the Issue of securities to the public through the Book Building Process, wherein allocation to the public shall be made as per Regulation 253 of the SEBI ICDR Regulations.

The Issue is being made through the Book Building Process wherein not more than 50% of the Net Issue shall be available for allocation on a proportionate basis to QIBs, provided that our Company may in consultation with the BRLM allocate upto 60 % of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI (ICDR) Regulations (the "Anchor Investor Portion"), out of which one third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Issue Price. 5 % of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being
received at or above the Issue Price.

Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders, in the following manner a) one third of the portion available to non-institutional investors shall be reserved for applicants with application size of more than two lots and up to such lots equivalent to not more than ₹10 lakhs b) two third of the portion available to non-institutional investors shall be reserved for applicants with application size of more than ₹10 lakhs and unsubscribed portion in either of the sub-categories specified in clauses a) or b), may be allocated to applicants in the other sub-category of non-institutional investors and not less than 35% of the Net Issue shall be available for allocation to Individual Bidders, who applies for minimum application size in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Issue Price.

**All Bidders, except Anchor Investors, are mandatorily required to use the ASBA process for participating in the Issue. In accordance with the SEBI ICDR Regulations, QIBs bidding in the QIB Portion and Non-Institutional Bidders bidding in the Non-Institutional Portion are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Individual Bidders can revise their Bids during the Bid/Issue Period and withdraw their Bids until the Bid/Issue Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/Issue Period. Allocation to the Anchor Investors will be on a discretionary basis.**
Subject to valid Bids being received at or above the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for the Individual Portion where allotment to each Individual Bidders shall not be less than the minimum bid lot, subject to availability of Equity Shares in Portion, and the remaining available Equity Shares, if any, shall be allotted on a proportionate basis. Under–subscription, if any, in any category, would be allowed to be met with spill– over from any other category or a combination of categories at the discretion of our Company in consultation with the Book Running Lead Manager and the Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill over from other categories or a combination of categories.

In terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors (except Anchor Investors) applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Individual Investors applying in public issue may use either Application Supported by Blocked Amount (ASBA) facility for making application or also can use UPI as a payment mechanism with Application Supported by Blocked Amount for making application. For details in this regards, specific attention is invited to the chapter titled "Issue Procedure" beginning on page 376 of the Red Herring Prospectus. The process of Book Building under the SEBI (ICDR) Regulations is subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to making a Bid or application in the Issue.

For further details on the method and procedure for Bidding, please see section entitled "**Issue Procedure**" on page 376 of this Red Herring Prospectus.

## ILLUSTRATION OF THE BOOK BUILDING AND PRICE DISCOVERY PROCESS:-

For an illustration of the Book Building Process and the price discovery process, please refer to the chapter titled "Issue Procedure" on page 376 of this Red Herring Prospectus.

Bid/ Issue Program:

| Event | Indicative Dates |
|---|---|
| Anchor open/Close Date | Thursday, August 28, 2025 |
| Bid/ Issue Opening Date | Friday, August 29, 2025 |
| Bid/ Issue Closing Date | Tuesday, September 02, 2025 |
| Finalization of Basis of Allotment with the Designated Stock Exchange | Wednesday, September 03, 2025 |
| Initiation of Allotment / Refunds / Unblocking of Funds from ASBA Account or UPI ID linked bank account | Thursday, September 04, 2025 |
| Credit of Equity Shares to Demat accounts of Allottees | Thursday, September 04, 2025 |
| Commencement of trading of the Equity Shares on the Stock Exchange | Friday, September 05, 2025 |

Our Company in consultation with the Book Running Lead Manager may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid/Issue Opening Date in accordance with the SEBI ICDR Regulations.

The above timetable is indicative and does not constitute any obligation on our Company or the Book Running Lead Manager. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 3 Working Days of the Bid/ Issue Closing Date, the timetable may change due to various factors, such as extension of the Bid/Issue Period by our Company, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws. Bid Cum Application Forms and any revisions to the same will be accepted only between 10.00 A.M. to 5.00 P.M. (IST) during the Issue Period (except for the Bid/ Issue Closing Date). On the Bid/ Issue Closing Date, the Bid Cum Application Forms will be accepted only between 10.00 A.M. to 4.00 P.M. (IST) for all Bidders. The time for applying for the Individual Applicant on Bid/Issue Closing Date may be extended in consultation with the BRLM, RTA and NSE Emerge taking into account the total number of applications received up to the closure of timings. Due to the limitation of time available for uploading the Bid Cum Application Forms on the Bid/Issue Closing Date, Bidders are advised to submit their applications one (1) day prior to the Bid/ Issue Closing Date and, in any case, not later than 3.00 P.M. (IST) on the Bid/ Issue Closing Date. Any time mentioned in this Red Herring Prospectus is IST. Bidders are cautioned that in the event, a large number of Bid Cum Application Forms are received on the Bid/Issue Closing Date, as is typically experienced in public Issue, some Bid Cum Application Forms may not get uploaded due to the lack of sufficient time. Such Bid Cum Application Forms that cannot be uploaded will not be considered for allocation under this Issue. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor the BRLM is liable for any failure in uploading the Bid Cum Application Forms due to faults in any software/hardware system or otherwise.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid Cum Application Form, for a particular Applicant, the details as per the file received from Stock Exchange may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid Cum Application Form, for a particular ASBA Applicant, the Registrar to the Issue shall ask the relevant SCSBs/ RTAs / DPs / stock brokers, as the case may be, for the rectified data.

## UNDERWRITING

The Company and the Book Running Lead Manager to the Issue hereby confirm that the Issue will be 100% Underwritten by the Underwriter namely Fast Track Finsec Private Limited.

Pursuant to the terms of the Underwriting Agreement dated August 12, 2025 entered into by Company, Underwriter, the obligations of the Underwriter are subject to certain conditions specified therein. The Details of the Underwriting commitments are as under:

| Details of the Underwriter | No. of shares underwritten | Amount Underwritten (₹ in Lakhs) | % of Total Issue Size Underwritten |
|---|---|---|---|
| **Fast Track Finsec Private Limited**<br>**Address:** Office No. V-116, 1st Floor, New Delh House 27, Barakhamba Road, New Delhi - 110001<br>**Tel No:** +91 – 011-43029809<br>**Fax No.** Not Available<br>**Email:**mb@ftfinsec.com, investor@ftfinsec.com<br>**Website:** www.ftfinsec.com<br>**Contact Person:** Ms. Sakshi<br>**SEBI Registration No.** INM000012500 | 26,79,000 | [●] | 100% |

*Includes upto 1,34,000Equity Shares of the Market Maker Reservation Portion which are to be subscribed by the Market Maker, namely Nirman Share Brokers Private Limited in its own account in order to claim compliance with the requirements of Regulation 261 of the SEBI (ICDR) Regulations, 2018, as amended.

In the opinion of the Board of Directors of our Company, the resources of the above-mentioned Underwriter are sufficient to enable them to discharge their respective obligations in full.

## CHANGE IN STATUTORY AUDITORS DURING THE LAST THREE (3) YEARS

There have been no changes in our Company's auditors in the last (3) years except, mentioned below:

| Name of Auditor | From | To | Date of Change | Reason for change |
|---|---|---|---|---|
| Sarangapani & Co. | 05/07/2022 | 31/03/2023 | 04/05/2023 | Resignation as Statutory Auditor of the Company due to Pre-occupation. |
| Sumalatha & Associates | 01/04/2023 | 31/03/2028 | 30/09/2023 | Appointment as Statutory Auditor of the Company due to Resignation of |

| | | | | |
|---|---|---|---|---|
| | | | | Previous Auditor of the Company. |
| Sumalatha & Associates | 01/04/2023 | 31/03/2028 | 16/12/2024 | Resignation as Statutory Auditor of the Company due to pre-occupation of other assignments. Our Company require peer review auditor for the purpose of IPO |
| Phanindra & Associates | 01/04/2024 | 31/03/2025 | 17/12/2024 | Appointment as Statutory Auditor of the Company due to Resignation of Previous Auditor of the Company.<br>Phanindra & Associates are peer reviewed firm of Auditors |

## WITHDRAWAL OF THE ISSUE

Our Company in consultation with the BRLM, reserves the right not to proceed with the Issue at any time before the Bid/ Issue Opening Date without assigning any reason thereof.

If our Company withdraws the Issue any time after the Bid/ Issue Opening Date but before the allotment of Equity Shares, a public notice within 2 (two) working days of the Bid/ Issue Closing Date, providing reasons for not proceeding with the Issue shall be issued by our Company. The notice of withdrawal will be issued in the same newspapers where the pre- Issue advertisements have appeared and the Stock Exchange will also be informed promptly. The BRLM, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within 1 (one) working Day from the day of receipt of such instruction.

If our Company withdraws the Issue after the Bid/ Issue Closing Date and subsequently decides to proceed with an Issue of the Equity Shares, our Company will have to file a fresh Red Herring Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange with respect to the Equity Shares issued through the Red Herring Prospectus, which our Company will apply for only after Allotment; and (ii) the filing of Red Herring Prospectus/ Prospectus with RoC.

## DETAILS OF THE MARKET MAKING ARRANGEMENT FOR THIS ISSUE

Our Company and the LM has entered into Market Making Agreement dated August 12, 2025 with the following Market Maker, to fulfill the obligations of Market Making for this issue:

**Nirman Share Brokers Private Limited Address:** Nirman House-8, Zone-1, M.P. Nagar Bhopal, Madya Pradesh, india, 462011
**Tel No**.: 0755-4260000
**Email**: accounts@nirmanbroking.com

**Website**: www.nirmanbroking.com
**Contact Person**: Abhishek Jain
**SEBI Registration No**.: INZ000197638

The Market Maker shall fulfill the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations, and its amendments from time to time and the circulars issued by the NSE and SEBI regarding this matter from time to time.

**Following is a summary of the key details pertaining to the Market-making arrangement:**

➢The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the stock exchange. Further, the Market Maker(s) shall inform the exchange in advance for every blackout period when the quotes are not being offered by the Market Maker(s).

➢ The prices quoted by Market Maker shall be in compliance with the Market Maker Spread Requirements and other particulars as specified or as per the requirements of the NSE Emerge (SME platform of NSE) and SEBI from time to time.

➢ The minimum depth of the quote shall be ₹1,00,000/-. However, the investors with holdings of value less than ₹ 1,00,000/- shall be allowed to offer their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.

➢ The Market Maker shall not sell in lots less than the minimum contract size allowed for trading on the SME platform of NSE (in this case currently the minimum trading lot size is [●] equity shares; however, the same may be changed by the NSE Emerge platform from time to time).

➢ After a period of three (3) months from the market making period, the Market Maker would be exempted to provide quote if the Shares of Market Maker in our company reaches to 25% of Issue Size. Any Equity Shares allotted to Market Maker under this Issue over and above 25% of Issue Size would not be taken in to consideration of computing the threshold of 25% of Issue Size. As soon as the Shares of Market Maker in our Company reduce to 24% of the Issue Size, the Market Maker will resume providing 2-way quotes.

➢ There shall be no exemption/ threshold on the downside. However, in the event the Market Maker exhausts his inventory through the market making process, NSE may intimate the same to SEBI after due verification.

➢ Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.

➢There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors on the first day of the listing, there will be a pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction.

➢ The Market maker may also be present in the opening call auction, but there is no obligation on him to do so.

➢ There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market – for instance due to system problems, any other problems. All controllable reasons require prior approval from the Exchange, while force majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.

➢ The Market Maker(s) shall have the right to terminate said arrangement by giving a 3 (three) months' notice or on mutually acceptable terms to the Merchant Banker, who shall then be responsible for appointing a replacement Market Maker(s) and executing a fresh arrangement. In case of termination of the above-mentioned Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the LM to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 261(1) of the SEBI (ICDR) Regulations, 2018, as amended. Further, our Company and the LM reserve the right to appoint other Market Makers either as a replacement for the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers not exceeding five or as specified by the relevant laws and regulations applicable at that particulars point of time. The Market Making Agreement is available for inspection at our office from 10.00 A.M. to 5.00 P.M. on working days.

➢ Risk containment measures and monitoring for Market Makers: The Emerge platform of NSE will have all margins, which are applicable on the NSE main board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. NSE can impose any other margins as deemed necessary from time to time.

➢ **Punitive Action in case of default by Market Makers:** NSE Emerge Exchange will monitor the obligations on a real-time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties/ fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties/ fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two-way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market-making activities/ trading membership. The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties/ fines/ suspension for any type of misconduct/ manipulation/ other irregularities by the Market Maker from time to time.

➢ **Price Band and Spreads**: The price band shall be 20% and the market maker spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time.

Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side

| **Issue Size** | **Buy quote exemption threshold (including mandatory initial inventory of 5% of the Issue Size)** | **Re-Entry threshold for buy quote (including mandatory initial inventory of 5% of the Issue Size)** |
|---|---|---|
| Up to ₹ 20 Crore | 25% | 24% |
| ₹ 20 to ₹ 50 Crore | 20 % | 19 % |
| ₹ 50 to ₹ 80 Crore | 15 % | 14 % |
| Above ₹ 80 Crore | 12 % | 11 % |

The SEBI circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for issue size up to ₹ 250 crores, the applicable price bands for the first day shall be: i. In case an equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price. ii. In case the equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the Issue Price.

Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading.

In terms of regulation 261(4) of SEBI ICDR Regulations 2018, The specified securities being bought or sold in the process of market making may be transferred to or from the nominated investors with whom the Book Running Lead Manager(s) and the issuer have entered into an agreement for market making: Provided that the inventory of the market maker, as on the date of allotment of the specified securities, shall be at least five per cent. of the specified securities proposed to be listed on NSE EMERGE

In terms of regulation 261(5) of SEBI ICDR Regulations 2018, The market maker shall buy the entire shareholding of a shareholder of the issuer in one lot, where the value of such shareholding is less than the minimum contract size allowed for trading on the NSE EMERGE, provided that market maker shall not sell in lots less than the minimum contract size allowed for trading on the NSE EMERGE.

***Remainder of this page has been left blank intentionally***

## CAPITAL STRUCTURE

The Equity Share Capital of our Company, as on date of this Red Herring Prospectus and after giving effect to the Issue is set forth below:

(in lakhs)

| No. | Particulars | Aggregate Nominal Value | Aggregate value at the Issue Price |
|---|---|---|---|
| **A.** | **AUTHORIZED SHARE CAPITAL** | | |
| | 1,10,00,000 Equity Shares of face value Rs. 10/- each | 1100.00 | - |
| **B.** | **ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE** | | |
| | 75,00,000 Fully paid-up Equity Shares of face value Rs.10 each | 750.00 | - |
| **C.** | **PRESENT ISSUE IN TERMS OF RED HERRING PROSPECTUS*** | | |
| | 26,79,000 Equity Shares of face value Rs 10/- each, at premium of Rs. [●] per Equity Share | 267.90 | [●] |
| | Which comprises of | | |
| **D.** | 1,34,000 Equity Shares of face value Rs. 10 each at a premium of Rs. [●] per Equity Share reserved as Market Maker Portion | 13.40 | [●] |
| **E.** | **Net Issue to Public of 25,45,000 Equity Shares of face value of Rs. 10 each at a premium of Rs. [●] per Equity Share to the Public** | 254.50 | [●] |
| | **of Which** | | |
| | (i) At least 12,10,000 Equity Shares of face value of Rs. 10 each at a premium of Rs. [●] per Equity Share will be available for Allocation to Public Individual Investors who applies for minimum application size. | 121.00 | [●] |
| | (ii) At least 12,09,000 Equity Shares of face value of Rs. 10 each at a premium of Rs. [●] per Equity Share will be available for Allocation to Non-Institutional Investors | 120.90 | [●] |
| | (iii) At least 1,26,000 Equity Shares of face value of Rs. 10 each at a premium of Rs. [●] per Equity Share will be available for Allocation to Qualified Institutional Buyers. | 12.60 | |
| **F.** | **ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE ISSUE** | | |
| | 1,01,79,000 Equity Shares of face value Rs. 10/-each | 1017.90 | [●] |
| **G.** | **SECURITIES PREMIUM ACCOUNT** | | |
| | Before the Issue (as on date of this Red Herring Prospectus) | Nil | |
| | After the Issue | [●] | |

**For detailed information on the Net Issue and its allocation various categories, please refer chapter titled "The Issue" on Page 67 of this Red Herring Prospectus*
***The Issue has been authorized pursuant to a resolution of our Board dated February 24, 2025 and by Special Resolution passed under Section 62 (1) (c) of the Companies Act, 2013 at an Extra Ordinary General Meeting of our shareholders held on February 26, 2025.*

****the issuer company is in compliance with the Companies Act, 2013 with respect to issuance of securities since inception till the date of filing of Red Herring Prospectus*

## CLASS OF SHARES

The Company has only one class of share capital i.e. Equity Shares of face value Rs. 10/- each only. All Equity Shares issued are fully paid-up.

Our Company has not issued any partly paid-up equity shares since its incorporation nor does it have any partly paid- up equity shares as on the date of the Red Herring Prospectus.

Our Company has no outstanding convertible instruments as on the date of this Red Herring Prospectus.

## NOTES TO THE CAPITAL STRUCTURE

**1. Details of Change in Authorized Share Capital:**
Since incorporation of our Company, the authorized share capital of our Company has been altered in the manner set forth below:

| Particulars of Change | | Date of Shareholders Meeting | AGM/EGM |
|---|---|---|---|
| From | To | | |
| Rs. 50,00,000 consist of 5,00,000 Equity Shares face value Rs.10 Each | | On Incorporation | |
| Rs. 50,00,000 consist of 5,00,000 Equity Shares of face value Rs.10 Each | Rs. 1,00,00,000 consist of 10,00,000 Equity Shares of face value Rs.10 Each | 05th September, 2022 | EGM |
| Rs. 1,00,00,000 consist of 10,00,000 Equity Shares of face value Rs.10 Each | Rs.11,00,00,000 consist of 1,10,00,000 Equity Shares of face value Rs.10 Each | 22nd November, 2024 | EGM |

**2. History of Equity Share Capital**

a) The following tables sets forth details of History of the Paid-up Equity Shares Capital of our Company:

| S. No | Date of Allotment/ Fully Paid up | No. of Equity Shares Allotted | Face Value (Rs.) | Issue Price | Nature of Consideration | Nature of Allotment | Cumulative number of Equity Shares | Cumulative Paid-up Capital (Rs.) |
|---|---|---|---|---|---|---|---|---|
| 1. | On Incorporation | 5,00,000 | 10 | 10 | Cash | Subscription to MOA (1) | 5,00,000 | 50,00,000 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 2. | November 02, 2022 | 5,00,000 | 10 | 10 | Cash | Right Issue[2] | 10,00,000 | 1,00,00,000 |
| 3. | December 07, 2024 | 65,00,000 | 10 | 0 | Other than Cash | Bonus Issue[3] | 75,00,000 | 7,50,00,000 |

**Notes:**

1.) Initial Subscribers to Memorandum of Association hold 5,00,000 Equity Shares each at the face value of Rs. 10/- fully paid up as per the details given below:

| S. No. | Name of Person | No. of Shares Allotted |
|---|---|---|
| 1. | Venkata Lakshmi Nandigala | 1,00,000 |
| 2. | Nandigala Venkata Sai Harish | 2,00,000 |
| 3. | Nandigala Venkata Sai Kiran | 2,00,000 |
| | **Total** | **5,00,000** |

2.) The Company thereafter Issued 5,00,000 Equity shares of face value Rs. 10/- each on November 02, 2022 for cash consideration, as per the detail below:

| S. No. | Name of Person | No. of Shares Allotted |
|---|---|---|
| 1. | Venkata Lakshmi Nandigala | 1,00,000 |
| 2. | Nandigala Venkata Sai Harish | 2,00,000 |
| 3. | Nandigala Venkata Sai Kiran | 2,00,000 |
| | **Total** | **5,00,000** |

3.) The Company allotted 65,00,000 Equity Shares as Bonus Shares of face value Rs. 10/- each in the ratio of 65 Equity Shares for every 10 (Ten) Equity Share on December 07, 2024 as per the details given below:

| S. No | Name of Person | No. of Shares Allotted |
|---|---|---|
| 1. | Nandigala Venkata Sai Kiran | 32,50,000 |
| 2. | Nandigala Venkata Sai Harish | 32,50,000 |
| | **Total** | **65,00,000** |

* The aforementioned Bonus allotment has been made by free reserve and surplus as per Annual Audited Financial Statements for the year ended on the 31st March, 2024. Our free reserves immediately before the bonus issue were ₹ 655.47 Lakhs and immediately after the bonus issue were ₹ 630.93 Lakhs.

**3.** We have not issued any Equity Shares out of revaluation reserves or in terms of any scheme approved under section 230-234 of the Companies Act, 2013.

**4.** We have not issued any Equity Shares in last one year at price below Issue Price expect as stated above.

5. Our Company has not revalued its assets since inception and has not issued any equity shares (including bonus shares) by capitalizing any revaluation reserves.
6. We have not issued any shares pursuant to an Employee Stock Option Scheme / Employee Stock Purchase Scheme for our employees.
7. The Issuer has not made any issue of specified securities at a price lower than the issue price during the preceding One year.

***Remainder of this page has been left blank intentionally***

## 8. Our Shareholding Pattern

The table below represents the current shareholding pattern of our Company as per Regulation 31 of the SEBI (LODR) Regulations, 2015.

| Category (I) | Category of Shareholder (II) | No. of Shareholders (III) | No. of fully paid-up Equity Shares held (IV) | No. of Partly paid-up Equity Shares held (V) | No. of shares underlying depository receipts (VI) | Total No. of shares held (VII) = (IV)+(V)+ (++VI) | Shareholding as a % of total no. of Equity Shares (calculated as per SCRR) (VIII) As a % of (A+B+C2) | Number of Voting Rights held in each class of securities (IX) | | | No. of Shares underlying outstanding convertible securities (including warrants) | Shareholding as a % assuming full conversion of convertible securities No. (a) | No. of locked-in Equity Shares (XII) | | Number of Equity Shares pledged or otherwise encumbered (XIII) | | No. of Equity Shares held in dematerialized form (XIV) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | Class (Equity) | Total | Total as a % of (A+B+C) | | | No. (a) | As a % of total shares held (b) | No. (a) | As a % of total shares held (b) | |
| (A) | Promoter and Promoter Group | 2 | 74,99,995 | - | - | 74,99,995 | 100 | 74,99,995 | 74,99,995 | 100 | - | - | 74,99,995 | 100 | - | - | 74,99,995 |
| | | | | | | | | | | | | | | | | | |
| (B) | Public | 5 | 5 | - | - | 5 | - | 5 | 5 | - | - | - | 5 | - | - | - | 5 |
| | | | | | | | | | | | | | | | | | |

| | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| (C) | Non-Promoter-Non-Public | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | | | | | | | | | | | | | | | | | |
| (C1) | Shares underlying depository receipt | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | | | | | | | | | | | | | | | | | |
| (C2) | Shares held by employee trusts | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | | | | | | | | | | | | | | | | | |
| Total | | 07 | 75,00,000 | - | - | 75,00,000 | 100.00 | 75,00,000 | 75,00,000 | 100.00 | - | - | 75,00,000 | 100 | - | - | 75,00,000 |

**As on the date of this Red Herring Prospectus 1 Equity Shares holds 1 vote.*

***Note**:*

- *In terms of SEBI circular bearing No. CIR/ISD/3/2011 dated June 17, 2011 and SEBI circular bearing No. SEBI/CIR/ISD/ 05 /2011, dated September 30, 2011, the Equity Shares held by the Promoters/Promoters Group Entities and 50% of the Equity Shares held by the public shareholders, shall be dematerialized. Presently, all the existing equity shares of the Company are in dematerialized form.*
- *PAN of the Shareholders will be provided by our Company prior to Listing of Equity Share on the Stock Exchange.*
- *Our Company will file the shareholding pattern of our Company, in the form prescribed under Regulation 31 of the SEBI (LODR) Regulations, 2015, one day prior to the listing of the equity shares. The shareholding pattern will be uploaded on the website of NSE Emerge before commencement of trading of such Equity Shares.*
- *The complete shareholding pattern shall be provided at the time of listing of the equity shares.*

**9. Details of the holding of securities of persons belonging to the category "Promoter and Promoter Group" and "public" before and after the Issue:**

| | Name of the Shareholder | Pre-Issue | | Post Issue | |
|---|---|---|---|---|---|
| | | No. of Equity Shares | % of Pre-Issue Capital | No. of Equity Shares | % of post-Issue Capital |
| I | II | III | IV | V | VI |
| | **PROMOTERS** | | | | |
| 1. | Nandigala Venkata Sai Kiran | 37,49,995 | 49.99 | 37,49,995 | 36.84 |
| 2. | Nandigala Venkata Sai Harish | 37,50,000 | 50 | 37,50,000 | 36.84 |
| **TOTAL(A)** | | **74,99,995** | **99.99** | **74,99,995** | **73.68** |
| | **PROMOTER GROUP** | | | | |
| 1. | - | - | - | - | - |
| **TOTAL(B)** | | | | | |
| **PUBLIC** | | | | | |
| 1. | Dasari Srinivas Rao | 1 | Negligible | 1 | Negligible |
| 2. | Nadagapu Kesava Rao | 1 | Negligible | 1 | Negligible |
| 3. | P Poorna Chandra Reddy | 1 | Negligible | 1 | Negligible |
| 4 | Tirumalasetti Sambasiva Rao | 1 | Negligible | 1 | Negligible |
| 5. | Padigapati Vijaya Lakshmi | 1 | Negligible | 1 | Negligible |
| 6. | IPO | - | - | 26,79,000 | 26.32 |
| **TOTAL(C)** | | **5** | **0.01** | **26,79,005** | **26.32** |
| **TOTAL(A+B+C)** | | 75,00,000 | 100 | 1,01,79,000 | 100 |

**10. Details of Shareholding of the major shareholders of the Company**

(A) List of Shareholders holding 1 % or more of the paid-up capital of the Company as on the date of Red Herring Prospectus.

| S. No | Name of Shareholder | No. of Equity Shares* | % of Paid-up capital** |
|---|---|---|---|
| 1. | Nandigala Venkata Sai Kiran | 37,49,995 | 49.99 |
| 2. | Nandigala Venkata Sai Harish | 37,50,000 | 50 |
| **Total** | | **74,99,995** | **100** |

* The Company has not issued any convertible instruments like warrants, debentures etc. since its Incorporation and there are no outstanding convertible instruments as on date of the Red Herring Prospectus.

** The % has been calculated based on existing (pre-issue) paid –up capital of the company

(B) List of Shareholders holder 1% or more of the paid-up capital of the Company ten days prior the date of Red Herring Prospectus.

| S.no | Name of Shareholder | No. of Equity Shares* | % of Paid-up capital** |
|---|---|---|---|
| 1. | Nandigala Venkata Sai Kiran | 37,49,995 | 49.99 |
| 2. | Nandigala Venkata Sai Harish | 37,50,000 | 50 |
| **Total** | | **74,99,995** | **100** |

* The Company has not issued any convertible instruments like warrants, debentures etc. since its Incorporation and there are no outstanding convertible instruments as on date of the Red Herring Prospectus.
** The % has been calculated based on existing (pre-issue) paid –up capital of the company.

(C) List of Shareholders holder 1% or more of the paid-up capital of the Company 1 year prior the date of Red Herring Prospectus.

| S.no | Name of Shareholder | No. of Equity Shares* | % of Paid-up capital |
|---|---|---|---|
| 1. | Venkata Lakshmi Nandigala | 2,00,000 | 20% |
| 2. | Nandigala Venkata Sai Harish | 4,00,000 | 40% |
| 3. | Nandigala Venkata Sai Kiran | 4,00,000 | 40% |
| **TOTAL** | | **10,00,000** | **100%** |

*The Company has not issued any convertible instruments like warrants, debentures etc. since its Incorporation and there are no outstanding convertible instruments as on date of the Red Herring Prospectus.

(D) Two Year prior to the date of filling of this Red Herring Prospectus.

| S.no | Name of Shareholder | No. of Equity Shares* | % of Paid-up capital |
|---|---|---|---|
| 1. | Venkata Lakshmi Nandigala | 2,00,000 | 20% |
| 2. | Nandigala Venkata Sai Harish | 4,00,000 | 40% |
| 3. | Nandigala Venkata Sai Kiran | 4,00,000 | 40% |
| **TOTAL** | | **10,00,000** | **100%** |

**11.** There will be no further issue of capital, whether by way of issue of bonus shares, preferential allotment, Right issue or in any other manner during the period commencing from the date of the Red Herring Prospectus until the Equity Shares of our Company have been listed or application money unblocked on account of failure of Issue. Further, our Company does not intend to alter its capital structure within six months from the date of opening of the offer, by way of split/ consolidation of the denomination of Equity Shares. However, our Company may further issue equity shares (including issue of securities convertible

into Equity Shares) whether preferential or otherwise after the date of the listing of equity shares to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement or any other purpose as the Board of Directors may deem fit, if an opportunity of such nature is determined by the Board of Directors to be in the interest of our Company.

**12.** Our Company has not made any Initial Public offer of specified securities in the preceding two years from the date of filling of Red Herring Prospectus.

**13.** Except as stated below, none of our other Directors or Key Managerial Personnel holds Equity Shares in our Company:

| S. No | Name | Designation | No. of Equity Shares Held | Percentage |
|---|---|---|---|---|
| 1. | Nandigala Venkata Sai Kiran | Managing Director | 37,49,995 | 49.99% |
| 2. | Nandigala Venkata Sai Harish | Whole Time Director | 37,50,000 | 50.00% |
| **Total** | | | **74,99,995** | **100%** |

**14.** Capital Buildup in respect of Shareholdings of Our Promoters of Our Company.

As on the date of this Red Herring Prospectus, Our Promoter Nandigala Venkata Sai Kiran & Nandigala Venkata Sai Harish collectively hold 74,99,995 equity shares of our company. None of the Equity shares held by our Promoter are subject to any pledge.

Set forth below is the build-up of the Shareholding of our promoter Group in our company since incorporation

**(A) Nandigala Venkata Sai Kiran**

| Date of Allotment/ Transfer | No. of Equity Shares | Face Value per share | Issue/ Acquisition /Transfer price | Nature of Transaction | % of pre issue capital Shares | % of post issue capital Shares | No. of Shares Pledged | % of Shares Pledged |
|---|---|---|---|---|---|---|---|---|
| Subscription to MOA | 2,00,000 | 10 | - | Allotment | 2.66 | 1.96 | Nil | Nil |
| 02-11-2022 | 2,00,000 | 10 | - | Allotment | 2.66 | 1.96 | Nil | Nil |
| 01-04-2024 | 100,000 | 10 | Nil | Gift | 1.33 | 0.98 | Nil | Nil |
| 07-12-2024 | 32,50,000 | 10 | Nil | Bonus | 43.33 | 31.92 | Nil | Nil |
| 13-12-2024 | (1) | 10 | 10 | Transfer | Negligible | Negligible | Nil | Nil |
| 13-12-2024 | (1) | 10 | 10 | Transfer | Negligible | Negligible | Nil | Nil |
| 13-12-2024 | (1) | 10 | 10 | Transfer | Negligible | Negligible | Nil | Nil |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 13-12-2024 | (1) | 10 | 10 | Transfer | Negligible | Negligible | Nil | Nil |
| 13-12-2024 | (1) | 10 | 10 | Transfer | Negligible | Negligible | Nil | Nil |
| **TOTAL** | **37,49,995** | | | | **49.98%** | **36.82%** | | |

**(B) Nandigala Venkata Sai Harish**

| Date of Allotment/ Transfer | No. of Equity Shares | Face Value per share | Issue/ Acquisition /Transfer price | Nature of Transaction | % of pre issue capital Shares | % of post issue capital Shares | No. of Shares Pledged | % of Shares Pledged |
|---|---|---|---|---|---|---|---|---|
| Subscription to MOA | 2,00,000 | 10 | - | Allotment | 2.66 | 1.96 | Nil | Nil |
| 02-11-2022 | 2,00,000 | 10 | - | Allotment | 2.66 | 1.96 | Nil | Nil |
| 01-04-2024 | 100,000 | 10 | Nil | Gift | 1.33 | 0.98 | Nil | Nil |
| 07-12-2024 | 32,50,000 | 10 | Nil | Bonus | 43.33 | 31.92 | Nil | Nil |
| **TOTAL** | **37,50,000** | | | | **49.98%** | **36.82%** | | |

**15.** The average cost of acquisition of or subscription to Equity Shares by our Promoter and Promoter Group is set forth in the table below:

| Name | Promoter / Promoter Group | No. of Shares held | Avg. Cost of Acquisition*(in Rs.) |
|---|---|---|---|
| Nandigala Venkata Sai Kiran | Promoter | 37,49,995 | 1.07 |
| Nandigala Venkata Sai Harish | Promoter | 37,50,000 | 1.07 |

*Including the Equity Shares issued pursuant to bonus issue and transfer.
**As Certified by M/s Phanindra & Associates, Chartered Accountants dated March 28, 2025

**16.** There are no Equity Shares were acquired/ purchased/ sold by the Promoter/Promoter Group, Directors and their immediate relatives within six months immediately preceding the date of filing of this Red Herring Prospectus.

**17.** Our Promoters have confirmed to the Company and the Lead Manager that the Equity Shares held by our Promoters have been financed from their personal funds or their internal accruals, as the case may be, and no loans or financial assistance from any bank or financial institution has been availed by them for this purpose.

**18.** There are no financing arrangements whereby the Promoter Group, the Directors of our Company and their relatives have financed the purchase by any other person of securities of the issuer other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of filing of the Red Herring Prospectus with the Stock Exchange.

**19.** Our Company has not made any public offer (including any rights issue to the public) since its incorporation.

**20. Promoter's Contribution and Locked- in Details**

Pursuant to Regulation 236 and 238 of SEBI (ICDR) Regulations, 2018, an aggregate of 20% of the post issue capital held by our Promoters shall be considered as Promoter's Contribution ("Promoter's Contribution") and shall be locked-in for a period of three years from the date of allotment of Equity shares issued pursuant to this Issue. The lock in of Promoter's Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

As on the date of this Red Herring Prospectus, our Promoters holds 74,99,995 Equity Shares constituting 73.68% of the post-Issued, subscribed and paid-up Equity Share Capital of our Company, which are eligible for the Promoter's contribution.

| Name of Promoter | Date of allotment/ acquisition of the Equity Shares | Nature of Transaction | No. of Equity Shares | Face Value (Rs.) | Issue/ Acquisition Price per Equity Share (Rs.) | Percentage of post. Offer paid-Up capital (%) | Lock in Period |
|---|---|---|---|---|---|---|---|
| Nandigala Venkata Sai Kiran | December 07, 2024 | Bonus | 10,17,910 | 10 | Other than cash | 10% | 3 Years |
| Nandigala Venkata Sai Harish | December 07, 2024 | Bonus | 10,17,910 | 10 | Other than cash | 10% | 3Years |

*Assuming full subscription to the Issue

The Minimum Promoter's Contribution has been brought into to the extent of not less than the specified minimum lot and has been contributed by the persons defined as 'Promoters' under the SEBI (ICDR) Regulations, 2018. All Equity Shares that are being locked in are not ineligible for computation of Promoter's contribution in terms of Regulation 237 of the SEBI ICDR Regulations and are being locked in for 3 years as per Regulation 238(a) of the SEBI (ICDR) Regulations i.e., for a period of three years form the allotment of Equity Shares in this Issue. Equity Shares offered by the Promoter for the minimum Promoter's contribution are not subject to pledge.

The entire pre-issue shareholding of the Promoters, other than the Minimum Promoters contribution, which is locked in for three years, shall be locked in as follows;

(a) fifty percent. of promoters' holding in excess of minimum promoters' contribution shall be locked in for a period of two years from the date of allotment in the initial public offer; and

(b) remaining fifty percent. of promoters' holding in excess of minimum promoters' contribution shall be locked in for a period of one year from the date of allotment in the initial public offer.

(c) The Equity Shares offered for Promoters' Contribution do not include Equity Shares acquired in the three immediately preceding years (a) for consideration other than cash involving revaluation of assets or capitalisation of intangible assets; or (b) resulting from a bonus issue of Equity Shares out of revaluation reserves or unrealised profits of our Company or from a bonus issuance of equity shares against Equity Shares, which are otherwise ineligible for computation of Promoters' Contribution.

(d) The Promoters' Contribution does not include any Equity Shares acquired during the immediately preceding one year at a price lower than the price at which specified securities are being offered to public in the initial public offer.

(e) Our Company was formed by the conversion of a partnership firm into a company w.e.f July 05, 2022. However, no Equity Shares have been issued in the one year immediately preceding the date of this Red Herring Prospectus pursuant to such conversion.

(f) The Equity Shares forming part of the Promoter's Contribution are not subject to any pledge.

In terms of Regulation 241 of the SEBI (ICDR) Regulations, 2018, our Company confirms that certificates of Equity Shares which are subject to lock in shall contain the inscription "Non-Transferable" and specify the lock-in period and in case such equity shares are dematerialized, the Company shall ensure that the lock in is recorded by the Depository.

**Details of Locked-in for One Year for person other than promoters**

In terms of Regulation 239 of the SEBI (ICDR) Regulations, 2018, the entire pre-issue equity share capital held by persons other than promoter constituting 5 Equity Shares shall be locked in for a period of one year from the date of allotment of Equity Shares in this Issue.

In terms of Regulation 241 of the SEBI (ICDR) Regulations, 2018, the Equity Shares which are subject to lockin shall carry inscription 'non-transferable' along with the Ratio of specified non-transferable period mentioned in the face of the security certificate. The shares which are in dematerialized form, if any, shall be locked-in by the respective depositories. The details of lock-in of the Equity Shares shall also be provided to the Designated Stock Exchange before the listing of the Equity Shares.

Other requirements in respect of lock-in:

In terms of Regulation 242 of the SEBI (ICDR) Regulations, the locked in Equity Shares held by the Promoters as specified above, can be pledged with any scheduled commercial bank or public financial institution or a systemically important non-banking finance company or a housing finance company as collateral security for loan granted by such bank or institution provided that the pledge of Equity Shares is one of the terms of the sanction of the loan. Provided that securities locked in as minimum promoter's contribution may be pledged only if, in addition to fulfilling the above requirements, the loan has been granted by such bank or institution, for the purpose of financing one or more of the objects of the Issue. In terms of Regulation 243 of the SEBI (ICDR) Regulations, the Equity Shares held by persons other than the Promoters prior to the Issue may be transferred to any other person holding the Equity Shares which are

locked in as per Regulation 239 of the SEBI (ICDR) Regulations, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.

Further in terms of Regulation 243 of the SEBI (ICDR) Regulations, the specified securities held by the promoters and locked-in as per regulation 238 may be transferred to another promoters or any person of the promoter group or a new promoters or a person in control of the issuer subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.

**Lock-in of Equity Shares Allotted to Anchor Investors**

50% of the Equity Shares Allotted to Anchor Investors in the Anchor Investors Portion shall be locked-in for a period of 90 days from the date of Allotment and the remaining 50% of the Equity Shares shall be locked-in for a period of 30 days from the date of Allotment.

**21.** Neither, we nor our Promoters, Directors and the BRLM to this Issue have entered into any buyback and/ or standby arrangements and/ or similar arrangements for the purchase of our Equity Shares from any person.

**22.** As on the date of this Red Herring Prospectus, the entire Issued Share, Subscribed and Paid-up Share Capital of our Company is fully paid up. Since the entire issue price in respect of the issue is payable on application, all the successful applicants will be allotted fully paid- up Equity shares.

**23.** As on the date of this Red Herring Prospectus, the Lead Manager and their respective associates (as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992) do not hold any Equity Shares of our Company. The Lead Manager and their affiliates may engage in the transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company for which they may in the future receive customary compensation.

**24.** As on date of the Red Herring Prospectus, the Lead Managers to the Issue, namely Fast Track Finsec Private Limited is not related to the public shareholders of the Company in any way directly or indirectly including any related party transactions, etc. and/or are connected with the Company in any manner directly or indirectly other than in the capacity as the Lead Manager.

**25.** As on the date of this Red Herring Prospectus, we do not have any Employees Stock Option Scheme / Employees Stock Purchase Scheme and we do not intend to allot any shares to our employees under Employee Stock Option Scheme/ Employee Stock Purchase Plan from the proposed issue. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI (Share Based Employee Benefits) Regulations, 2021.

**26.** We have 7 shareholders as on the date of filing of this Red Herring Prospectus.

**27.** As on the date of filing of this Red Herring Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments which would entitle Promoters or any shareholders or any other person any option to acquire our Equity Shares after this Initial Public Offer.

**28.** Our Company has not raised any bridge loan against the proceeds of the Issue.

**29.** As on the date of this Red Herring Prospectus, none of the shares held by our Promoters/ Promoter Group are subject to any pledge.

**30.** We hereby confirm that there will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of the Red Herring Prospectus until the Equity Shares offered have been listed or application money unblocked on account of failure of Issue.

**31.** At any given point of time there shall be only one denomination of the Equity Shares, unless otherwise permitted by law.

**32.** Our Company shall comply with such disclosure and accounting norms as may be specified by NSE, SEBI and other regulatory authorities from time to time.

**33.** There are no Equity Shares against which depository receipts have been issued.

**34.** Other than the Equity Shares, there is no other class of securities issued by our Company.

**35.** There are no safety net arrangements for this public issue.

**36.** As per RBI regulations, OCBs are not allowed to participate in this issue.

**37.** Our Promoters and Promoter Group will not participate in this Issue.

**38.** This Issue is being made through Book Building Method.

**39.** In terms of Rule 19(2)(b)(i) of the Securities Contracts (Regulation) Rules, 1957, as amended, (the SCRR) the Issue is being made for at least 25% of the post-issue paid-up Equity Share capital of our Company. Further, this Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time.

**40.** No person connected with the Issue shall offer any incentive, whether direct or indirect, in the nature of discount, commission, and allowance, or otherwise, whether in cash, kind, services or otherwise, to any Applicant.

**41.** We shall ensure that transactions in Equity Shares by the Promoters and members of the Promoter Group, if any, between the date of filing the Red Herring Prospectus with the RoC and the Issue Closing Date are reported to the Stock Exchanges within 24 hours of such transactions being completed.

## OBJECTS OF THE ISSUE

Our Company proposes to utilize the funds being raised to fund the following objectives and achieve the benefits of listing on the Emerge Platform of NSE.

**The objects of the Issue are:**

1. To meet the Working Capital requirements of the Company;
2. Repayment of loans availed by our Company
3. General Corporate Purposes; and
4. To meet the Issue Expenses.

Our Company believes that listing will enhance our Company's corporate image, brand name and create a public market for its Equity Shares in India. The main objects clause of our Memorandum enables our Company to undertake the activities for which funds are being raised in the Issue. The existing activities of our Company are within the objects' clause of our Memorandum. The fund requirement and deployment are based on internal management estimates and has not been appraised by any bank or financial institution.

**Fund Requirements**

Our funding requirements are dependent on a number of factors which may not be in the control of our management, changes in our financial condition and current commercial conditions. Such factors may entail rescheduling and / or revising the planned expenditure and funding requirement and increasing or decreasing the expenditure for a particular purpose from the planned expenditure.

We intend to utilize the proceeds of the Fresh Issue, in the manner set forth below:

| S. No. | Particulars | Amount (In Rs. Lakh) |
|---|---|---|
| 1. | Working Capital Requirement | 2394.17 |
| 2. | To Repayment of loans availed by our Company | 350.00 |
| 3. | General Corporate Purposes | [●] |
| 4. | Issue Expenses* | [●] |
| | **Total** | [●] |

**As on August 05, 2025 the Company has incurred a sum of Rs.49.14 Lakh towards issue expenses.*

The fund requirements are based on internal management estimates and have not been appraised by any bank or financial institution. These are subject to revisions on account of changes in costs, financial condition, business strategy or external circumstances which may not be in our control. In case of any surplus after utilization of the Net Proceeds towards the aforementioned Objects, we may use such surplus towards general corporate purposes, provided that the total amount to be utilized towards general corporate purposes shall not exceed 15% of the Net Proceeds of the Fresh Issue or 10 crore whichever is lower, in accordance with applicable law. Further, in case of any variations in the actual utilisation of funds earmarked towards the Objects set forth above, then any increased fund requirements for a particular Object may be financed by surplus funds, subject to utilisation towards general corporate purposes not exceeding 15% of the Net Proceeds of the Fresh Issue or 10 crore whichever is lower in accordance with the SEBI ICDR Regulations and in compliance with the objectives as set out below, if any, available in respect of the other Objects for which funds are being raised in this Offer. In case of a shortfall in raising requisite capital from the Net Proceeds towards meeting the Objects, we may explore a range of options including utilising our internal accruals.

***Details of Utilization of Issue Proceeds***

**1. Working Capital Requirements:**

**(Amount in Lakhs)**

| Particulars | As at 31st March, 2026 | As at 31st March, 2025 | As at 31st March, 2024 | As at 31st March, 2023 | As at 04th July, 2022 |
|---|---|---|---|---|---|
| | Estimated | Restated | Restated | Restated | Restated |
| ***Current Assets*** | | | | | |
| Inventories | 1,324.86 | 366.51 | 39.04 | 98.27 | 97.20 |
| Trade Receivables | 3,097.69 | 942.67 | 648.64 | 378.87 | 405.70 |
| Short-Term Loans and Advances | 387.31 | 218.11 | 117.77 | 114.87 | 102.57 |
| Other Current Assets | 5.75 | 29.92 | - | 0.87 | 3.12 |
| **Total (A)** | **4,815.61** | **1,557.22** | **805.46** | **592.89** | **608.58** |
| ***Current Liabilities*** | | | | | |
| Short-Term Borrowings | - | 158.55 | 72.94 | 3.17 | 3.26 |
| Trade Payables | 217.01 | 275.02 | 378.61 | 185.87 | 240.06 |
| Other Current Liabilities | 61.10 | 51.41 | 38.73 | 36.11 | 184.57 |
| Short-Term Provisions | 250.94 | 266.89 | 142.81 | 113.65 | 139.70 |
| **Total (B)** | **529.04** | **751.87** | **633.08** | **338.80** | **567.60** |
| ***Net Working Capital (A)-(B)*** | **4,286.57** | **805.35** | **172.37** | **254.09** | **40.99** |
| ***Sources of Working Capital*** | | | | | |
| Proceeds from IPO | 2,394.17 | - | - | - | - |
| Working Capital funding from Banks and Financial Institutions (cash credit) | 500.00 | 229.65 | - | - | - |
| Internal Accruals/ Net worth | **1,392.40** | **575.70** | **172.37** | **254.09** | **40.99** |

**Sources of Internal Accruals estimated by Company to meet the working capital gap of ₹ 13.92 crores in FY 25-26:**

- **Net Profit After Tax:** The Company has Cash Profits of ₹ 855.26 lakhs in FY 2024-25, and the same is expected to be achieved in FY 2025-26, and will be utilized to meet the required gap.
- **Retained Earnings:** The Company has an amount of approximately. ₹ 727 lakhs at the end of the FY 2024-25, i.e. 31st March, 2025, and the same can be utilised to meet the required gap.

Details of Estimation of Working Capital requirement are as follows:

**(Amount in lakh)**

| Particulars | As at 31st March, 2026 | As at 31st March, 2025 | As at 31st March, 2024 | As at 31st March, 2023 | As at 04th July, 2022 |
|---|---|---|---|---|---|
| | **Estimated** | **Restated** | **Restated** | **Restated** | **Restated** |
| Inventory | 1,324.86 | 366.51 | 39.04 | 98.27 | 97.20 |
| Trade Receivables | 3,097.69 | 942.67 | 648.64 | 378.87 | 405.70 |
| Trade Payable | 217.01 | 275.02 | 378.61 | 185.87 | 240.06 |
| Net Working Capital | 4,286.57 | 805.35 | 172.37 | 254.09 | 40.99 |

| | | | | | |
|---|---|---|---|---|---|
| % of Inventory / Revenue from operations * | [●] | 13.98% | 1.65% | 5.32% | 3.92% |
| % of Trade receivables/ Revenue from operations * | [●] | 35.95% | 27.35% | 20.53% | 16.37% |
| % of Trade Payable /Revenue from operations * | [●] | 10.49% | 15.96% | 10.07% | 9.69% |
| % Net Working Capital /Revenue from Operations* | [●] | 30.71% | 7.27% | 18.61% | 6.35% |

" In Days"

| Particulars | As at 31st March, 2026 | As at 31st March, 2025 | As at 31st March, 2024 | As at 31st March, 2023 | As at 04th July, 2022 |
|---|---|---|---|---|---|
| No. of Days for Trade Payables | 16 | 96 | 92 | 106 | 37 |
| No. of Days for Trade Receivables | 103 | 111 | 79 | 78 | 56 |
| No. of Days for Inventory Days | 58 | 81 | 21 | 49 | 20 |
| **Working capital cycle days** | **145** | **96** | **8** | **20** | **40** |

Note:

1. 365 days has been considered in a year.
2. Holding period level (in days) of Trade Receivables is calculated by dividing average trade receivables by revenue from operations multiplied by number of days in a year.
3. Holding period level (in days) of Trade payables is calculated by dividing average trade payables by purchases multiplied by number of days in a year.
4. Holding period level (in days) of inventories is calculated by dividing average inventories by cost of goods sold multiplied by number of days in a year.
5. *% has been annualised for the period ended 04th July 2022, 31st March 2023.

**Rationale for Increase in working capital gap from financial year 2024-25 to financial year 2025-26:**

The Company is planning to operate a working capital-intensive business. The Major Working capital are required for monthly payment of material purchased, selling, general, administration and other variable overheads etc. and Trade Receivable as the money gets blocked in them due to longer credit period offer to them for increase in Business. Working capital requirement for FY 2025-26 is expected to be ₹ 4286.57 Lakhs which will be financed through internal accruals of ₹1,392.40 lakhs and proceeds from an IPO amounting to ₹ 2,394.17 lakhs and through cash credit amounting to ₹ 500 Lakhs.

The company is planning to make a strategic shift to operational diversification by relying less on job work material and in turn purchasing the raw material from open market and distilling the same. This will increase the Company's sales during financial year 2025-26 and to meet the additional sales demand, the Company will have to increase its inventory in financial year 2025-26 up to ₹ 1324.86 Lakhs from ₹ 366.51 Lakhs in financial year 2024-25. Since the Company is Purchasing a material from the open market by paying amount in advance to the vendors credit period of the company decreased from 96 days to 16 days in financial year 2025-26. Targeting operational diversification i.e. Purchasing a material from the open market and make a distillation and sale to a new customer by offering extended credit periods, the trade receivables are expected to increase from ₹ 942.67 lakhs in financial year 2024-25 to ₹ 3097.69 lakhs in financial year 2025-26 Resulting, more extended receivable days i.e., 111 days in financial year 2024-25 and 103 days in financial year 2025-26.

**Justification**:

| | |
|---|---|
| **Trade Payable Days** | Trade payables refer to the amounts a company owes to its suppliers for goods or services received on credit, representing trade payables. They typically arise from routine business activities, such as purchasing raw materials, inventory and other services, with the agreement to pay later.<br><br>Past trend of trade payable has been between the ranges of 37 to 106 days in the last financial years. Trade payable days for the period ended 04th July, 2022 are 37 days. The decline in trade payable days during this period was primarily due to the impact of the COVID-19 pandemic, which led to supply chain constraints and disruptions. To ensure the timely procurement of essential materials, payment schedules were adjusted, resulting in shorter payable cycles. This trend was consistent across the industry, as peer companies also faced similar challenges in managing trade payables during this time. However, as the pharmaceutical industry dynamics have stabilized, supply chain operations have gradually returned to normal. With improved material availability and streamlined procurement processes, trade payable cycles are expected to align with in the past trend ranges.<br><br>As of end of financial year 2025-26 the number of trade payables days has significantly decreased due to Purchasing a raw material from the open market by paying amount in advance to the vendors. This reduction is solely attributed to our participation in the open bidding process of various pharmaceutical companies, where we are required to win the auction by quoting a lower price, and payment terms need to be specified on an immediate basis. |
| **Trade Receivable Days** | Trade receivable consists of debt owned by debtors. Past trend of trade receivable has been between the ranges of 56 to 111 days in the last financial years. Trade receivable days for the period ended/financials year 04th July, 2022 and 31st March, 2023, 2023-24 and 2024-25 are 56,78, 79 and 111 respectively. This increase is primarily attributable to the impact of the COVID-19 pandemic on supply chain dynamics. During the pandemic, due to supply chain constraints and liquidity management, the company had to offer a shorter credit period to customers to maintain cash flow. However, as industry conditions improved and market dynamics normalized, the company gradually extended credit periods, bringing trade receivable days in line with prevailing market practices.<br><br>During the financial year 2025-26 and for financial year 2024-25 there was a noticeable increase in trade receivable days compared to previous years. The company extended a longer credit period to its customers as a generic practice in pharma industry and towards market acquisition, resulting in a higher trade receivable holding period of 111 days. This was also accompanied by growth in Revenue from Operations compared to FY 2025-26.<br><br>Total trade receivables are expected to increase in line with business volumes and projected business activity in the financial year 2024-25 and 2025-26. |
| **Inventory** | Inventory refers to the raw materials, stock in trade, and finished goods that a company holds for trading and production purposes. Past trend of inventory holding period has been between the ranges of 20 to 81 days in the last financial years.<br><br>Inventory holding days for FY 2025-26 and FY 2024-25 are 58 and 81 days respectively. This increase is attributable to company having constructed a storage facility leading to higher inventory levels for supply in the market during suitable or favorable conditions and this will also lead to margin expansion.<br><br>For the FY 2025-26, there is shift in business model i.e. reducing dependency from job work |

| | |
|---|---|
| | to purchase and process. This will lead to significant increase in the cost of goods sold and thus resulting in fewer inventory days based on absolute values.<br><br>**Year on Year Justification**<br><br>**From FY 2022-23 to FY 2023-24**<br>In FY 2023-24, the company reported a significant reduction in inventory levels, decreasing from ₹98.27 crore in FY 2022-23 to ₹39.04 crore. As a percentage of Revenue from Operations, inventory dropped from 5.32% to 1.65%, and inventory holding days reduced from 49 days to 21 days.<br><br>This decrease was primarily driven by operational improvements—specifically, the modification and capacity enhancement of one of the company's stainless steel (SS) kettles from 5KL to 10KL. This upgrade enabled higher throughput in solvent recycling, with recycled volumes increasing from 5,920 MT in FY 2022-23 to 6,439 MT in FY 2023-24 (9% increase).<br>The increased recycling capacity allowed for more efficient utilization of materials, reducing the need to hold excess inventory. As a result, the company achieved better inventory turnover and improved overall working capital efficiency.<br><br>**From FY 2023-24 to FY 2024-25**<br>In FY 2025, the company commissioned advanced quality check machinery, which significantly enhanced the precision of testing and analysis of job work materials. This improvement in quality assurance enabled the company to accept and retain a higher volume of raw materials that met the upgraded standards, directly contributing to increased inventory for production use. During the same period, the company also increased its installed capacity from 7,920 MTS in FY 2024 to 8,640 MTS in FY 2025. The combination of improved machinery and enhanced operational efficiency led to more robust production planning, encouraging greater intake of raw materials to meet the anticipated rise in output. To support this growth, the company expanded its storage capabilities by adding new rented warehousing facilities, which became fully operational in FY 2025. This additional storage space allowed for effective stockpiling of raw materials and enabled the company to take advantage of favourable market conditions and bulk purchasing opportunities to secure input materials for upcoming production needs.<br><br>**From FY 2024-25 to FY 2025-26**<br>The increase in estimated inventory levels for FY 2026 is primarily driven by a strategic shift in the company's business model—from job work to a purchase-and-process approach. Under the new model, the company procures raw materials directly and processes them in-house, resulting in a higher buildup of both raw material and finished goods inventory yet to be sold in open market. This transition necessitates holding more inventory at various production stages, thereby contributing to the overall rise in inventory levels. In contrast, the job work model typically involved minimal inventory, limited to excess processed material intended for open market sale, as the majority of processed material was returned to the customer. With the company anticipating a decline in job work activities in FY 2026, inventory holdings will increase under the new model to support direct procurement and in-house processing operations. |
| **Other Current Liabilities** | Other current liabilities include advance from customers, provisions, statutory dues, expenses payable, etc. However, going forward, the Company does not foresee any major change and expected to get proportionally increased due to increase in operations and turnover. |

| | |
|---|---|
| **Short term borrowings** | Company has availed short-term borrowing of facility ₹ 500.00 lacs comprising CC limit from Banks to finance its working capital requirements. |
| **Short term provisions** | Short term provisions primarily include provision for Gratuity and provision for taxation. Short term provisions have been maintained in line with the increase of projected business income/expenses for the forthcoming years. |
| **Short-term Loans and Advances** | This includes mostly advance to suppliers, employees etc., the Company does not foresee any major change and expected to get proportionally increased due to increase in operations and turnover. |
| **Other Current Assets** | Other current assets include, prepaid insurance expenses and Balance with Govt. authorities. |
| **Revenue from operations** | Revenue from operations comprises direct sale of products, revenue from distillation of products and income from job work charges. Past trend of revenue from operations for financial year 2022-23, 2023-24 and 2024-25 is Rs. 2010.25, 2371.79 and 2622.33 lakhs respectively.<br><br>Estimated increase in Revenue from operations is attributable to Company's plans to Purchasing a material from the open market and make a distillation and sell to customer. |
| **Net Working Capital** | Net working capital is the difference between a company's current assets and current liabilities, representing the funds available for day-to-day operations. It is a crucial indicator of a business's short-term financial health and liquidity. One significant factor influencing working capital requirements is the size and scale of the business, as increased sales volume directly impacts these needs.<br><br>For FY 2025-26, the company projects a total net working capital requirement of ₹ 4,286.57 lakhs, which will be financed through internal accruals of ₹ 1,392.4 lakhs and proceeds from an IPO amounting to ₹ 2,394.17 lakhs and through cash credit amounting to ₹ 500 Lakhs.<br><br>As the company's operations and scale are expected to grow steadily, this will likely result in increased revenue from Open markets. Consequently, a larger proportion of funds will be allocated to trade receivables and inventories, further increasing working capital needs in the coming years. |
| **Working Capital Cycle** | Working Capital Cycle in the Financial Year/period ended 4th July, 2022, 31st March 2023, 2023-24 and FY 2024-25 was 40, 20, 8, 96 days respectively. And now we are estimating working capital cycle to be 145 days in Financial Year 2025-26.<br><br>Justification for such an increase are as follows:<br><br>a. Trade Receivables are expected to increase and that will impact working capital cycles drastically. Trade Receivables will increase in FY 25-26 as company will put its more effort on adding new customers and in order to improve customer Relations Company will give longer credit period to compete. |

The increase in working capital requirement from ₹805.35 lakhs in FY 2024–25 to ₹4,286.57 lakhs in FY 2025–26 is primarily driven by a strategic transformation in the Company's business model from predominantly job

work operations to direct procurement and in-house processing of raw materials sourced from the open market. Under the previous job work model, working capital needs were minimal, as raw material procurement and inventory management were largely vendor-driven. However, the revised approach requires the Company to fund the purchase of raw materials upfront, maintain higher inventory levels for 1–2 months, and manage extended customer credit cycles ranging from 150 to 180 days.

This shift has resulted in a significant increase in trade receivables and inventory holdings, while supplier credit has substantially reduced due to advance payment requirements in auction-based procurement. Consequently, the benefit of trade payables in offsetting working capital needs has diminished. Despite the rise in capital requirements, this model allows the Company greater control over input quality, enables selective sourcing of higher-yielding materials, and targets full capacity utilization and margin enhancement.

The transition is expected to materially improve efficiency and profitability over time. To support this shift, the Company plans to finance the increased working capital through internal accruals, enhanced working capital limits, and equity funding.

*Note: - Certificate dated August 14, 2025 issued by the Statutory Auditors of our Company, M/s Phanindra & Associates, Chartered Accountants vide UDIN: 25222868BMIJTU9507 certify the working capital requirement.*

**2. Repayment of loans availed by our Company**

Our Company obtained a term loans from the HDFC Bank Ltd. for the purpose of purchase of commercial vehicles vide dated 22.11.2024, to meet the working capital requirements vide dated 07.01.2025 and Term Loan vide dated 09.01.2025. A sum of Rs. 350 Lakhs from the net proceeds will be utilized to prepay the loans. Our Company's cash accruals can then be utilized for further business expansion, reducing the debt service coverage ratio and increasing reserves and surplus.

The detail of loan are as follows: -

(All amounts in ₹ lacs, unless otherwise stated)

| | |
|---|---|
| **Name of Lender** | HDFC Bank Ltd. |
| **Purpose** | Purchase of Commercial Vehicles |
| **Date of Sanction of Loan** | 22.11.2024 |
| **Date of Disbursement** | 22.11.2024 |
| **Amount Sanctioned** | 118.50 (39.50 * 3 Loans) |
| **Repayment Schedule** | 10th of Every Month |
| **Principal Amount Outstanding as on 31st July, 2025** | Rs. 98.58 Lacs |
| **Principal Amount outstanding as on 31st March, 2025** | Rs. 110.09 Lacs |
| **Rate of Interest** | 8.75% p.a. |
| **Primary Security** | Motor Vehicles purchased |
| **Collateral Security** | Not Applicable. |
| **Personal Guarantee** | Not Applicable. |

(All amounts in ₹ lacs, unless otherwise stated)

| | |
|---|---|
| **Name of Lender** | HDFC Bank Ltd. |
| **Purpose** | Term Loan |
| **Date of Sanction of Loan** | 07.01.2025 |
| **Date of Disbursement** | 07.01.2025 |
| **Amount Sanctioned** | 150.00 lacs |
| **Repayment Schedule** | 07th of Every Month |
| **Principal Amount Outstanding as on 31st July, 2025** | Rs. 142.15 Lacs |

| | |
|---|---|
| **Principal Amount outstanding as on 31st March, 2025** | Rs. 147.42 Lacs |
| **Rate of Interest** | 9.1% p.a |
| **Primary Security** | Hypothecation on Stock, Receivables |
| **Collateral Security** | CGSTMSE*, Plant and Machinery |
| **Personal Guarantee** | Not Applicable. |

(All amounts in ₹ lacs, unless otherwise stated)

| | |
|---|---|
| **Name of Lender** | HDFC Bank Ltd. |
| **Purpose** | Term Loan |
| **Date of Sanction of Loan** | 09.01.2025 |
| **Date of Disbursement** | 09.01.2025 |
| **Amount Sanctioned** | 250.00 lacs |
| **Repayment Schedule** | 07th of Every Month |
| **Principal Amount Outstanding as on 31st July, 2025** | Rs. 239.14 Lacs |
| **Principal Amount outstanding as on 31st March 2025** | Rs. 247.86 Lacs |
| **Rate of Interest** | 9.1% p.a |
| **Primary Security** | Hypothecation on Stock, Receivables |
| **Collateral Security** | CGSTMSE*, Plant and Machinery |
| **Personal Guarantee** | Not Applicable. |

** Credit guarantee fund trust for micro small enterprise*
*For more details on secured and unsecured loans of the company please refer page 336 under chapter titled "Financial Indebtedness" of the RHP.*
*Note: Certificate dated August 14, 2025 issued by the Statutory Auditors of our Company, M/s Phanindra & Associates, Chartered Accountant vide UDIN: 25222868BMIJTT1976 certify the utilization of loan for the purpose availed.*

### 3. General Corporate Purpose

Our Company intends to deploy the balance Net Proceeds aggregating Rs. [●] Lakh towards general corporate purposes, subject to such utilization not exceeding 15% of the Net Proceeds of the Issue or 10 crores, whichever is lower, in compliance with SEBI ICDR Regulations. Our Company intends to deploy the balance Net Proceeds, if any, for general corporate purposes, subject to above mentioned limit, as may be approved by our management, including but not restricted to, the following:

a) brand building and strengthening of marketing activities;
b) meeting ongoing general corporate exigencies and contingencies;
c) capital expenditure;
d) general expenses of our Company;
e) payment of commission and/or fees to any consultants;
f) any other purpose as permitted under applicable laws

The quantum of utilization of funds towards each of the above purposes will be determined by our Board of Directors based on the permissible amount actually available under the head "General Corporate Purposes" and the business requirements of our Company, from time to time. We, in accordance with the policies of our Board, will have flexibility in utilizing the Net Proceeds for general corporate purposes, as mentioned above.

### 4. Issue Related Expenses

The expenses for this Issue include issue management fees, underwriting fees, registrar fees, legal advisor

fees, printing and distribution expenses, advertisement expenses, depository charges and listing fees to the Stock Exchange, among others. The total expenses for this Issue are estimated not to exceed Rs [●] Lakh.

*(Rs. In Lakh)*

| S.No. | Particulars | Amount (Rs. in Lakhs) | % of Total Expenses | % of Total Issue Size |
|---|---|---|---|---|
| 1 | Lead manager(s) fees including underwriting commission. | [●] | [●] | [●] |
| 2 | Brokerage, selling commission and upload fees. | [●] | [●] | [●] |
| 3 | Registrars to the issue | [●] | [●] | [●] |
| 4 | Legal Advisors | [●] | [●] | [●] |
| 5 | Printing, advertising and marketing expenses | [●] | [●] | [●] |
| 6 | Regulators including stock exchanges | [●] | [●] | [●] |
| 7 | Others, if any (Advisors to the company, Peer Review Auditors, and other misc. expenses) | [●] | [●] | [●] |
| **Total** | | **[●]** | **[●]** | **[●]** |

## MEANS OF FINANCE

(*Rs. in Lakh*)

| Particulars | Estimated Amount |
|---|---|
| IPO Proceed | [●] |

## APPRAISAL BY APPRAISING AGENCY

The fund requirement and deployment is based on internal management estimates and has not been appraised by any bank or financial institution.

## SCHEDULE OF IMPLEMENTATION

We propose to deploy the Net Proceeds for the previously mentioned purposes in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below.

*(Amount in Lakh)*

| S. No. | Particulars | Amount to be funded from proceed | Expenses incurred till August 05, 2025 | Estimated Utilisation of Net Proceeds (F.Y. 2025-26) |
|---|---|---|---|---|
| 1. | To meet Working Capital Requirement | 2394.17 | [●] | 2394.17 |
| 2. | Repayment of Loans availed by the Company | 350.00 | [●] | 350.00 |
| 3. | General Corporate Purposes | [●] | [●] | [●] |
| 4. | Issue Expenses | [●] | 49.14 | [●] |
| | **Total** | [●] | [●] | [●] |

To the extent our Company is unable to utilize any portion of the Net Proceeds towards the Objects, as per the estimated schedule of deployment specified above, our Company shall deploy the Net Proceeds in the subsequent Financial Years towards the Objects.

## DEPLOYMENT OF FUNDS

The Company has received the Sources and Deployment Funds Certificate vide UDIN: 25222868BMIJTI4780 dated August 14, 2025 from **Phanindra & Associates**, Chartered Accountants. The certificate states that the Company has deployed amounts aggregating Rs. 49.14 Lakhs as on August 05, 2025 toward IPO expenses.

## INTERIM USE OF FUNDS

Pending utilization for the purposes described above, our Company intends to invest the funds in with scheduled commercial banks included in the second schedule of Reserve Bank of India Act, 1934. Our management, in accordance with the policies established by our Board of Directors from time to time, will deploy the Net Proceeds. Further, our Board of Directors hereby undertake that full recovery of the said interim investments shall be made without any sort of delay as and when need arises for utilization of process for the objects of the issue. Provided that the interim use of funds shall be made in accordance with the applicable laws of ICDR.

## BRIDGE FINANCING FACILITIES

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Red Herring Prospectus, which are proposed to be repaid from the Net Proceeds. However, depending on business exigencies, our Company may consider raising bridge financing for the Net Proceeds for Object of the Issue.

## MONITORING UTILIZATION OF FUNDS

As the Net Proceeds of the Issue will be less than Rs. 5,000 Lakh, under the SEBI (ICDR) Regulations it is not mandatory for us to appoint a monitoring agency. However, as a measure of good governance and transparency, our Company has voluntarily appointed ***Infomerics Valuation and Rating Private Limited*** to oversee the utilization of issue proceeds. Our Audit Committee and the Monitoring Agency will monitor the utilization of the Gross Proceeds and the Monitoring Agency shall submit the report required under SEBI ICDR Regulations, until such time as the Gross Proceeds have been utilised in full and Company shall provide details/ information/ certifications obtained from statutory auditors on the utilization of the Gross Proceeds to the Monitoring Agency. Pursuant to Regulation 32 of the SEBI (Listing Obligation and Disclosures Requirements) Regulations 2015, our Company shall on quarterly basis disclose to the Audit Committee the applications of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than those stated in this Red Herring Prospectus and place it before the Audit Committee and make other disclosures as may be required until such time as the Gross Proceeds remain unutilized. Such disclosure shall be made only until such time that all the Gross Proceeds have been utilized in full. The statement shall be certified by the statutory auditor of our Company in accordance with Regulation 32(5) of SEBI (Listing Obligation and Disclosures Requirements) Regulations 2015. Furthermore, in accordance with Regulation 32(1) of the SEBI (Listing Obligation and Disclosures Requirements) Regulations 2015, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilization of the Gross Proceeds as stated above; and (ii) details of category wise variations in the actual utilization of the Gross Proceeds as stated above.

## VARIATION IN OBJECTS

In accordance with Section 13(8) and Section 27 of the Companies Act, 2013 and applicable rules, our Company shall not vary the objects of the Issue without our Company being authorised to do so by the

Shareholders by way of a special resolution through postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (the Postal Ballot Notice) shall specify the prescribed details as required under the Companies Act, SEBI Regulations and other applicable rules as the case may be. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in the vernacular language of the jurisdiction where the Registered Office is situated. Our Promoters or controlling Shareholders will be required to provide an exit opportunity to such Shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard.

## OTHER CONFIRMATIONS

No part of the issue proceeds will be paid as consideration to promoters, directors, key managerial personnel, associates or group companies except in the normal course of business and as disclosed in the sections titled Our Promoters and Our Promoters Group and Our Management as mentioned on page 259 and 243 of this Red Herring Prospectus.

***Remainder of this page has been left blank intentionally***

## BASIS FOR ISSUE PRICE

*Investors should read the following summary with the section titled "**Risk Factors**", the details about our Company under the section titled **"Our Business"** and its financial statements under the section titled **"Restated Financial Information"** beginning on page* 37, 178 and 282 *respectively of the Red Herring Prospectus. The trading price of the Equity Shares of Our Company could decline due to these risks and the investor may lose all or part of his investment.*

Price Band/ Issue Price shall be determined by our Company in consultation with the Book Running Lead Manager on the basis of the assessment of market demand for the Equity Shares through the Book Building Process and on the basis of the qualitative and quantitative factors as described in this section. The face value of the Equity Shares is ₹ 10/- each and the Issue Price is [●] times of the face value at the lower end of the Price Band and [●] times of the face value at the upper end of the Price Band.

For the purpose of making an informed investment decision, the investors should also refer **"*Risk Factors*"**, **"*Our Business*"** and **"*Restated Financial Information*"** beginning on page 37, 178, and 282 respectively of this Red Herring Prospectus.

## QUALITATIVE FACTORS

We believe the following business strengths allow us to successfully compete in the industry:

a) Experienced and Qualified Management and Employee base
b) Strong and Consistent Financial Performance
c) Growing customer base
d) Scalable and reliable business model
e) Experienced Promoters and Senior Management with extensive domain knowledge

For a detailed discussion on the qualitative factors which form the basis for computing the price, please refer to sections titled ***"Our Business"*** beginning on page 178 of this Red Herring Prospectus.

## QUANTITATIVE FACTORS

The information presented below relating to our Company is based on the Restated Financial Statements. For details, please refer section titled ***"Financial Information"*** on page 282 of this Red Herring Prospectus.

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

1. Basic & Diluted Earnings per share (EPS) (Face value of ₹ 10/- each):

As per the Restated Financial Statements: -

| Sr. No | Period | Basic & Diluted (In Rs.) | Weights |
|---|---|---|---|
| 1. | For the period from 05th July, 2022 to 31st March 2023 | 4.76 | 1 |
| 2. | Financial Year 2023-24 | 4.88 | 2 |
| 3. | Financial Year 2024-25 | 9.78 | 3 |
| | **Weighted Average** | **7.31** | |

***Notes:***

i. *The figures disclosed above are based on the Restated Financial Statements of the Company.*
ii. *The face value of each Equity Share is ₹10.00.*
iii. *Earnings per Share has been calculated in accordance with **Accounting Standard 20 – "Earnings per Share"** issued by the Institute of Chartered Accountants of India.*

iv. *The above statement should be read with Significant Accounting Policies and the Notes to the Restated Financial Statements as appearing in Note IV.*
v. *Basic Earnings per Share = Net Profit/(Loss) after tax, as restated attributable to equity shareholders/ Weighted average number of equity shares outstanding during the year / period.*
vi. *Diluted Earnings per Share = Net Profit/(Loss) after tax, as restated attributable to equity shareholders/ Weighted average number of diluted potential equity shares outstanding during the year/ period.*

**2. Price Earning (P/E) Ratio in relation to the Price Band of ₹ [●] to ₹ [●] per Equity Share of Face Value of ₹ 10/- each fully paid up of Face Value of ₹ 10/- each fully paid up**

| Particulars | (P/E) Ratio at the Floor Price | (P/E) Ratio at the Cap Price |
|---|---|---|
| P/E ratio based on the Basic & Diluted EPS, as restated for Financial Year 2024-25 | [●] | [●] |
| P/E ratio based on the Weighted Average EPS, as restated. | [●] | [●] |

**3. Industry P/E ratio**

| Particulars | P/E ratio * |
|---|---|
| Highest | 135.2 |
| Lowest | 9.8 |
| Industry Average | 52.2 |

***Source: Industry peer Group P/E Ratio – Chemicals – Capital Market Volume No. XXXX/12/40SPLSLP12 of date July 21- August 03, 2025.***

***Extremes has been excluded for better comparison.***
****We believe that there are no listed Companies in India which are focused exclusively on the segment in which we operate.***

**4. Average Return on Return on Net worth (RoNW)**

| Sr. No | Period | RoNW (%) | Weights |
|---|---|---|---|
| 1 | Financial Year 2022-2023 | 85.93% | 1 |
| 2 | Financial Year 2023-2024 | 49.20% | 2 |
| 3 | Financial Year 2024-2025 | 49.66% | 3 |
| | **Weighted Average** | **55.55%** | |

***Note:***

i. *The RoNW has been computed by dividing net profit after tax (excluding exceptional items) with restated Net worth as at the end of the year/ period*
ii. *Weighted average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. (RoNW x Weight) for each year / Total of weights*

**5. Net Asset Value (NAV) per Equity Share as per restated financials:**

**(In Rs.)**

| Sr. No. | NAV per Equity Share | Outstanding at the end of the year |
|---|---|---|
| 1. | For the period from 05th July, 2022 to 31st March 2023 | 6.48 |
| 2. | As at March 31, 2024 | 9.92 |
| 3. | As at March 31, 2025 | 19.70 |
| 4. | NAV per Equity Share after the Issue | [●] |
| 5. | Issue Price | [●] |

***Notes:***

i. *NAV per share impact of post bonus has been taken into consideration*
ii. *NAV per share =Restated Net worth at the end of the year / weighted average number of equity shares outstanding at the end of the year/ period.*
iii. *Net worth is computed as the sum of the aggregate of paid-up equity share capital, all reserves created out of the profits, securities premium account received in respect of equity shares.*
iv. *Issue Price per Equity Share will be determined by our Company in consultation with the Book Running LeadManager.*

**6. Comparison of Accounting Ratios with Industry Peers:**

There are no listed Companies in India, the business portfolio of which is comparable with our business, accordingly it is not possible to provide an Industry comparison in relation to our Company.

**7. Key Performance Indicator**

The KPIs disclosed below have been used historically by our Company to understand and analyze the business performance,which in result, help us in analyzing the growth of our company.

The KPIs disclosed below have been approved by a resolution of our Audit Committee dated August 14, 2025 and the members of the Audit Committee have verified the details of all KPIs pertaining to our Company. Further, the members of the Audit Committee have confirmed that there are no KPIs pertaining to our Company that have been disclosed to any investors at any point of time during the three years period prior to the date of filing of this RHP. Further, the KPIs herein have been certified by our Statutory Auditors namely M/s Phanindra & Associates, Chartered Accountants, vide their certificate dated August 14, 2025

The KPIs of our Company have been disclosed in the sections titled ***"Our Business"*** and ***"Management's Discussion and Analysis of Financial Condition and Results of Operations – Key Performance Indicators"*** on pages 178 and 320 respectively. We have described and defined the KPIs, as applicable, in ***"Definitions and Abbreviations"*** on page 03.

Our Company confirms that it shall continue to disclose all the KPIs included in this section on a periodic basis, at least once in a year (or any lesser period as determined by the Board of our Company), for a duration of one year after the date of listing of the Equity Shares on the Stock Exchange or till the complete utilization of the proceeds of the Fresh Issue as per the disclosure made in the Objects of the Issue Section, whichever is later or for such other duration as may be required under the SEBI ICDR Regulations. Further, the ongoing KPIs will continue to be certified by a member of an expert body as required under the SEBI ICDR Regulations.

8. Key Performance Indicators of our Company

(Rs. In Lakhs except EPS, percentages and ratios)

| **Particulars** | **As at 31st March, 2025** | **As at 31st March, 2024** | **As at 31st March, 2023** | ***As at 04th July, 2022** |
|---|---|---|---|---|
| Revenue from operations [(1)] | 2,622.33 | 2,371.79 | 1,365.23 | 645.02 |
| *Revenue CAGR (%) from F.Y. 2023-2025[(2)]* | 14.21% | | | |
| EBITDA [(3)] | 1,141.24 | 583.04 | 416.97 | 93.89 |
| EBITDA (%) Margin [(4)] | 43.52% | 24.58% | 30.54% | 14.56% |
| *EBITDA CAGR (%) from F.Y. 2023-2025[(5)]* | 49.46% | | | |
| EBIT [(6)] | 1,019.81 | 503.00 | 372.92 | 70.88 |
| ROCE (%) [(7)] | 50.38% | 46.70% | 50.33% | 14.36% |
| Current ratio [(8)] | 1.61 | 1.30 | 1.79 | 1.10 |
| Operating cash flow [(9)] | 302.01 | 456.42 | 124.92 | 344.10 |

| | | | | |
|---|---|---|---|---|
| PAT [10] | 733.82 | 365.98 | 277.83 | 46.83 |
| PAT Margin [11] | 27.98% | 15.43% | 20.35% | 7.26% |
| Net Worth [12] | 1,477.63 | 743.81 | 377.83 | 100.00 |
| ROE (or) RONW [13] | 49.66% | 49.20% | 73.53% | 46.83% |
| EPS [14] | 9.78 | 4.88 | 4.76 | - |

***Notes:***

*(1) Revenue from operations is the revenue generated from operations by our Company.*

*(2) Revenue CAGR: The three-year compound annual growth rate in Revenue.*
*[(Ending Value/Beginning Value) ^ (1/N)]-1*

*(3) EBITDA is calculated as Profit before tax + Depreciation + Interest Expenses - Other Income*

*(4) EBITDA Margin is calculated as EBITDA divided by Revenue from Operations*

*(5) EBITDA CAGR: The three-year compound annual growth rate in EBITDA.*
*[(Ending Value/Beginning Value) ^ (1/N)]-1*

*(6) EBIT is Earnings before Finance Cost and taxes.*

*(7) ROCE: Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined As Total Assets less current liabilities.*

*(8) Current Ratio: Current Asset over Current Liabilities*

*(9) Operating Cash Flow: Net cash inflow from operating activities*

*(10) PAT is mentioned as profit after tax for the period.*

*(11) PAT Margin is calculated as PAT for the period/year divided by revenue from operations.*

*(12) Net Worth means the aggregate value of the paid-up share capital and reserves and surplus of the company.*

*(13) ROE: Return on Equity is calculated as PAT divided by average shareholders' equity*

*(14) EPS: Earning per share is calculated as PAT divide by Weighted No. of equity shares.*

** As the entity was originally a firm, and later converted into a company as at 05th July,2022, the financial statements of the firm before conversion must be separately disclosed to ensure transparency in financial reporting.*

**Explanation for KPI metrics**

| KPI | Explanation |
|---|---|
| Revenue from operation | Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps to assess the overall financial performance of our Company and volume of our business. |
| Revenue CAGR % | Revenue CAGR informs the management of compounded annual growth rate i.e. Rate at which Company's revenue are growing on annual basis. |
| EBITDA | EBITDA provides information regarding the operational efficiency of the business |
| EBITDA Margin (%) | EBITDA Margin (%) is an indicator of the operational profitability and financial performance of our business |
| EBITDA CAGR % | EBITDA CAGR indicate our compounded growth of the business |
| ROCE % | ROCE provides how efficiently our Company generates earnings from the capital employed in the business. |
| Current Ratio | Current ratio indicates the company's ability to bear its short-term obligations |
| Operating Cash Flow | Operating cash flow shows whether the company is able to generate cash from day-to-day business |

| | |
|---|---|
| PAT | Profit after Tax is an indicator which determine the actual earning available to equity shareholders |
| PAT Margin (%) | PAT Margin (%) is an indicator of the overall profitability and financial performance of the business. |
| Net Worth | Net worth is used by the management to ascertain the total value created by the entity and provides a snapshot of current financial position of the entity. |
| ROC/RONW | ROC/RONW (%) is an indicator which shows how much company is generating from its available shareholders' funds |
| EPS | Earning per shares is the company's earnings available of one share of the Company for the period |

There are no listed peers in the same line of business, either in India or globally. Comparisons with listed companies are not applicable.

**9. Weighted average cost of acquisition ("WACA"), floor price and cap price:**

a) The price per share of our Company based on the primary/ new issue of shares (equity / convertible securities)The Company has issued the following shares (excluding shares issued under ESOP / ESOS / Bonus shares) during the 18 months preceding the date of this RHP, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-issue capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of 30 days.

| Date of Allotment | No. of equity shares allotted | Face Value | Issue Price (including premium) | Nature of Consideration | Nature of Allotment | Total Consideration (In Rs.) |
|---|---|---|---|---|---|---|
| 07.12.2024 | 65,00,000 | 10 | Nil | Nil | Bonus Issue | Nil |
| Weighted Average Cost of Acquisition | | | | | | Nil |

b) The price per share of our Company based on the secondary sale / acquisition of shares (equity shares)

There has been no secondary sale / acquisitions of Equity Shares, where the promoters, members of the promoter group or shareholder(s) having the right to nominate director(s) in the board of directors of the Company are a party to the transaction (excluding gifts), during the 18 months preceding the date of this certificate, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of the Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction ormultiple transactions combined together over a span of rolling 30 days.

**c)** Weighted average cost of acquisition, floor price and cap price

| Types of transactions | Weighted average cost ofacquisition (₹ per Equity Shares) | Floor price* (i.e. ₹ [●]) | Cap price* (i.e. ₹ [●]) |
|---|---|---|---|
| Weighted average cost of acquisition of primary / newissue as per paragraph 8(a) above. | Nil | [●] | [●] |

| | | | |
|---|---|---|---|
| Weighted average cost of acquisition for secondary sale /acquisition as per paragraph 8(b) above. | Nil | - | - |

* *To be updated at Prospectus stage.*

This is a Book Built Issue and the price band for the same shall be published 2 working days before opening of the Issue in all editions of the English national newspaper of Business Standard, all editions of Hindi national newspaper of Business Standard and Telangana Edition of Regional newspaper of Mega Jyothi where the registered office of the company is situated each with wide circulation.

The Price Band/ Floor Price/ Issue Price shall be determined by our Company in consultation with the BRLM and will be justified by us in consultation with the BRLM on the basis of the above information. Investors should read the above- mentioned information along with ***"Our Business", "Risk Factors" and "Restated Financial Information"*** on pages 178, 37 and 282 respectively, to have a more informed view. The trading price of the Equity Shares of our Company could decline due to the factors mentioned in **"*Risk Factors*"** or any other factors that may arise in the future and you may lose all or partof your investments.

**Justification for Basis of Offer price**

Explanation for Issue Price / Cap Price being [●] price of weighted average cost of acquisition of primary issuance price / secondary transaction price of Equity Shares (set out in Weighted Average Cost of Acquisition Table above) along with our Company's key performance indicators and for the Fiscals 2025, 2024 and 2023.

[●]*

*To be included upon finalization of the Price Band

Explanation for Issue Price / Cap Price being [●] price of weighted average cost of acquisition of primary issuance price secondary transaction price of Equity Shares (set out in Weighted Average Cost of Acquisition Table above) in view of the external factors which may have influenced the pricing of the Issue.

[●]*

*To be included upon finalization of the Price Band

**9. The Issue Price is [●] times the Face Value of the Equity Shares.**

The Issue Price of ₹ [●] has been determined by our Company in consultation with the BRLM, on the basis of market demand from investors for Equity Shares, as determined through the Book Building Process, and is justified in view of the above qualitative and quantitative parameters. Investors should read the above-mentioned information along with "Risk Factors", "Our Business", "Management Discussion and Analysis of Financial Condition and Results of Operations" and "Financial Information" on pages 37, 178, 320, and 282 respectively of this Red Herring Prospectus, to have a more informed view. The trading price of the Equity Shares could decline due to the factors mentioned in the "Risk Factors" and you may lose all or part of your investments.

## STATEMENT OF POSSIBLE TAX BENEFITS

**Independent Auditor's Report on Statement of Special Tax Benefits**

To,
The Board of Directors
**Snehaa Organics Limited**
Plot No.290 & 291, Dulapally,
Adjacent to IDA Jeedimetla, Quthbullapur,
Rangareddy, Hyderabad, Telangana, India – 500055.

Dear Sir,

**Sub: Statement of possible Special tax benefit ('the Statement') available to Snehaa Organics Limited and its shareholders prepared in accordance with the requirements under Schedule VI-Clause 9L of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended (the 'Regulations')**

We hereby confirm that the enclosed annexure, prepared by " **Snehaa Organics Limited** " ('**the Company**") states the possible special tax benefits available to the Company and the shareholders of the Company under the Income – tax Act, 1961 ('Act') as amended time to time, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the State Goods and Services Tax Act as passed by respective State Governments from where the Company operates and applicable to the Company, the Customs Act, 1962 and the Foreign Trade Policy 2015-2020, as amended by the Finance Act, 2025, i.e., applicable for the Financial Year 2025-26 relevant to the assessment year 2026-27, presently in force in India for inclusion in the Red Herring Prospectus ("RHP")/Prospectus for the proposed public offer of equity shares, as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations").

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

The benefits discussed in the enclosed Annexure cover only special tax benefits available to the Company and its Shareholders and do not cover any general tax benefits. Further, these benefits are neither exhaustive nor conclusive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that this statement is only intended to provide general information to the investors and hence is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue. We are neither suggesting nor are we advising the investor to invest money or not to invest money based on this statement.

Our views are based on the existing provisions of the Act and its interpretations, which are subject to change or modification by subsequent legislative, regulatory, administrative, or judicial decisions. Any such change, which could also be retroactive, could have an effect on the validity of our views stated herein. We assume no obligation to update this statement on any events subsequent to its issue, which may have a material effect on the discussions herein.
We do not express any opinion or provide any assurance as to whether:

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

We hereby give our consent to include the enclosed statement regarding the tax benefits available to the

Company and to its shareholders in the DP for the proposed public offer of equity shares which the Company intends to submit to the Securities and Exchange Board of India provided that the below statement of limitation is included in the offer document.

**Limitations**

Our views expressed in the statement enclosed are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views is based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the interpretation of the existing tax laws in force in India and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. Reliance on the statement is on the express understanding that we do not assume responsibility towards the investors who may or may not invest in the proposed issue relying on the statement.

The enclosed Annexure is intended solely for your information and for inclusion in the Red Herring Prospectus ("RHP")/ Prospectus or any other issue-related material in connection with the proposed issue of equity shares and is not to be used, referred to or distributed for any other purpose without our prior written consent.

The certificate is issued solely for the limited purpose of complying with Indian (ICDR Regulations). Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in jurisdictions outside India (including in the United States of America), and accordingly, should not be relied upon as if it was carried out in accordance with those standards and practices. This report should not be relied upon by prospective investors outside India (including persons who are Qualified Institutional Buyers as defined under (i) Rule 144A or (ii) Regulation S under the United States Securities Act of 1933, as amended) participating in the offering. We accept no responsibility and deny any liability to any person who seeks to rely on this report and who may seek to make a claim in connection with any offering of securities on the basis of that they had acted in reliance on such information under the protections afforded by United States of America law and regulation or any other laws other than laws of India.

**Signed in terms of our separate report of even date.**

Yours faithfully,

**For Phanindra & Associates,**
**Chartered Accountants,**
**Firm Regd No: 013969S**
**Peer Review Certificate No: 015912**

**Sd/-**

**Srinivasulu T**
Partner
Membership No: 222868

Date: August 14, 2025
Place: Hyderabad
UDIN: 25222868BMIJTN3914

Committed to Quality
SNEHAA ORGANICS

**Annexure to the statement of possible Tax Benefits**

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

**YOU SHOULD CONSULT YOUR OWN TAX ADVISORS CONCERNING THE INDIAN TAX IMPLICATIONS AND CONSEQUENCES OF PURCHASING, OWNING, AND DISPOSING OF EQUITY SHARES IN YOUR PARTICULAR SITUATION.**

1. **Special Tax Benefits available to the Company under the Act:**
   The Company is not entitled to any Special tax benefits under the Act.
2. **Special Tax Benefits available to the shareholders of the Company**
   The Shareholders of the company are not entitled to any Special tax benefits under the Act.

**Notes:**

1. All the above benefits are as per the current tax laws and will be available only to the sole/first name holder where the shares are held by joint holders.
2. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefits under any other law.

No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

**Signed in terms of our separate report of even date.**

Yours faithfully,

**For Phanindra & Associates**
**Chartered Accountants**
**FRN: 013969S**
**Peer Review Certificate No: 015912**

**Sd/-**

**Srinivasulu T**
Partner
M.No : 222868

UDIN: 25222868BMIJTN3914
Place: Hyderabad
Date**:** August 14, 2025

## SECTION V – ABOUT THE COMPANY

### INDUSTRY OVERVIEW

*Unless otherwise indicated, industry and market data used in this section has been derived from industry publications, in particular, the report titled "Industry Report on Solvents and Solvent Recylcling" dated March, 2025 prepared and issued by D&B - Dun & Bradstreet Information Services India Pvt Ltd. ("D & B"), appointed by us and exclusively commissioned and paid for by us in connection with the Offer. A copy of the D&B Report is available on the website of our Company at https://snehaaorganics.com/.*

*Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction. See also, "Risk Factors-Industry information included in this Red Herring Prospectus has been derived from an industry report exclusively commissioned and paid for by our Company" on page 49 .*

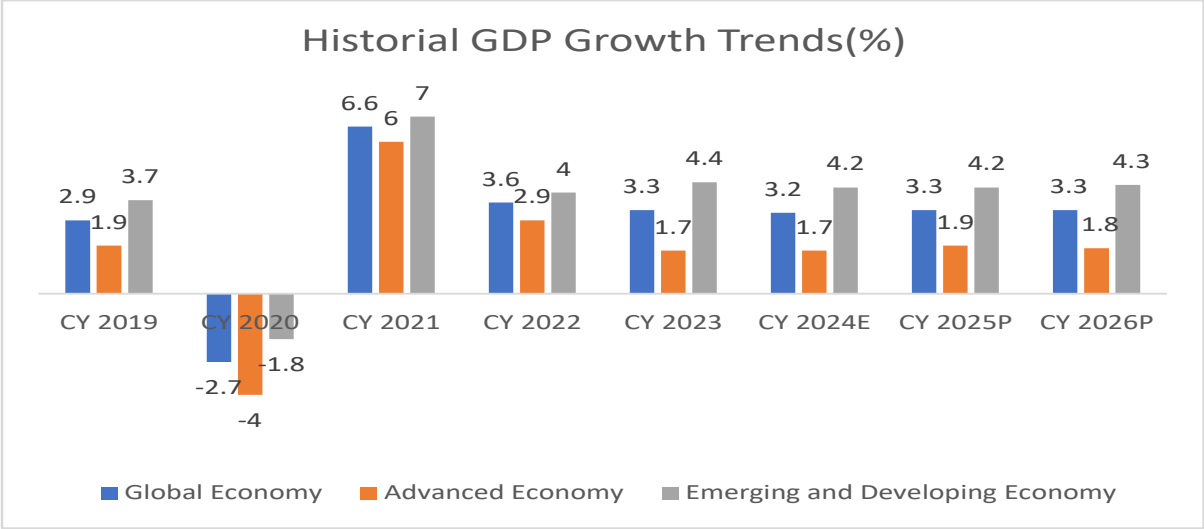
*Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. None of the Company and any other person connected with the Issue have independently verified this information. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projection forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on information.*

**Global Economic Overview**

The global economy, which grew by 3.3% in 2023, is expected to record a sluggish growth of 3.2% in 2024 before rising modestly to 3.3% in 2025. Between 2021-2022, global banks were carrying a historically high debt burden after COVID-19. Central banks took tight monetary measures to control inflation and spike in commodity prices. Russia's war with Ukraine further affected the global supply chains and inflated the prices of energy and other food items. These factors coupled with war-related economic sanctions impacted the economic activities in Europe. Any further escalation in the war may further affect the rebound of the economy in Europe.

While China, the largest manufacturing hub of world, was facing a crisis in the real estate sector and prices of properties were declining between 2020 - 2023, with the reopening of the economy, consumer demand is picking up again. The Chinese Government took several steps to help the real estate sector including cracking down on debt-ridden developers, announcing stimulus for the sector and measures to encourage the completion and delivery of unfinished real estate projects. The sector is now witnessing investments from developers and demand from buyers.

The year 2024 continued to remain a challenging year marked by uncertainties and transformative shifts. Numerous factors such as high inflation in many economies despite central bank effort to curb inflation, continuing energy market volatility driven by geopolitical tensions particularly in Ukraine and Middle East, and the re-election of Donald Trump as US President extended uncertainty around the trade policies as well as overall global economic growth. High inflation and rising borrowing costs affected the private consumption on one hand while fiscal consolidation impacted the government consumption on the other hand. As a result, global GDP growth is estimated to grow by 3.2% in CY 2024 as compared to 3.3% in CY 2023.

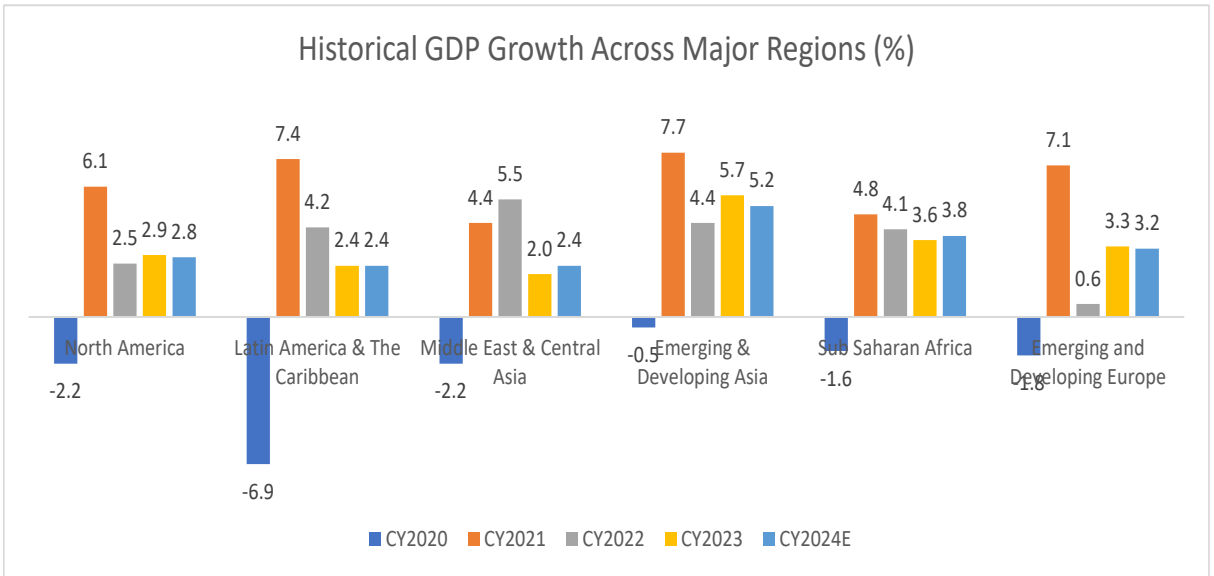



*Source – IMF Global GDP Forecast Release January 2025*

*Note: Advanced Economies and Emerging & Developing Economies are as per the classification of the World Economic Outlook (WEO). This classification is not based on strict criteria, economic or otherwise, and it has evolved over time. It comprises of 40 countries under the Advanced Economies including the G7 (the United States, Japan, Germany, France, Italy, the United Kingdom, and Canada) and selected countries from the Euro Zone (Germany, Italy, France etc.). The group of emerging market and developing economies (156) includes all those that are not classified as Advanced Economies (India, China, Brazil, Malaysia etc.)*

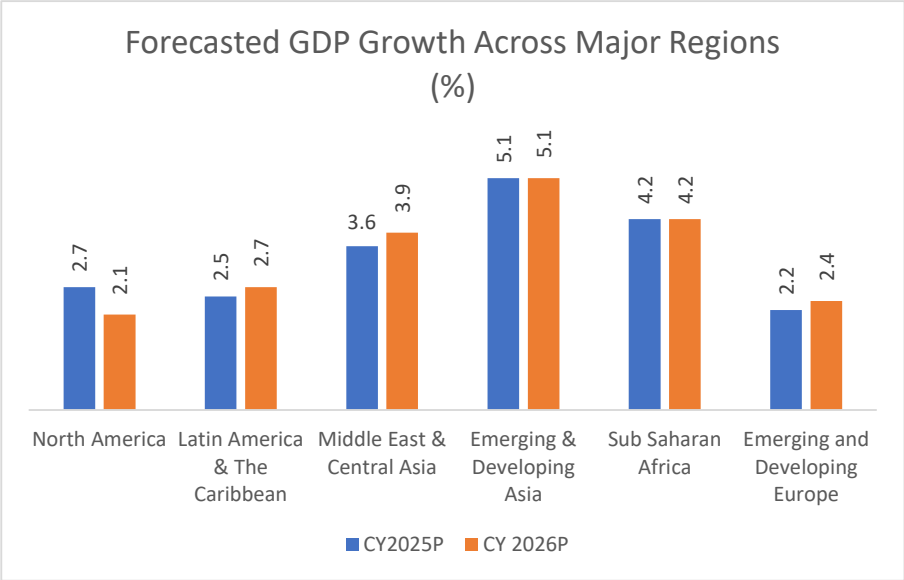
**GDP Growth Across Major Regions**

GDP growth of major regions including Emerging and Developing Europe, Latin America & The Caribbean, Middle East & Central Asia, and Sub-Saharan Africa, were showing signs of slow growth and recession between 2020 – 2023, but leaving Latin America & The Caribbean, 2024 is expected to show resilience and growth. Meanwhile, GDP growth in Emerging and Developing Asia (India, China, Indonesia, Malaysia, etc.) is expected to decrease from 5.2% in CY 2024 to 5.1% in CY 2025, while in the North America, it is expected to decrease from 2.8% in CY 2024 to 2.7% in CY 2025.




*Source-IMF World Economic Outlook January 2025 update.*

Except for Emerging and Developing Asia, Emerging and Developing Europe and North America, all other regions are expected to record an increase in GDP growth rate in CY 2025 as compared to CY 2024. Further, growth in the United States is expected to come down at 2.7% in CY 2025 due to lagged effects of monetary policy tightening, gradual fiscal tightening, and a softening in labour markets slowing aggregate demand. India and China saw greater-than-anticipated growth in 2023 due to heightened government spending and robust domestic demand, respectively. Sub-Saharan Africa's expected growth in 2024 is attributed to the diminishing negative impacts of previous weather shocks and gradual improvements in supply issues.




*Source-IMF, OECD, and World Bank, D&B Estimates*

**Global Economic Outlook**

As 2025 begins, there is some uncertainty due to the likely shift in policy following numerous elections around the world. New policies could lead to new trajectories for inflation, borrowing costs, and currency values, as well as trade flows, capital flows, and costs of production. Meanwhile, governments and central banks continue to navigate a balance between a desire to suppress inflation and a goal to boost growth.

Real GDP in advanced economies is projected to grow 1.9% in 2025, up from 1.7% in 2024. In the US, economic activity is expected to remain robust, supported by solid income and productivity, even as real GDP growth slips from 2.8% in 2024 to 2.1% in 2025. In Europe, steady income growth and falling interest rates should drive stronger consumer spending growth and a modest recovery in investment. Real GDP growth in Japan is likely to rebound toward 1.1% driven by a gradual acceleration in real wages and consumer spending. Additionally, real GDP growth in mainland China slowing to 4.6% in 2025 as structural property sector and demographic challenges will restrain economic activity despite fiscal and monetary policy support. India should remain a bright spot, with real GDP growth expected at 6.5%, driven by public investment and strong domestic demand. Latin America is expected to see a mildly stronger expansion, despite a notable slowdown in growth in Brazil.

The emerging markets that have advantageous locations and preferential trade agreements across major blocs will grow. India, Saudi Arabia, Mexico, Brazil, the United Arab Emirates and Southeast Asian economies will benefit from maintaining or developing strong trade and investment relations across geopolitical blocs. India will continue to foster trade and investment ties across geopolitical divides while being a critical driver of South-South trade. Southeast Asia is likely to remain the top destination for foreign investment among emerging markets. In the US, protectionist measures will be used in a transactional manner to extract trade, immigration, drug traffic control, defense spending and other political concessions from trading partners. We anticipate targeted tariffs on trading partners. However, we note that a scenario factoring 60% tariffs on Chinese imports

and a 10% universal tariff on all imports from other US trading partners (assuming proportional retaliation against US exports) would reduce global GDP by 1.4% after two years, with GDP in the US, mainland China, Mexico and Canada reduced by 2.0% to 3.0%.

In Europe, the European Commission will also make increasing use of trade-defensive tools such as tariffs and step up scrutiny of foreign direct investments in strategic sectors. And, in emerging countries, this trend will increasingly manifest in resource nationalism, as governments from Mexico to Indonesia seek greater state involvement in the resources sector or higher value-added process to occur domestically.

Global inflation is expected to decline steadily, to 4.2% in 2025 and to 3.5% in 2026 still somewhat higher than the 3.1% pace in 2019. In advanced economies, where inflation surged to multidecade highs following the pandemic, price pressures are expected to moderate but remain uneven. Wage cost pressures, potential tariffs and limited innovation undermining global competitiveness in some sectors are likely to persist across European economies and the UK. In the US, we expect the moderating trend in inflation will remain in place through early 2025, though it could then change as deregulation, potential immigration restrictions and tariffs lead to a renewed inflation impulse. In contrast to President-elect Trump's first term, these inflationary pressures would come in a new paradigm defined by fragile supply conditions, elevated geopolitical tensions and structural upside risks to inflation. Geopolitical tensions such as the wars in Ukraine and the Middle East could further exacerbate inflation volatility, particularly in energy and agricultural commodities.

Mainland China will face a different macroeconomic challenge: the risk of deflation due to subdued consumer spending trends, cautious business investment and ongoing deleveraging in the property sector. This has prompted authorities to announce stimulus measures to prevent exacerbating deflationary pressures. Indeed, deflation could slow the economic recovery by delaying consumer purchases, eroding corporate revenues and worsening real debt burdens, particularly if property sector weakness and slowing exports continue to weigh on private sector confidence. Emerging markets will grapple with the challenge of curbing inflation while contending with fragile supply chains, volatile commodity prices and foreign exchange fluctuations. Several Asian emerging economies, including India and Indonesia, are better positioned to maintain price stability due to proactive fiscal measures and monetary prudence. The combination of a diversified supply base that mitigates reliance on external inputs and importing deflation from China should further support disinflation.

**India Macroeconomic Scenario**

In India, growth is expected to decelerate to 6.5% in FY 2024 from 8.2% in FY 2023, reflecting a slowdown in investment and weak manufacturing growth. However, services activity has been steady, while growth in the agricultural sector has recovered. Private consumption growth has remained resilient, primarily driven by improved rural incomes accompanied by a recovery of agricultural output. In contrast, higher inflation and slower credit growth have curbed consumption in urban areas.

| Country | Real GDP Growth (CY 2023) | Estimated GDP Growth (CY 2024) | Projected GDP Growth (CY 2025) | Projected GDP Growth (CY 2026) |
|---|---|---|---|---|
| India | 8.2% | 6.5% | 6.5% | 6.5% |
| China | 5.2% | 4.8% | 4.6% | 4.5% |
| Russia | 3.6% | 3.8% | 1.4% | 1.2% |
| Brazil | 3.2% | 3.7% | 2.2% | 2.2% |
| United States | 2.9% | 2.8% | 2.7% | 2.1% |
| Japan | 1.5% | -0.2% | 1.1% | 0.8% |
| Canada | 1.5% | 1.3% | 2.0% | 2.0% |
| France | 1.1% | 1.1% | 0.8% | 1.1% |

| | | | | |
|---|---|---|---|---|
| Italy | 0.7% | 0.6% | 0.7% | 0.9% |
| South Africa | 0.7% | 0.8% | 1.5% | 1.6% |
| United Kingdom | 0.3% | 0.9% | 1.6% | 1.5% |
| Germany | -0.3% | -0.2% | 0.3% | 1.1% |

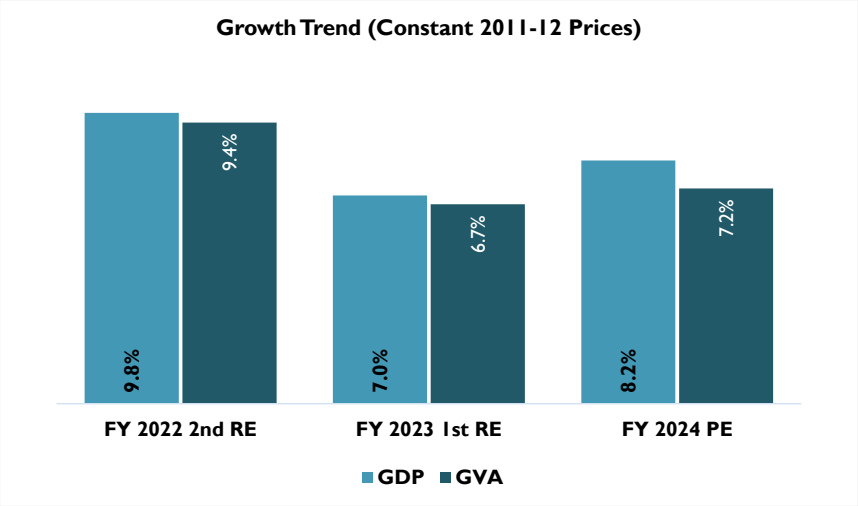
*Source-IMF World Economic Outlook January 2025 update.*

Countries considered include - Largest Developed Economies and BRICS (Brazil, Russia, India, China, and South)

Countries have been arranged in descending order of GDP growth in 2023)

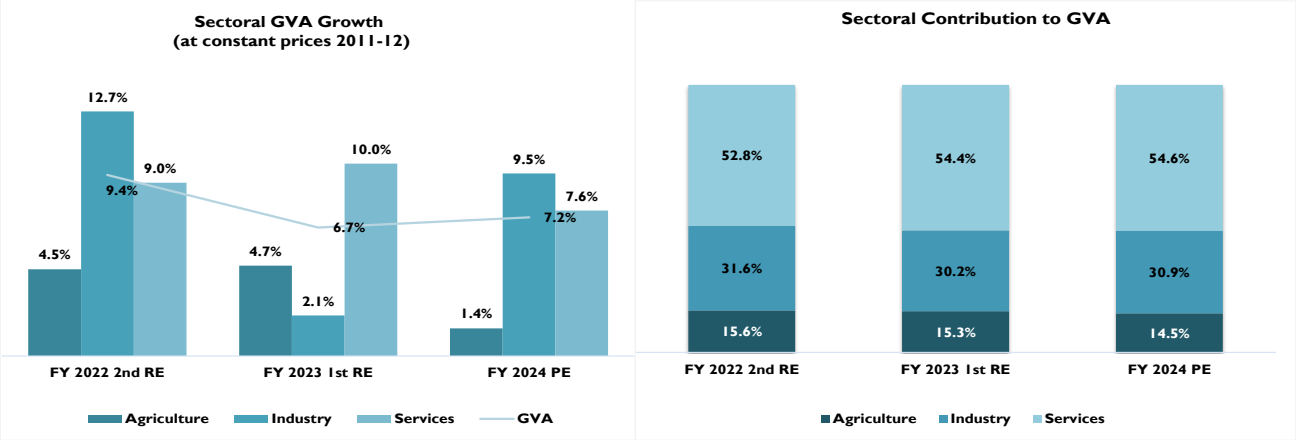
**Historical GDP and GVA Growth trend**

As per the provisional estimates 2023-24, India's GDP in FY 2024 grew by 8.2% compared to 7.0% in the previous fiscal on the back of solid performances in manufacturing, mining, and construction sectors. The year-on-year increase in growth rate is also partly due to by a strong growth in investment demand led by public capital expenditure.




*Source: Ministry of Statistics & Programme Implementation (MOSPI), National Account Statistics, 2023-24*

**Sectoral Contribution to GVA and annual growth trend**



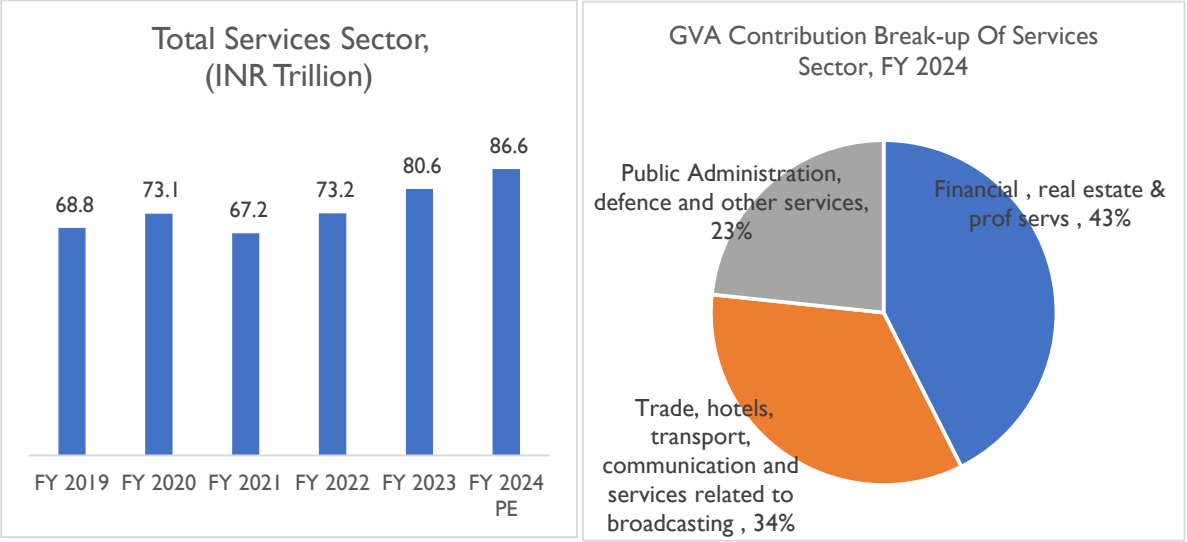

*Source: Ministry of Statistics & Programme Implementation (MOSPI)*

Sectoral analysis of GVA reveals industrial sector recovered sharply registering 9.5% y-o-y increase in FY 2024 against 2.1% in the previous fiscal. In the industrial sector, growth across major economic activity such as mining, manufacturing and construction sector rose significantly and it registered a growth of 7.1%, 9.9% and 9.9% in FY 2024 against a y-o-y change of 1.9%, -2.20%, and 9.44% in FY 2023, respectively. Utilities sector observed a marginal moderation in y-o-y growth to 7.5% against 9.44% in the previous years.

Talking about the services sector's performance, with major relaxation in covid restriction, progress on COVID-19 vaccination and living with virus attitude, business in the service sector gradually returned to normalcy in FY 2023. Economic recovery was supported by the service sector as individual mobility returned to the pre-pandemic level. The trade, hotel, transport, communication, and broadcasting segment continued to strengthen in FY 2023 and grow in FY 2024, although the growth hasn't shown substantial increases. In FY 2024, services sector grew by 7.6% against 10% y-o-y growth in the previous year.

**Expansion in Service Sector**

Services sector is a major contributor to the country's overall economic growth. In absolute terms, services sector GVA has increased from INR 68.78 trillion in FY 2019 to INR 86.6 trillion in FY 2024 (as per the provisional estimated), registering a CAGR of nearly 5%. Within Services sector, the GVA by financial, real estate and professional services-the largest contributing segment observed 6.3% CAGR while Public Administration, defence and other services1 observed 4.5% CAGR and Trade, hotels, transport, communication, and services related to broadcasting witnessed 3.1% CAGR between FY 2019-24.



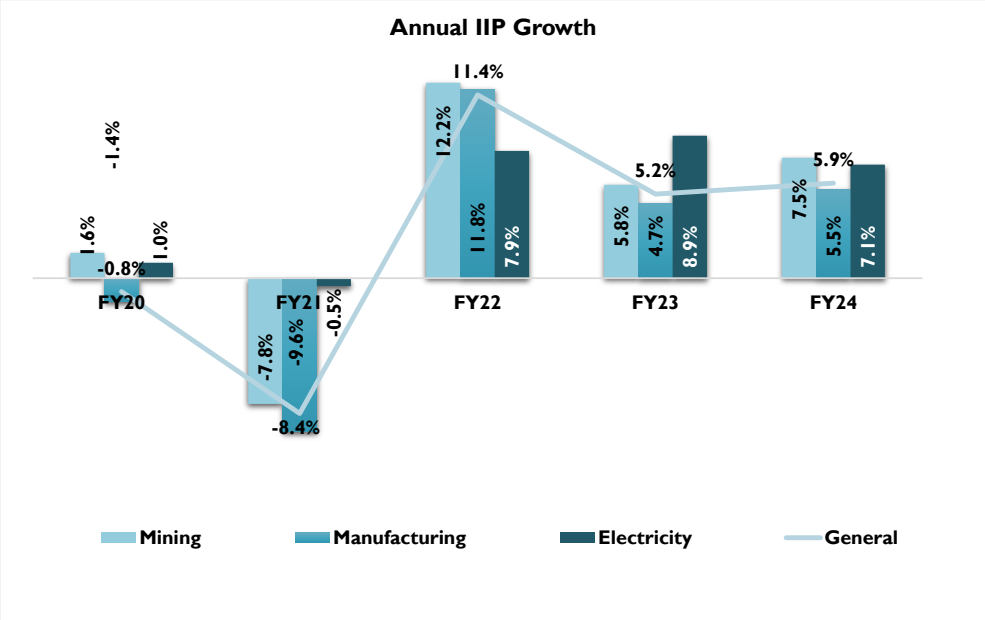

*Sources: MOSPI, CMIE Economic Outlook and Dun & Bradstreet Research Estimates*

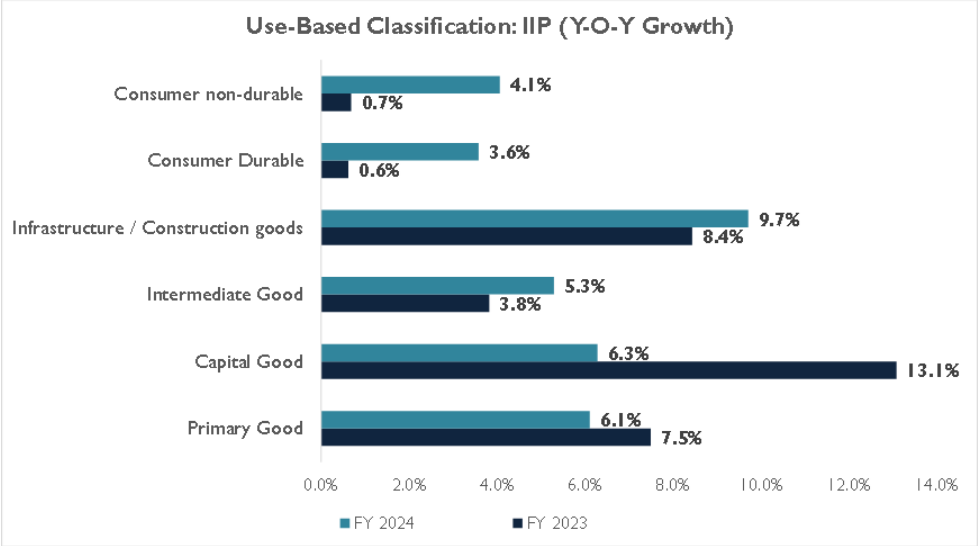
India's HSBC Services Purchasing Managers' Index, an important indicator to track service sector performance, measured 60.3 in July 2024 against 60.5 in the previous month. Since August 2021, the services sector has consistently remained above the threshold of 50, which distinguishes growth from contraction.

**IIP Growth**

Industrial sector performance as measured by IIP index; in FY 2024 it is growing at 5.9% (against 5.2% in FY 2023). Previously IIP index exhibited temporary recovery in FY 2022 from the low of Covid induced slowdown in industrial growth during FY 2020 and FY 2021. Manufacturing index, with 77.6% weightage in overall index, grew by 5.5% in FY 2024 against 4.7% y-o-y growth in FY 2023 while mining sector index too grew by 7.5% in FY 2024 against 5.8% in the previous years. Mining & manufacturing both shown improvement according to previous except the Electricity sector Index, witnessed an improvement of 7.1% in FY 2024 against 8.9% in the previous year.

[1] Other services include Education, Health, Recreation, and other personal services.

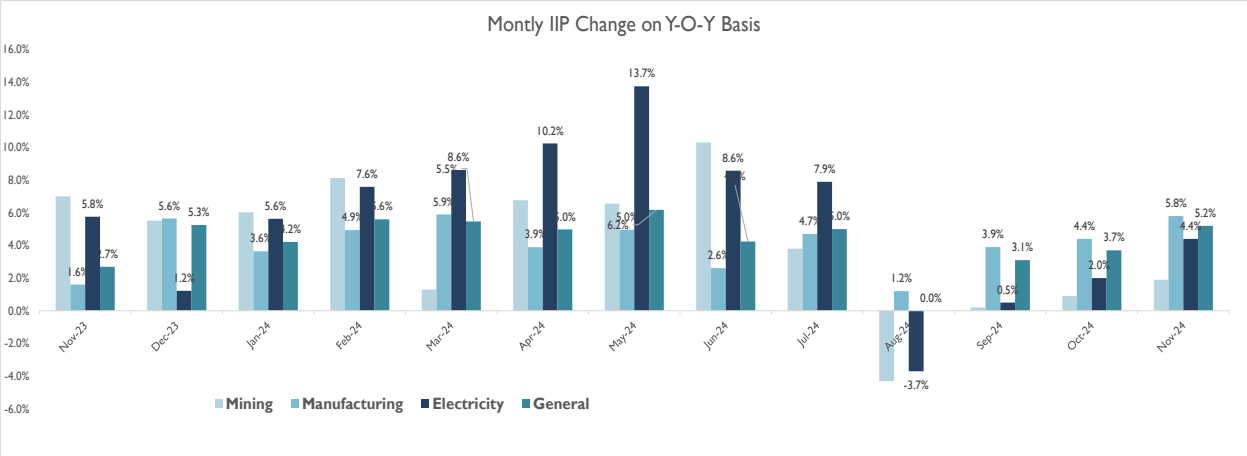



*Source: Ministry of Statistics & Programme Implementation (MOSPI)*

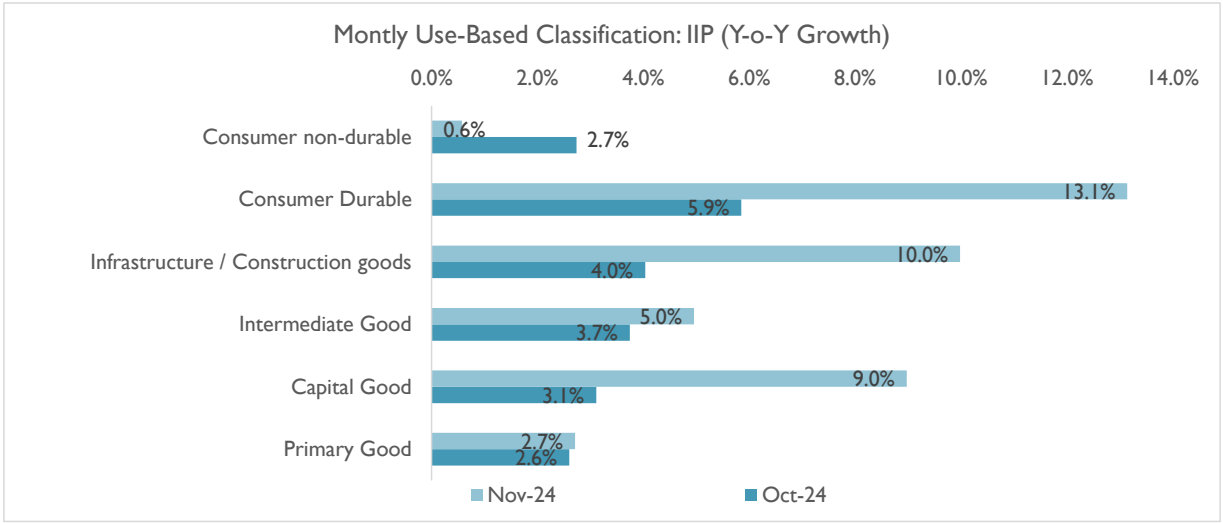
As per the use-based classification, most segments have shown growth for FY 2024 compared to FY 2023. Capital good and primary goods were segments which faced less growth as compared to previous year. The contracting IIP data points towards adverse operating business climate as global headwinds, high inflation, and monetary tightening cumulatively impacted the broader industrial sector performance. In contrast all the segments except the above two have shown growth.

**Monthly IIP Growth Trend**




*Source: Ministry of Statistics & Programme Implementation (MOSPI)*

In the current fiscal FY 2025, the monthly IIP measured index has reported steady improvement over the last fiscal. Overall IIP index grew by 5.2% in November 2024 against 2.3% y-o-y growth observed in November 2023. However, the mining sector index growth slowed to 1.9% in November 2024, against 7.0% y-o-y growth in November 2023 while the manufacturing sector index exhibited substantial improvement and they grew by 5.8% in November 2024 against 1.6% in November 2023, respectively.




Sources: MOSPI

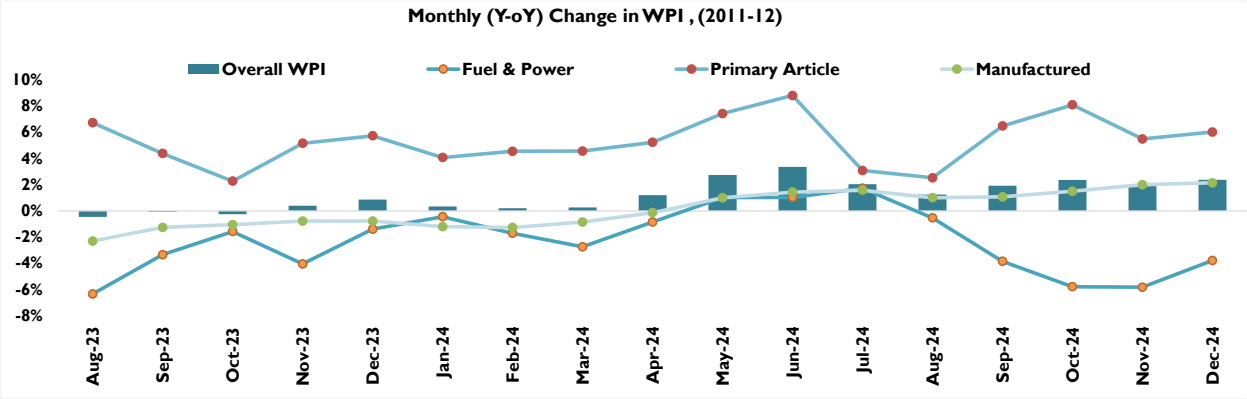
As per the use-based classification, growth in all segments excluding consumer non- durable increased in November 2024 as compared to the previous month. Growth in consumer non-durable segment slowed in November 2024 to 0.6% as against 2.7% in October 2024.

**Inflation Scenario**

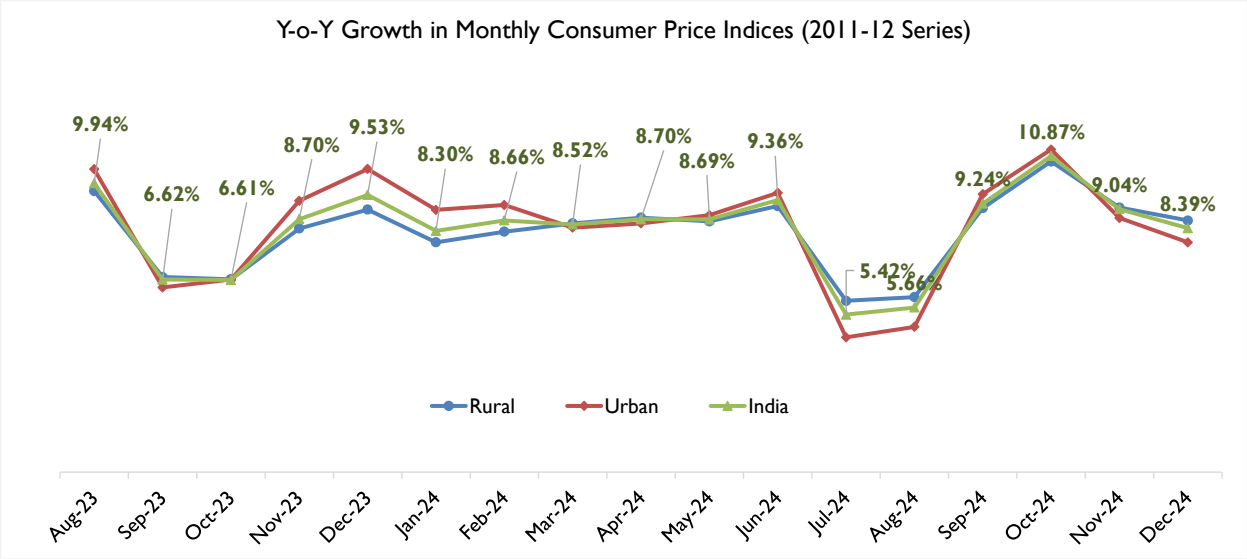
The inflation rate based on India's Wholesale Price Index (WPI) exhibited significant fluctuations across different sectors from August 2023 to December 2024. Overall WPI number measured 2.4% in December 2024. Positive rate of inflation in December 2024 is primarily due to increase in prices of food articles, manufacture of food products, other manufacturing, manufacture of textiles and non-food articles etc. By December 2024, Primary Articles WPI inflation moderated compared to October prices level but increase marginally compared

to the previous month and measured 6.0%. The Price of food articles (-3.08%) and crude petroleum & natural gas (- 2.87%) decreased in December 2024 compared to the previous month i.e. November 2024. However, the Price of non-food articles grew by 2.53% and minerals by 0.48% in December 2024 as compared to November 2024.

Moreover, power & fuel, the index for this major group increased by 1.90% to 149.9 in December 2024 from 147.1 in the month of November 2024. Price of electricity (8.81%) and coal (0.07%) increased in December 2024. The price of mineral oils (-0.06%) decreased in December 2024 as compared to November 2024.




*Source: MOSPI, Office of Economic Advisor*




*Source: MOSPI, Office of Economic Advisor*

Retail inflation rate (as measured by the Consumer Price Index) in India showed notable fluctuations between August 2023 and December 2024. Rural CPI inflation peaked at 9.67% in August 2023, declining to 8.65 % in December 2024. Urban CPI inflation followed a similar trend, rising to 10.42% in August 2023 and then dropping to 7.90% in December 2024. Overall, the national CPI inflation rate increased to 9.94% in August 2023 but moderated to 8.39% by December 2024, indicating a gradual easing of inflationary pressures across both rural and urban areas. CPI measured above 6% tolerance limit of the central bank since July 2023. As a part of an anti-inflationary measure, the RBI has hiked the repo rate by 250 bps since May 2022 to the current 6.5% while it has been holding the rate at 6.5% since 8 Feb 2023.

**Growth Outlook**

India's H1 FY2024-25 GDP slowdown is cyclical, driven by credit tightening and delayed fiscal spending, but strong fundamentals should support growth in the second half of the fiscal year. Politically, the continuation of the National Democratic Alliance (NDA) government signals sustained reforms, with optimism around labour and land reforms. The government is also taking steps to control retail inflation by managing food prices and

import duties. Retail inflation eased to 5.2% y/y in December, down from 5.5% in November as vegetable prices moderated following a bumper summer harvest and favorable monsoon. Still-high food prices and geopolitical tensions continue to pose risks to inflation and growth. High retail credit and rising unsecured loans signal consumption-driven borrowing, yet urban demand remains under pressure. Rural demand has shown resilience, benefitting from favorable monsoons, robust agricultural output and elevated food prices. The RBI's September economic review highlighted a contrasting trend in rural and urban consumption demand in H1 FY2024- 25, with rural demand remaining robust, while urban demand showed weakness.

On external front, the global business environment remains cautious, with geopolitical tensions, particularly in Gaza, posing potential risks to global stability. In mid-January 2025, the Indian rupee dropped below INR 86.6 USD, due to strong dollar demand from foreign banks, likely due to outflows from equities and the weakness in regional peers as the dollar strengthened. Rupee continued to face pressure due to sustained foreign fund outflows and the broad strength of the American currency in the overseas markets due to unabated dollar demand from oil importers and weak risk appetite

Looking ahead to 2025, India's projected GDP growth of 6.5% stands out as the fastest among major emerging markets, significantly outpacing China's 4.6%, and Brazil's 2.2%. This robust growth trajectory is expected to sustain at 6.5% annually from 2025 to 2026, reflecting strong economic fundamentals and continued momentum.

This decent growth momentum in near term CY 2025 is accompanied by a slowdown in inflation, as well as various other factors in the medium to long term that will support the economy. These include enhancements in physical infrastructure, advancements in digital and payment technology, improvements in the ease of doing business and a higher quality of fiscal expenditure to foster sustained growth.

On the demand side, improving employment conditions and moderating inflation are expected to stimulate household consumption. Further, the investment cycle is gaining traction, propelled by sustained government capital expenditure, increased capacity utilization and rising credit flow.

From uplifting the underprivileged to energizing the nation's infrastructure development, the Government has outlined its vision to propel India's advancement and achieve a 'Viksit Bharat' by 2047 in the interim budget announced on1st Feb 2024. The Union Budget for FY26, which takes a balanced approach to sustaining economic momentum. With a focus on stimulating demand, driving investment and ensuring inclusive development, the budget introduces measures such as tax relief, increased infrastructure spending and incentives for manufacturing and clean energy. These initiatives aim to accelerate growth while maintaining fiscal discipline, reinforcing India’s long-term economic resilience. The expansion of tax relief i.e zero tax liability for individuals earning up to INR 12 lacs annually under the new tax regime is expected to strengthen household finances and, consequently, boost consumption.

## SOLVENT AND SOLVENT RECYCLING: INDUSTRY OVERVIEW

### Insight on Solvents, Types of Solvents and Application Areas

Solvents are versatile chemical substances that facilitate the dissolution, dilution, or dispersion of other materials without changing their chemical structure. They are crucial across various industries, including pharmaceuticals, chemicals, coatings, food processing, and cleaning, due to their ability to enhance formulation processes and extraction techniques.

- Solvents are primarily classified based on polarity and chemical composition, which determine their solubility characteristics. Polar solvents, known for their high dielectric constant, effectively dissolve ionic and polar compounds. These are further divided into protic solvents, which participate in hydrogen bonding (e.g., water, ethanol), and aprotic solvents, which lack hydrogen bonding capabilities but still exhibit polarity (e.g., acetone, dimethyl sulfoxide). Conversely, nonpolar solvents have minimal charge

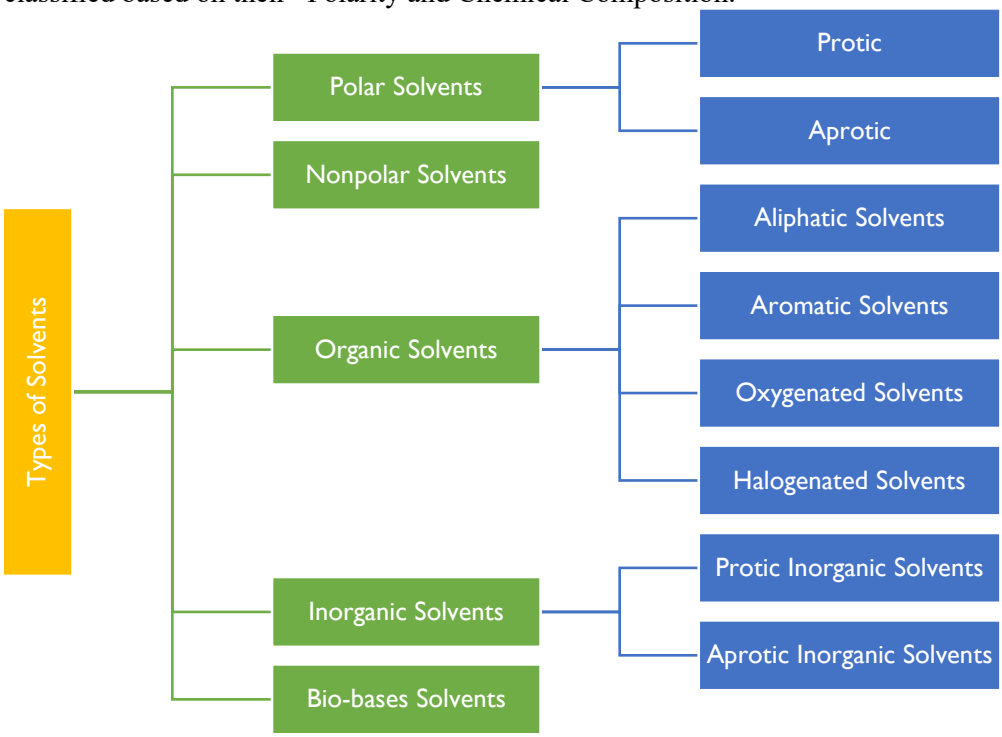
separation and are ideal for dissolving nonpolar substances like oils and hydrocarbons, with hexane and benzene being common examples.

- Based on chemical composition, solvents are segmented in to the three main types: organic, inorganic, and bio-based solvents.
    - Organic solvents, widely used in industrial applications, include aliphatic solvents (e.g., hexane), aromatic solvents (e.g., toluene), oxygenated solvents (e.g., acetone, ethanol), and halogenated solvents (e.g., chloroform, dichloromethane).
    - Inorganic solvents, which do not contain carbon, are typically used in specialized chemical processes and include protic inorganic solvents like sulfuric acid and aprotic inorganic solvents such as phosphorus oxychloride.
    - With rising environmental concerns, bio-based solvents, derived from renewable plant and biomass sources (e.g., ethyl lactate, d-limonene), are gaining traction due to their reduced environmental impact and lower toxicity.

Solvents serve a wide range of applications, from paints and coatings to polymer processing, pharmaceuticals, and industrial cleaning. However, with increasing regulatory scrutiny and sustainability initiatives, industries are shifting toward eco-friendly and recyclable solvents to minimize health risks and environmental damage. Innovations in solvent recovery and recycling technologies aim to enhance industrial efficiency while promoting responsible chemical usage, ensuring a more sustainable and environmentally conscious future for solvent applications.

## TYPES OF SOLVENTS

Solvents are classified based on their "Polarity and Chemical Composition."




- **Polar Solvents:**
    - Polar solvents are liquids with molecules that have partial positive and negative charges (dipole moments). These charges arise because the atoms in the molecule have significantly different electronegativities.
    - Polar solvents are excellent at dissolving ionic and polar substances due to their ability to interact with these solutes through electrostatic forces or hydrogen bonding.

- The most common solvents used in drug delivery systems are polar solvents, including, among others, water and alcohol. Other polar solvents, such as alcohols, aldehydes and sugar ketones and other compounds of -OH groups, are typical solutes for which polar solvents are used.

They are broadly classified into "Protic and Aprotic" types:

- Aprotic Solvents: A hydrogen atom is not joined to an electronegative atom in aprotic liquids. These solvents are distinguished by their incapacity to interact with other molecules via hydrogen bonds.
- Protic Solvents: A protic solvent is composed of molecules that could act as hydrogen-bond donors. Alcohol, water, and carboxylic acids are some examples of protic solvents.

- **Nonpolar Solvents:**

  - Nonpolar solvents are substances that lack significant electrical charges or poles within their molecules. This characteristic prevents them from forming hydrogen bonds or strong polar interactions with other molecules. Despite not having permanent dipoles, nonpolar solvents can still dissolve certain substances through induced dipole-induced dipole interactions (also known as van der Waals forces).

- **Organic Solvents:**

  - Organic solvents are carbon-based chemical compounds used to dissolve, disperse, or extract substances. Their molecular structure always includes at least one carbon atom, often accompanied by hydrogen atoms.
  - These solvents are extensively used in industries such as pharmaceuticals, paints, varnishes, adhesives, and cleaning agents. They are known for their volatility and low boiling points, which make them effective but also potentially hazardous due to their toxic or carcinogenic properties
    These contain carbon and are further classified into:
    - **Aliphatic Solvents:** Aliphatic solvents are hydrocarbons derived from petroleum distillation. They consist of straight, branched, or cyclic saturated hydrocarbons (alkanes) and do not contain aromatic rings like benzene.
    - **Aromatic Solvents:** Aromatic solvents are hydrocarbons that contain one or more benzene rings in their molecular structure. They are derived from crude oil distillation or coal tar processing.
    - **Oxygenated Solvents:** Oxygenated solvents are organic compounds containing oxygen atoms in functional groups such as alcohols, ketones, or esters. They are polar solvents with high solubility for a variety of substances.
    - **Halogenated Solvents:** Halogenated solvents contain halogen atoms (chlorine, fluorine, bromine) within their molecular structure. These solvents are known for their strong solvency power and chemical stability.

- **Inorganic Solvents:**

  - Inorganic solvents are non-carbon-based solvents used in chemical processes that require environments unsuitable for organic solvents or water. These solvents are essential in research and industry for reactions that cannot occur in aqueous solutions or when specific chemical properties are needed.
  - **Protic Inorganic Solvents:** Contain hydrogen atoms capable of forming hydrogen bonds. These are often used for generating solutions of highly reactive species.
  - **Aprotic Inorganic Solvents:** Lack hydrogen capable of forming hydrogen bonds. They are useful for studying highly electrophilic or oxidizing compounds.

- **Bio-based Solvents:**

  - Bio-based solvents are made from the vegetable oils, lactic acid, bio-succinic acid, beat, sugarcane, corn, and refined glycerine. These solvents are manufactured in a biorefinery that combines equipment and biomass conversion process, that further produces fuel and power. They are also used in the production of chemical products such as bio-glycols and bio-alcohols.
  - Bio-based solvents refer to solvents derived from renewable biomass sources like plants, often used as a more environmentally friendly alternative to traditional petroleum-based solvents.
  - Example including ethanol (from sugarcane), soy methyl esters, and citrus-based terpenes; these are gaining traction in industries like paints, coatings, cleaning products, and personal care due to their sustainability benefits.

## APPLICATIONS AREAS OF SOLVENTS

### 1) Polar Solvents

| | |
|---|---|
| **Pharmaceutical Industry** | **Drug Development:** Polar solvents like water and ethanol are used in the synthesis and purification of pharmaceuticals. They help dissolve active ingredients and facilitate chemical reactions necessary for drug production. |
| | **Extraction and Purification:** Solvents such as methanol and acetone are used to extract active compounds from natural sources and to purify them for use in medications. |
| **Chemical Industry** | **Catalysis and Reactions:** Polar solvents like DMSO and acetonitrile are used in chemical reactions to stabilize ions and facilitate catalytic processes. They are particularly useful in reactions requiring high solubility of polar compounds. |
| | **Synthesis:** Protic polar solvents like water and alcohols are used in condensation reactions and other organic syntheses where the solvent's ability to donate protons is beneficial. |
| **Optoelectronics** | **Flexible Displays:** Polar solvents are used in the production of flexible displays and electronics. They help in dissolving and depositing materials onto flexible substrates, enabling the creation of flexible electronic devices. |
| **Cleaning Applications** | **Industrial Cleaning:** Alcohols and other polar solvents are effective for removing grease, oils, and other contaminants from surfaces due to their ability to dissolve polar substances.<br>**Domestic Use:** Ethanol and methanol are used in household cleaning products for their ability to dissolve and remove stains and odours. |

## 2) Nonpolar Solvents

| | |
|---|---|
| **Oil and Gas Industry** | **Oil Extraction:** Nonpolar solvents like hexane are used to extract oils from plant materials and petroleum products. They dissolve nonpolar substances efficiently, making them ideal for oil refining processes. |
| | **Refining Processes:** Solvents such as toluene and xylene are used in various stages of petroleum refining to separate different fractions of crude oil. |
| **Paints and Coatings** | **Pigment Dispersion:** Nonpolar solvents like mineral spirits and turpentine are used to dissolve and carry pigments in paints, ensuring uniform colour distribution. |
| | **Viscosity Control:** They help reduce the viscosity of paints, making them easier to apply smoothly. |
| **Automotive Industry** | **Degreasing:** Nonpolar solvents such as hexane and heptane are used to remove grease and oils from automotive parts without damaging surfaces. |
| | **Tool Cleaning:** Effective for cleaning tools and machinery by dissolving nonpolar residues. |
| **Adhesives and Sealants** | **Polymer Dissolution:** Nonpolar solvents dissolve hydrophobic polymers, which are then used in adhesive formulations to improve bonding properties. |

## 3) Organic Solvents

| | |
|---|---|
| **Pharmaceuticals** | **Drug Synthesis:** Organic solvents like acetone and ethanol are used in the synthesis of pharmaceuticals. They facilitate chemical reactions and help purify active ingredients. |
| | **Formulation:** Solvents such as glycerine and propylene glycol are used in drug formulations to improve solubility and bioavailability. |
| **Paints and Coatings** | **Pigment Dispersion:** Organic solvents like toluene and xylene are used to dissolve and carry pigments, ensuring uniform colour distribution in paints. |
| | **Drying Time Control:** They help control the drying time of coatings by adjusting the evaporation rate. |
| **Adhesives** | **Polymer Solubilization:** Organic solvents dissolve polymers, which are then used in adhesive formulations to enhance bonding strength. |
| **Dry Cleaning** | **Fabric Cleaning:** Halogenated organic solvents like tetrachloroethylene are used for dry cleaning fabrics without water, effectively removing stains and oils. |

### 4) Inorganic Solvents

| | |
|---|---|
| **Chemical Synthesis** | **Protic Inorganic Solvents:** Ammonia and sulfuric acid are used to stabilize reactive species and catalyse reactions. They provide environments conducive to specific chemical transformations. |
| | **Aprotic Inorganic Solvents:** Solvents like sulphur dioxide are used in reactions requiring highly electrophilic or oxidizing conditions. |
| **Electrochemistry** | **Aprotic Inorganic Solvents:** Used in electrochemical studies to provide environments that support highly reactive species without interfering through hydrogen bonding. |
| **Industrial Applications** | **Unique Environments:** Inorganic solvents are used when specific chemical properties are required that cannot be achieved with organic solvents or water. They support reactions and processes that need non-carbon-based solvents. |

## BRIEF PROFILE ON SOLVENT RECOVERY: INSIGHT ON KEY PROCESSES USED, COMMON SOLVENTS RECOVERED, ADVANTAGES / NEED FOR SOLVENT RECOVERY

## OVERVIEW ON SOLVENT RECOVERY

Solvent recovery is a process designed to extract and reclaim solvents from waste or by-products generated during industrial operations. This method purifies used solvents, making them suitable for reuse in production processes. By reducing the need to purchase new solvents and minimizing waste disposal, solvent recovery significantly lowers operational costs and environmental impact. It is widely employed across industries such as pharmaceuticals, chemicals, cannabis extraction, and manufacturing. Without solvent recovery, many industrial processes would become economically unviable due to the high cost of solvent procurement and disposal.

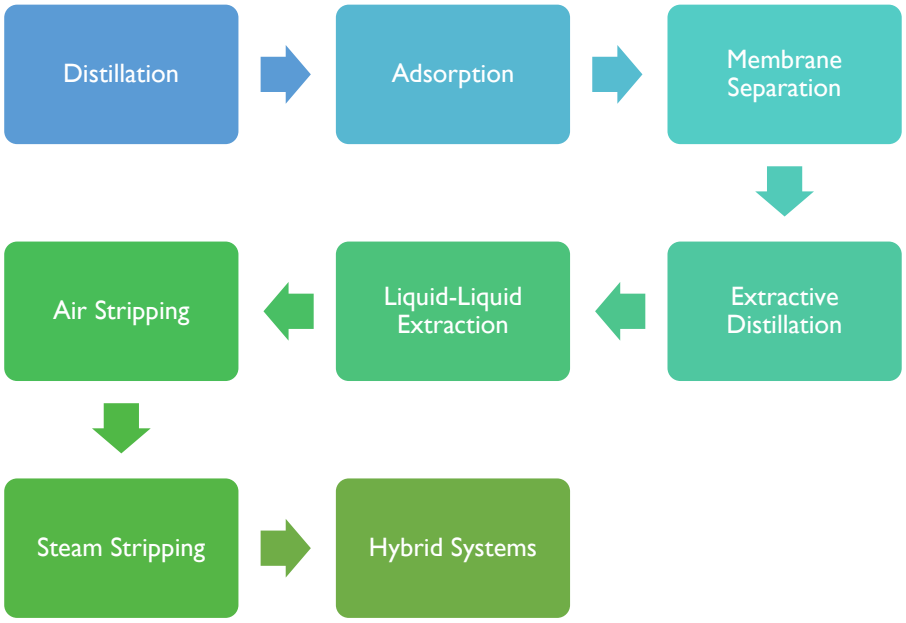
One of the most effective technologies in solvent recovery is the use of activated carbon. Activated carbon captures solvents from waste streams, enabling their reclamation and reuse. This not only recovers valuable resources but also prevents harmful emissions from being released into the atmosphere. In some cases, recovered solvents can even be sold to other industries for reuse, creating an additional revenue stream. Furthermore, energy generated during the recovery process can be reused within operations, reducing energy costs. Solvent recovery is both an economical solution and a key contributor to environmental sustainability.

In-process solvent recovery is also a powerful form of waste reduction. It serves as an alternative to replacing solvents entirely by reclaiming them directly within existing processes, requiring minimal modifications to operations. The availability of advanced solvent recovery equipment—suitable for both large-scale continuous operations and small-scale batch processes—makes it an attractive option for industries of all sizes. This approach not only supports compliance with environmental regulations but also aligns with sustainability goals by promoting resource efficiency and reducing hazardous waste generation.

## KEY PROCESS USED

In India, various solvent recovery processes are employed across different industries to optimize efficiency, reduce costs, and enhance environmental sustainability.

Below is the major solvent recovery process used in industry:




These solvent recovery processes are widely adopted across Indian industries such as pharmaceuticals, chemicals, textiles, paints, and electronics due to their cost-effectiveness, regulatory compliance benefits, and environmental sustainability contributions.

1. **Distillation**

**Principle:** Distillation is one of the most widely used solvent recovery processes. It separates solvents based on their boiling points. The process involves heating the waste solvent mixture in a distillation vessel until the solvent with a lower boiling point vaporizes. The vapor is then condensed into a liquid form, leaving behind impurities.

Distillation is a fundamental separation technique in industrial chemical processing. It exploits differences in boiling points to achieve high-purity separation of components within mixtures. It plays a crucial role in recovering and purifying products and solvents, essential for producing most commodity and specialty chemicals. While commonly used, conventional distillation methods encounter challenges with azeotropes and mixtures with closely spaced boiling points, often resulting in incomplete separations and inefficiencies.

**Steps:**

- Vaporization: The solvent is heated until it vaporizes, separating from contaminants.
- Condensation: The vapor passes through a condenser where it cools and returns to liquid form.
- Collection: The purified solvent is collected in storage containers for reuse.

Mechanism: Distillation relies on thermal energy to separate volatile components from non-volatile impurities. Advanced techniques like vacuum distillation are used for high-boiling solvents by reducing pressure to lower their boiling points.

**Types:**

- Simple Distillation: Used for single-component solvent recovery.
- Fractional Distillation: Separates multiple solvents with close boiling points.
- Vacuum Distillation: Used for high-boiling solvents by reducing pressure to lower boiling points.

**Example:**

- Pharmaceutical Industry (Aurobindo Pharma):
  Aurobindo Pharma uses vacuum distillation to recover high-purity solvents like ethanol and acetone from production waste. This process achieves over 95% solvent recovery, saving approximately INR 10 crore annually while reducing hazardous waste disposal costs.

**2. Adsorption**

**Principle:** Adsorption is a physical process in which organic species are transferred onto the surface of a solid adsorbent. Adsorption is a particularly attractive control method as it can handle large volumes of gases of low pollutant concentrations. It is capable of removing contaminants down to very low levels. Removal efficiency is typically greater than 95%. The most frequently used adsorbent in the organic compound applications is activated carbon, although zeolites and resins are also used.
Adsorption technologies focus on two applications:

1. The recovery of valuable industrial solvents
2. The removal of organic compounds such as toxic compounds

Adsorption is the most widely used solvent-recovery technique and is also used for odor control. The latter application is necessary to meet statutory air pollution control requirements. Depending on the application, adsorption can be used alone or with other techniques such as incineration.

**Steps:**

- Contacting Vapours: Solvent-laden air passes through an adsorption column containing the adsorbent.
- Retention: The adsorbent traps solvent molecules while releasing purified air.
- Regeneration: Heat or chemical treatment regenerates the adsorbent, releasing the trapped solvents for recovery.

**Mechanism:** Adsorption works by leveraging the large surface area of adsorbents to bind contaminants through physical or chemical interactions.

**Applications:** Commonly used for recovering solvents from air streams in industries like paints and coatings.

Example:

- Paints Industry (Asian Paints):
  Asian Paints employs carbon adsorption systems to recover solvents like toluene and xylene from exhaust streams. This reduces VOC emissions by 40% and saves INR 5 crore annually on fresh solvent purchases.

**3. Membrane Separation**

**Principle:** Membrane separation uses semi-permeable membranes to separate solvents based on molecular size or properties. It is energy-efficient and ideal for water-solvent separations. Advanced polymeric membranes ensure consistent quality while reducing energy consumption significantly.

- Reverse osmosis membranes remove contaminants at molecular levels
- Multi-stage filtration enhances the overall recovery efficiency

**Steps:**

- Feed Solution: Waste solvent is passed through a membrane module.
- Selective Permeation: Smaller molecules pass through the membrane while larger impurities are retained.
- Collection: Purified solvent is collected on the permeate side for reuse.

**Mechanism:** Membranes filter solvents without requiring phase changes, making it highly efficient for energy conservation.

**Applications:** Used in pharmaceutical and chemical industries.

Example:

- Chemical Industry (Grasim Industries):
  Grasim Industries uses membrane separation to recover toluene from wastewater streams. This method achieves a recovery efficiency of up to 85%, saving ₹7 crore annually in solvent procurement costs.

**4. Extractive Distillation**

**Principle:** A third component (solvent) is added to alter the relative volatility of components in an azeotropic or close-boiling mixture, enabling separation.

Extractive distillation is a powerful technique for separating close-boiling and azeotropic mixtures. Understanding its mechanics and applications is essential as it becomes more prominent in industrial chemical processes worldwide.

**Steps:**

- Addition of Extractant: A solvent is introduced into the mixture to change boiling point differences.
- Distillation Process: The altered mixture undergoes distillation to separate components.
- Recovery of Solvent and Extractant: Both are recovered for reuse.

**Mechanism:** This method enhances separation efficiency for complex mixtures that cannot be separated by simple distillation.

**Applications:** Commonly used in petrochemical and pharmaceutical industries.

Example:

- Petrochemical Industry (Reliance Industries):
  Reliance Industries uses extractive distillation to separate benzene, toluene, and xylene (BTX) from naphtha-based steam crackers. This process achieves purity levels of over 99%, contributing significantly to their petrochemical product line.

**5. Liquid-Liquid Extraction**

**Principle:** Solvents are separated based on their solubility in different immiscible liquids.

In Liquid-Liquid Extraction a Liquid (Carrier) containing the components to be separated is passed in an Extraction Column where it contacts a solvent. The two liquids must be immiscible or slightly miscible. A dispersion is formed with one liquid in the form of droplets. The Mass Transfer takes place between the Droplets and solvent in continuous flow. Based on density differences, the two liquids are separated, and are recovered at the top or bottom of the Extraction column.

**Applications:** Effective for separating solvents that cannot be distilled easily.

Example:

- Pharmaceutical Industry (Sun Pharma):
  Sun Pharma uses liquid-liquid extraction to recover methanol from aqueous waste streams during API manufacturing. This process reduces methanol procurement costs by INR 3 crore annually and cuts hazardous waste generation by 50%.

**6. Air Stripping**

**Principle:** Air is bubbled through a liquid waste stream, stripping volatile solvents into the air stream, which are then condensed for recovery.
Air stripping is a process by which a liquid, usually wastewater, is brought into intimate contact with a gas, usually air, so that some undesirable volatile substances present in the liquid phase can be released and carried away by the gas. Processes such as mechanical surface aeration, diffused aeration, spray fountains, spray or tray towers, and counter current packed towers are encompassed by the term air stripping. These procedures produce a condition in which a large surface area of the water to be treated is exposed to air, which promotes transfer of the contaminant from the liquid phase to the gaseous phase.

**Applications:** Used in wastewater treatment plants.

Example:

- Chemical Industry (Tata Chemicals):
  Tata Chemicals employs air stripping to recover acetone from wastewater streams in its chemical manufacturing units. This reduces VOC emissions by over 30% and saves INR 2 crore annually on acetone purchases.

**7. Steam Stripping**

**Principle:** Steam is used instead of air to strip volatile solvents from liquid mixtures.

Steam stripping uses heat to reduce a pollutant's partial pressure, generating a positive mass transport between the water and gas through steam injection. It is most effective for reducing VOCs with lower boiling points than water and those with limited solubility.

In a standard steam stripping column, liquid enters through the top of the tower while the steam input moves through the bottom. The water travels into the column and flows downward and through the packing in a counter current motion to the steam. The packing then increases contact between both streams. Once the vapor leaves the stripping tower, it either collects for purification or evaporates into the atmosphere.

**Applications:** Effective for high-boiling solvents. Steam stripping is a wastewater distillation process that removes substances like benzene, xylenes and chlorinated hydrocarbons from the water using high temperatures that eliminate heavy soluble organic compounds. Industrial facilities, such as petrochemical plants and petroleum refineries, textile industry often use this process.

Example:

- Textile Industry (Raymond Limited):
  Raymond uses steam stripping to recover dimethylformamide (DMF) from textile dyeing processes. This process achieves a recovery efficiency of over 90%, saving INR 1 crore annually on DMF procurement costs while reducing environmental impact.

**8. Hybrid Systems**

**Principle:** Combines multiple techniques like distillation with adsorption or membrane separation for complex waste streams.
A "hybrid solvent recovery system" refers to a system that combines multiple different separation technologies, like distillation, membrane filtration, adsorption, and liquid-liquid extraction, to effectively recover solvents from a mixture, especially when dealing with complex or challenging solvent compositions where a single method might not be sufficient; essentially, it leverages the strengths of different techniques to achieve optimal solvent recovery results.

**Application:** Provides higher efficiency and purity levels.

Example:

- Electronics Industry (Bharat Electronics Limited - BEL):
  BEL employs a hybrid system combining fractional distillation and adsorption to recover isopropyl alcohol (IPA) used in cleaning electronic components. This system achieves purity levels of over 99%, reducing IPA procurement costs by INR 1 crore annually while ensuring compliance with environmental norms.

**Following table gives summery of the process and usages in Industry:**

| Process | Principle | Benefits |
|---|---|---|
| Distillation | Separation by boiling points | Saves ₹10 crore annually: recovers >95% ethanol |
| Adsorption | Trapping vapours on solid surfaces | Reduces VOC emissions by 40%; saves ₹5 crore annually |
| Membrane Separation | Molecular size-based separation | Recovers 85% toluene; saves ₹7 crore annually |
| Extractive Distillation | Altering relative volatility | Achieves >99% BTX purity |
| Liquid-Liquid Extraction | Solubility-based separation | Cuts methanol waste by 50%; saves ₹3 crore annually |
| Air Stripping | Air bubbling through liquids | Reduces VOC emissions by >30%; saves ₹2 crore annually |
| Steam Stripping | Steam bubbling through liquids | Recovers >90% DMF; saves ₹1 crore annually |
| Hybrid Systems | Combining multiple techniques | Achieves >99% IPA purity; reduces costs by ₹1 crore annually |

**COMMON SOLVENTS RECOVERED**

Indian industries recover a variety of solvents to optimize resource use, reduce waste, and enhance sustainability.

Below is a detailed table of solvent recovery processes, their mechanisms, and examples of solvents recovered in various industries in India.

| Solvent Recovered | Industry Area | Recovery Process |
|---|---|---|
| Ethanol | Pharmaceuticals, Cosmetics | Distillation (Simple, Fractional) |
| Acetone | Paints and Coatings, Cleaning | Distillation (Simple, Fractional) |
| Toluene | Paints and Coatings, Adhesives | Distillation (Simple, Fractional) |
| Hexane | Oil Extraction, Adhesives | Distillation (Simple, Fractional) |
| Methanol | Chemical Synthesis, Fuel | Distillation (Simple, Fractional) |
| Isopropanol | Cleaning, Electronics | Distillation (Simple, Fractional) |
| Chloroform | Pharmaceuticals, Laboratories | Distillation (Simple, Fractional) |
| Ethyl Acetate | Paints and Coatings, Adhesives | Distillation (Simple, Fractional) |
| Dimethyl Sulfoxide (DMSO) | Pharmaceuticals, Chemical Synthesis | Distillation (Simple, Fractional) |
| Dichloromethane (DCM) | Paint Stripping, Chemical Synthesis | Distillation (Simple, Fractional) |
| Sulfuric Acid | Chemical Synthesis, Batteries | Distillation (Vacuum) |
| Ammonia | Cleaning, Refrigeration | Distillation (Vacuum) |
| Cyclohexane | Chemical Synthesis, Polymer Industry | Distillation (Simple, Fractional) |
| Tetrahydrofuran (THF) | Polymer Industry, Chemical Synthesis | Distillation (Simple, Fractional) |
| Benzene | Chemical Synthesis, Printing Inks | Distillation (Simple, Fractional) |

| Solvent Recovery Process | Mechanism | Solvents Recovered |
|---|---|---|
| Distillation | Separates solvents based on boiling points. Vaporized solvent is condensed back into liquid form. | Ethanol, Acetone, NMP (N-Methyl-2-Pyrrolidone), DMAc (N, N-Dimethylacetamide) |
| Adsorption | Solvent vapours are trapped on solid materials like activated carbon or molecular sieves. | Toluene, Xylene |
| Membrane Separation | Semi-permeable membranes separate solvents by molecular size or chemical properties. | Toluene, Methanol |

| | | |
|---|---|---|
| Extractive Distillation | A third component is added to alter the relative volatility of azeotropic mixtures for separation. | Benzene, Toluene, Xylene (BTX) |
| Liquid-Liquid Extraction | Solvents are separated based on their solubility in immiscible liquids. | Methanol, NMP ((N-Methyl-2-Pyrrolidone) |
| Air Stripping | Air bubbles strip volatile solvents from liquid waste streams into an air stream for recovery. | Acetone |
| Steam Stripping | Steam replaces air to strip high-boiling solvents from liquid mixtures. | Dimethylformamide (DMF) |
| Hybrid Systems | Combines multiple techniques like distillation and adsorption for complex waste streams. | Isopropyl Alcohol (IPA), Ethanol |

These solvents are recovered using various techniques such as distillation, adsorption, membrane separation, and steam stripping, depending on their properties and industrial applications. Solvent recovery is crucial for reducing costs, minimizing environmental impact, and enhancing operational efficiency across Indian industries.

**ADVANTAGES / NEED FOR SOLVENT RECOVERY**

Solvent recovery is a critical practice in modern industries, offering economic, environmental, and operational benefits. Solvent recovery is both economically and environmentally beneficial, making it an essential practice for sustainable industrial operations.

Solvent recovery is essential for modern industries seeking to balance cost-efficiency, regulatory compliance, operational continuity, and environmental responsibility. By implementing advanced recovery technologies, businesses can achieve substantial financial savings while contributing to sustainability goals. The integration of solvent recovery systems not only enhances operational efficiency but also positions companies as leaders in green industrial practices—ensuring long-term success in an increasingly eco-conscious world.



1. **Financial Benefits**

- Reduction in Solvent Procurement Costs: By recovering and reusing solvents, industries significantly reduce the need to purchase new solvents, saving up to 50% on procurement expenses.
- For example, In India, the pharmaceutical company Aurobindo Pharma implemented a solvent recovery system that reduced its solvent procurement costs by 30%. This was achieved by recovering high-purity solvents like ethanol and acetone used in manufacturing processes.
- Lower Waste Disposal Costs: Hazardous waste disposal is expensive due to strict regulations. Solvent recovery reduces waste volumes, cutting disposal costs by up to 95%.
- Revenue Generation: Recovered solvents can sometimes be sold to other industries, creating an additional revenue stream.
- For example, BASF India generates revenue by selling recovered solvents to other industries. For instance, they recovered and sold 1,000 tons of solvents in a year, contributing to their bottom line.
- Quick ROI: Solvent recovery systems often pay for themselves within 6–18 months due to cost savings on solvent purchases and waste management.
- For example, Tata Chemicals reported that their solvent recovery systems paid for themselves within 12 months due to significant cost savings on solvent purchases and waste management.

2. **Environmental Sustainability**

- Waste Reduction: Solvent recovery minimizes the generation of hazardous waste, reducing the environmental burden.
- For example, Grasim Industries, a leading chemical company in India, reduced its hazardous waste generation by 60% through solvent recovery and recycling practices.
- Reduced Emissions: Prevents harmful solvent emissions into the atmosphere, lowering air pollution and greenhouse gas contributions.
- For example, Reliance Industries reduced its VOC emissions by 40% by implementing advanced solvent recovery systems that minimize solvent loss during manufacturing processes.
- Circular Economy Contribution: Aligns with sustainability goals by turning waste into reusable resources, supporting eco-friendly manufacturing practices.
- Regulatory Compliance: Helps industries meet stringent environmental standards, avoiding penalties and enhancing their green credentials.
- For example, Hindustan Unilever Limited (HUL) ensures regulatory compliance by maintaining high standards of environmental sustainability through solvent recovery, avoiding penalties and enhancing its green credentials.

3. **Operational Efficiency**

- Consistent Solvent Quality: Recovered solvents are purified to near-virgin quality, ensuring reliable performance in production processes.
- For example, Dr. Reddy's Laboratories maintains consistent solvent quality by recovering and purifying solvents to near-virgin quality, ensuring reliable performance in their production processes
- Uninterrupted Operations: On-site recovery eliminates dependency on external suppliers and mitigates risks from supply chain disruptions.
- Process Optimization: Advanced solvent recovery systems integrate seamlessly into existing industrial processes, improving overall efficiency.
- For example, Sun Pharmaceutical Industries optimizes its processes by integrating advanced solvent recovery systems, improving overall efficiency and reducing operational costs.

4. **Enhanced Safety**

- Closed Systems: Modern solvent recovery systems operate in closed environments, reducing worker exposure to harmful chemicals and vapours.

- For example, Glenmark Pharmaceuticals operates solvent recovery systems in closed environments, reducing worker exposure to harmful chemicals and vapours by 90%.
- Reduced Transportation Risks: Lower volumes of hazardous waste mean fewer risks associated with transportation accidents or spills.

5. **Regulatory and Market Compliance**

- Regulatory Compliance: Governments worldwide are enforcing stricter regulations on hazardous waste disposal and solvent emissions. Solvent recovery ensures compliance with these laws while positioning companies as environmentally responsible entities.
- For example, Piramal Enterprises ensures compliance with environmental regulations by adopting solvent recovery practices, avoiding penalties and enhancing its market reputation.
- Market Positioning: Businesses adopting solvent recovery solutions improve their market positioning by appealing to eco-conscious consumers and stakeholders.

6. **Supply Chain Assurance**

- Supply Chain Continuity: Industries that recover their own solvents are less affected by supply shortages or delays caused by strikes or supplier outages. This ensures operational continuity even during disruptions in the supply chain.
- For example, Alembic Pharmaceuticals ensures operational continuity by recovering solvents on-site, reducing dependency on external suppliers and mitigating supply chain disruptions.

7. **Technological Advancements**

- Innovative Technology: Innovations in solvent recovery technologies, such as temperature-swing molecular imprinting and falling-film distillation systems, offer higher efficiency, lower energy consumption, and better selectivity in solvent separation.
- For example, L&T Technology Services integrates advanced technologies like AI and automation in solvent recovery systems, enhancing process control and efficiency.
- Automation and AI integration in solvent recovery systems enhance process control, reduce manual intervention, and improve overall performance.

8. **Industry-Specific Benefits**

a) **Pharmaceutical Industry:** The pharmaceutical industry heavily relies on solvents for manufacturing Active Pharmaceutical Ingredients (APIs) and other products. Solvent recovery offers significant economic, operational, and environmental benefits in this sector.

- Cost Reduction: High-purity solvents like ethanol, acetone, and methanol are extensively used in pharmaceutical processes. Recovering these solvents on-site reduces the need for purchasing virgin solvents, leading to substantial cost savings. For example, Aurobindo Pharma saved $1.5 million annually by recovering high-purity solvents used in API manufacturing.
- Environmental Compliance: Pharmaceutical companies must adhere to stringent environmental regulations. Solvent recovery minimizes hazardous waste generation and VOC emissions, ensuring compliance with laws while reducing environmental impact.
- Operational Efficiency: On-site recovery eliminates dependency on toll processors or external suppliers, reducing transportation risks and cross-contamination concerns. Advanced technologies like nanofiltration and Organic Solvent Forward Osmosis (OSFO) enable up to 90% solvent recycling, improving efficiency and sustainability.
- Sustainability Goals: Recovering key solvents like toluene and methanol can prevent hundreds of tons of CO2 emissions annually, contributing to the industry's carbon footprint reduction goals.

b) **Chemical Industry:** The chemical industry is one of the largest users of solvents for processes such as synthesis, extraction, and purification. Solvent recovery is critical for improving sustainability and reducing costs.

- Reuse of Key Solvents: Solvents like toluene, xylene, and hexane are commonly recovered for reuse in manufacturing processes. This reduces raw material costs and aligns with circular economy principles.
- Reduction in VOC Emissions: By recovering solvents instead of incinerating them, the chemical industry significantly reduces volatile organic compound (VOC) emissions, which are harmful to the environment.
- Process Optimization: Advanced solvent recovery systems are designed to handle complex waste streams with multiple components. Hybrid systems combining distillation with adsorption or membrane filtration improve recovery efficiency while maintaining high purity levels.
- Energy Efficiency: Modern recovery methods such as Organic Solvent Nanofiltration (OSN) consume up to 25 times less energy than traditional distillation techniques, making them more sustainable.

c) **Paints & Coatings Industry:** The paints and coatings industry uses a wide range of solvents as thinners or carriers for pigments. Solvent recovery helps reduce production costs and waste generation.
- Recycling of MEK and Toluene: Methyl ethyl ketone (MEK), toluene, and xylene are commonly recycled through distillation processes. This reduces the need for fresh solvent purchases while maintaining product quality.
- Waste Reduction: Recovering solvents minimizes hazardous waste generated during production processes, helping companies comply with environmental regulations.
- Improved Sustainability: By adopting solvent recovery systems, the paints and coatings industry can significantly reduce its environmental impact while enhancing operational efficiency.

d) **Cannabis Extraction:** The cannabis industry relies on solvents like ethanol, butane, and propane for oil extraction. Solvent recovery is essential for maintaining purity and reducing production costs.
- Cost Savings: Recovering ethanol or butane used in extraction processes lowers operating costs by reducing the need for new solvent purchases.
- Purity Maintenance: Advanced distillation systems ensure that recovered solvents meet high purity standards required for cannabis oil production.
- Sustainability: By recycling solvents instead of disposing of them, cannabis producers contribute to a more sustainable production process while minimizing hazardous waste.

e) **Electronics & Aerospace:** In industries like electronics and aerospace, high-purity solvents are used for cleaning sensitive components such as circuit boards or aerospace parts.
- Recovery of Specialized Solvents: Solvents like Novec and Vertrel are recovered using advanced distillation or adsorption techniques to maintain their high purity levels.
- Cost Reduction: Recovering expensive cleaning agents significantly lowers operational costs in these industries.
- Waste Minimization: By recovering rather than disposing of specialized solvents, these industries reduce their environmental footprint while adhering to strict safety and quality standards.

**9. Sustainability and Corporate Image**

- Adopting solvent recovery demonstrates a company's commitment to sustainability, which is increasingly valued by consumers and investors alike.
- Organizations with strong environmental stewardship often gain a competitive edge in the market by attracting eco-conscious customers and stakeholders. This reputational benefit can translate into increased market share and revenue growth over time.

## MARKET SCENARIO

The Indian solvent market is currently undergoing significant growth, driven by increased industrial applications and technological advancements. The market's expansion is fuelled by ongoing industrialization, urbanization, and the growing use of solvents in consumer goods production. Key sectors such as chemicals, pharmaceuticals, agriculture, automotive, and electronics are driving demand for solvents. Additionally, environmental concerns surrounding volatile organic compounds (VOCs) have prompted the development of eco-friendly solvent alternatives. This shift aligns with global sustainability goals while ensuring compliance with stringent environmental regulations.
Below is the production overview of major solvents in India:

| Products | Installed Capacity (000MT) | | | Production (000MT) | | |
|---|---|---|---|---|---|---|
| | 2021-22 | 2022-23 | 2023-24 | 2021-22 | 2022-23 | 2023-24 |
| Dyes and Pigments | | | | | | |
| Oil Soluble (Solvent Dyes) | 3.6 | 1.2 | 1.2 | 0.7 | 0.5 | 0.6 |
| Napthols | 0.9 | 0 | 0 | 0 | 0 | 0 |
| Pesticides and Insecticides | | | | | | |
| 2,4-D | 30 | 30 | 32 | 40 | 42 | 35 |
| Isoproturon | 6 | 6 | 6 | 0 | 0 | 0 |
| Organic Chemicals | | | | | | |
| Acetone | 47.1 | 47.1 | 47.1 | 36.1 | 34 | 29.6 |
| Methanol | 474.3 | 474.3 | 660.3 | 167.7 | 69.3 | 183.2 |
| Chloro Methanes | 346 | 438.5 | 435.5 | 340.8 | 411.6 | 386.8 |
| Methyl Ethyl Ketone (MEK) | 10 | 10 | 10 | 8.9 | 8.3 | 8.0 |
| Ethyl Acetate | 575.1 | 575.1 | 564.3 | 445.4 | 438.3 | 439.6 |
| Acetic Acid | 142.0 | 165.5 | 165.5 | 166.6 | 165.5 | 164.3 |
| Formaldehyde | 451.8 | 435.3 | 439.7 | 293.1 | 301.1 | 313.1 |

*Source: Department of Chemicals & Petrochemicals, Government of India*

Solvents play a critical role in various industries, including printing inks, paints and coatings, metalworking, industrial cleaning, adhesives, and sealants. Their versatility and indispensable nature in these sectors have positioned solvents as key enablers of industrial processes.

Solvents are essential substances used to dissolve or disperse other materials without altering their chemical properties. They are integral to manufacturing processes across diverse sectors such as pharmaceuticals, chemicals, personal care, and agriculture. The Indian solvent market encompasses a wide range of products which allows solvents to meet the specific needs of various industrial applications.

## DEMAND TREND & KEY SUPPLIERS SOLVENT MARKET IN INDIA

**Demand Trend:**

- The demand for solvents in India is witnessing a robust growth trajectory, driven by increasing industrial applications across diverse sectors such as paints and coatings, pharmaceuticals, adhesives, and cleaning products. This expansion is fuelled by the booming construction and automotive industries, which are key contributors to the rising solvent consumption. With a healthy compound annual growth rate (CAGR) projected over the coming years, the Indian solvent market is poised for substantial growth.
- The pharmaceutical and automotive industries are expected to play a pivotal role in driving this demand, as they increasingly rely on solvents for manufacturing processes and product formulations.
- Furthermore, the shift towards bio-based and environmentally friendly solvents is emerging as a significant trend, aligning with global sustainability goals and stricter environmental regulations. This transition is anticipated to shape the future of the solvent market in India.
- Advancements in solvent recovery technologies and government initiatives promoting green chemistry are accelerating the adoption of sustainable solutions.
- Additionally, the rising need for specialty solvents in high-end industrial applications is opening new avenues for growth. The ongoing industrialization, expansion of infrastructure projects, and emphasis on reducing volatile organic compound (VOC) emissions further contribute to the market's positive outlook. With these factors in play, the Indian solvent market is well-positioned for steady and sustainable expansion in the years ahead.

**Growing Industrialization:**

- Increased industrial activities across sectors like pharmaceuticals, chemicals, and automotive are driving solvent demand.
- India's industrial sector is experiencing significant growth, with a notable increase in manufacturing activities. This expansion is expected to continue, albeit at a moderate pace, driven by ongoing investments and government policies aimed at boosting industrial competitiveness.
- Robust industrial growth of 9.5% was a key highlight of the Economic Survey 2023-24, presented by the Union Minister of Finance and Corporate Affairs.

**Infrastructure Development:**

- Rising construction activities fuel the demand for paints and coatings, which are major solvent consumers.
- Example: The Indian government's "Smart Cities Mission" aims to develop 100 smart cities, which will increase construction activities and, consequently, solvent demand. According to recent reports, India's infrastructure development is expected to grow at a Compound Annual Growth Rate (CAGR) of around 7%. This is driven by significant government investment in areas like roads, highways, and urban infrastructure, with the national highway network expanding rapidly and construction pace increasing considerably.
- The paints & coatings segment is projected to experience rapid growth due to urbanization and infrastructure projects.

**Environmental Regulations:**

- Stricter environmental regulations in India are pushing industries to adopt eco-friendly solvents, fostering innovation in bio-based and sustainable solvent technologies. These regulations aim to reduce environmental pollution, improve sustainability, and ensure compliance with global environmental standards.
- Legislation: India has over 200 environmental laws, including:
    - The Environmental Protection Act (1986).
    - The Air (Prevention and Control of Pollution) Act (1981).
    - The Water (Prevention and Control of Pollution) Act (1974).
- Example: The Indian government's emphasis on reducing VOC emissions has led to a shift towards sustainable solvents, with the bio-based solvent market valued at USD 5 billion in 2023.

**Technological Advancements:**

- Advances in solvent recovery technologies and chromatography techniques are enhancing efficiency and driving demand for high-purity solvents.
- India is witnessing significant technological advancements in solvent recovery, driven by sustainability goals, regulatory compliance, and the need for cost optimization. These innovations are transforming the way industries manage solvents, making recovery processes more efficient and environmentally friendly.
- With innovations like vacuum distillation, membrane filtration, adsorption systems, AI-powered optimization, and closed-loop processes, industries can achieve higher recovery rates while minimizing their environmental footprint.

**KEY SUPPLIERS:**

In the solvents market, prominent companies in India comprise names such as ExxonMobil, Royal Dutch Shell, BASF India, Gujarat Alkalies and Chemicals, and Hindustan Petroleum. These companies produce a variety of solvents used in paints, coatings, adhesives, and other industrial applications.

| Company Name | Solvents Offered | Industry Served |
|---|---|---|
| ExxonMobil Company India Private limited | Isopropyl alcohol, Synthetic isoparaffins, Dearomatized hydrocarbon solvents, Heavy aromatic solvents, Cycloparaffins, Methyl ethyl ketone, Mineral spirits/white spirits. | Agriculture, Industrial, Automotive, Energy, Dry Cleaning |
| BASF India Ltd. | Glycol Ether Acetates, Glycol Ethers, Aldehydes | Prints and Coatings, Pharmaceuticals, Detergents, Lubricants, Textile and Leather, Chemicals, Crop Protection, Intermediate chemical |
| Gujarat Alkalies & Chemicals Ltd. | Methylene Chloride, Chloroform, Carbon Tetrachloride, Methyl Chloride | Textile, Detergents, Pharmaceuticals, Petroleum. Chemical, Pulp & Paper |
| Balaji Amines Ltd. | Methylamine, Ethylamine, Dimethylamine (DMA), Diethylamine (DEA), Monoethanolamine (MEA), Diethanolamine (DEA), Triethanolamine (TEA), Acetonitrile | Pharmaceuticals, Agrochemicals, Rubber, And Specialty Chemicals. |

## DEMAND SCENARIO: ANALYSIS OF KEY FACTORS THAT ARE SHAPING THE DEMAND IN THE INDUSTRY

Organic Demand for Solvents on the Face of Increase in Industrialization & Manufacturing Activities

### Expansion of the Pharmaceutical Industry:

- India is the third-largest pharmaceutical market globally by volume and the 14th largest by value. By 2030, India's pharmaceutical sector is predicted to have grown to a sizeable 5% of the world market. Strong domestic demand and rising international exports are expected to propel the market, which is currently valued at USD 55 billion, to USD 130 billion.
- The government's Production Linked Incentive (PLI) scheme has boosted domestic drug production.

  Rising demand for generic drugs, vaccine production, and active pharmaceutical ingredients (APIs).

### Growth in Automotive Manufacturing:

- India holds a dominant position in the worldwide heavy vehicle sector, being the world's largest tractor producer, 2nd-largest bus manufacturer, and 3rd-largest heavy truck manufacturer. India's annual automobile output in FY24 was 28.4 million units while for 9M FY 2025, it stood at 23.22 million units . India is an attractive market in terms of both domestic demand and exports.
- India aims to become a leader in shared transportation, creating potential for electric and driverless vehicles. India is on course to become the world's largest EV market by 2030, with an estimated investment opportunity of more than USD 200 billion over the next 8-10 years.

### Increasing Demand in Paints and Coatings Industry:

- India is one of the world's most dynamic paint and coating markets. The Indian paint and coating sector is rapidly changing, with new large players emerging, larger producers acquiring smaller enterprises, and current producers expanding greenfield and brownfield operations. The Indian paint and coating business, worth almost USD 10 billion, is undergoing upheaval and restructuring.

### Growth of Chemical Manufacturing Sector:

- Robust Market Growth & Investment Potential: India's chemical and petrochemical industry is a knowledge-driven and capital-intensive sector, currently valued at USD 178 billion. It is highly diversified, producing over 80,000 commercial products that meet global standards.
- India's strategic location, strong production, and industrial growth make it a key player in the global chemical and petrochemical market. It contributes 2.5% to global chemical sales, ranks 4th in agrochemical production, and is the 3rd-largest polymer consumer. With 16% of global dyestuff production, the industry is expanding rapidly, driven by domestic demand, innovation, and investments.

### Textile and Garment Manufacturing:

- Expansion of Domestic & Export Markets – With a 12% CAGR in domestic sales, the industry aims to grow from USD 100 billion to USD 350 billion, while exports target a 20% CAGR, reaching USD 300 billion by 2024-25. This growth is expected to increase India's global market share from 5% to 15-20%.

  Investment– An estimated USD 180-200 billion investment is expected to drive industrial expansion, infrastructure development, and technology upgrades, strengthening India's position as a global textile hub.

## INCREASING FOCUS ON SUSTAINABILITY & REUSE / RECYCLING

With growing industrialization, solvent use has become widespread in manufacturing, pharmaceuticals, paints, chemicals, and other industries. However, concerns over environmental pollution, regulatory compliance, and cost efficiency are driving industries to adopt solvent reuse and recycling practices. This shift toward sustainability is not only a regulatory necessity but also a strategic move to reduce costs, improve efficiency, and lower environmental impact.

### a) Environmental Benefits of Solvent Recycling

Industries rely heavily on organic solvents, many of which contribute to air pollution, hazardous waste accumulation, and water contamination. Solvent recycling helps mitigate these impacts by reducing solvent disposal and lowering emissions of Volatile Organic Compounds (VOCs).

- Reduction in Hazardous Waste: Recycling solvents prevents them from being discarded as hazardous waste, reducing landfill and incineration loads.
- Lower Carbon Footprint: The production of fresh solvents involves chemical synthesis that consumes fossil fuels and releases greenhouse gases. Recycling reduces the need for new production, lowering $CO_2$ emissions.
- Water and Soil Protection: Solvent waste can contaminate water bodies and soil if not disposed of properly. Recycling ensures safer handling and disposal.
- Example: Industries using ethyl acetate in paint and coating formulations are increasingly adopting solvent recovery units to purify and reuse solvents, thereby reducing hazardous waste discharge.

### b) Economic Advantages of Solvent Recycling

Companies are realizing that solvent recycling is not just environmentally beneficial but also cost-effective. The use of on-site solvent recovery systems allows industries to:

- Reduce procurement costs: Recovering and reusing solvents minimizes the need to buy new solvents.
- Lower waste disposal expenses: Disposal of hazardous waste requires expensive regulatory compliance and waste treatment. Recycling cuts these costs.
- Improve operational efficiency: On-site solvent recovery ensures a steady supply of purified solvents, reducing dependency on suppliers and avoiding downtime due to shortages.
- Example: Many pharmaceutical companies in India, such as Sun Pharma and Dr. Reddy's Laboratories, have installed solvent recovery plants to recycle solvents like methanol, isopropyl alcohol, and toluene, significantly reducing raw material costs.

### c) Regulatory Compliance and Government Policies

The Indian government has introduced strict environmental policies under agencies like the Central Pollution Control Board (CPCB) and the Ministry of Environment, Forest and Climate Change (MoEFCC) to encourage solvent recovery and limit industrial pollution.

**Key Regulations:**

- Hazardous Waste Management Rules, 2016: Requires industries to manage and recycle spent solvents responsibly.
- CPCB Guidelines on Utilization of Spent Solvent (2022): Mandates solvent-based industries, such as pesticides and pharmaceuticals, to establish solvent recovery systems. (Source: CPCB)

- Extended Producer Responsibility (EPR): Industries are increasingly required to take responsibility for solvent waste management and recovery.
- Example: The pesticide industry in India is now legally required to use separate solvent distillation processes to avoid mixing different solvents, ensuring higher recovery rates.

**d) Industry Initiatives and Innovations in Solvent Recycling**

Pharmaceutical Industry

- The pharmaceutical sector is one of the largest users of solvents, with high demand for ethanol, acetone, methanol, and isopropyl alcohol in drug formulation and API synthesis.
- Many companies have on-site solvent recovery units to recycle used solvents and reduce raw material dependency.
- Example: Cipla and Aurobindo Pharma have implemented fractional distillation techniques to separate and recover solvents with 98%+ purity levels, making them reusable in production.

**Paints and Coatings Industry**

- Solvents like toluene, xylene, and butanol are essential for dissolving resins in paints.
- Paint manufacturers are shifting to closed-loop solvent recovery systems to reclaim and reuse solvents in paint formulations.
- Example: Asian Paints has integrated solvent recovery technology at its Maharashtra plant, leading to a 30% reduction in solvent waste.

**Chemical Industry**

- Petrochemical companies are investing in solvent extraction and recycling plants to reclaim solvents used in chemical processing.
- Example: Reliance Industries has adopted chemical recycling techniques to process used solvents and convert waste plastics into reusable raw materials. (Source: Reliance)

**Textile Industry**

- The textile sector uses solvents for dyeing, printing, and fabric processing.
- Companies are now switching to bio-based solvent alternatives and solvent recycling units to minimize hazardous waste.
- Example: Raymond and Arvind Mills have implemented green solvent recovery to recycle acetone and ethyl acetate, reducing water pollution.

## THE RISE OF GREEN SOLVENTS & FUTURE OUTLOOK

With increasing environmental awareness, industries are also exploring green solvents as alternatives to conventional petroleum-based solvents. These include:

- Bio-based solvents: Derived from renewable sources like citrus peels (d-limonene) or soybeans (methyl soyate).
- Ionic liquids: Non-volatile, recyclable solvents used in chemical synthesis and metal extraction.
- Supercritical $CO_2$: Used as a solvent in pharmaceutical and food industries, replacing toxic organic solvents.
- Example: The Indian chemical industry is investing in green solvent technology, with companies like Tata Chemicals and Godrej Chemicals developing bio-based solvent alternatives.

## STRINGENT REGULATORY NORMS & ITS IMPACT ON SOLVENT RECYCLING

In India, the management and recycling of solvents are governed by stringent regulatory frameworks designed to ensure environmental safety and public health. The Central Pollution Control Board (CPCB), under the

Ministry of Environment, Forest and Climate Change (MoEFCC), plays a pivotal role in formulating and enforcing these regulations.

**Key Regulatory Framework:**

- Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016: These rules provide comprehensive guidelines on the management of hazardous wastes, including spent solvents. They emphasize the necessity for proper handling, storage, and recycling to mitigate environmental risks.

**IMPACT ON SOLVENT RECYCLING:**

1. **Standard Operating Procedures (SOPs):** The CPCB has developed specific SOPs to ensure the safe and scientific handling, processing, and storage of spent solvents. These procedures are mandatory for industries involved in solvent recovery and recycling.
2. **Compliance Requirements:** Industries engaged in solvent recovery must adhere to the provisions outlined in the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016. This includes compliance with interstate transport regulations and the use of manifest documents as prescribed under Rules 18 and 19.
3. **Dedicated Distillation Processes:** Specific guidelines mandate that spent solvents generated from industries, such as pesticides manufacturing, should not be mixed with other spent solvents. Instead, they must be distilled separately in dedicated batches to prevent cross-contamination and ensure effective recycling.
4. **Inventory Management:** The CPCB maintains a national inventory on the generation and management of hazardous wastes, including solvents. This inventory aids in monitoring compliance and assessing the effectiveness of recycling initiatives.

The stringent regulatory norms established by the CPCB and MoEFCC have significantly impacted solvent recycling practices in India. Industries are now compelled to adopt safer and more efficient recycling methods, ensuring environmental protection and compliance with national standards.

**NATIONAL GREEN TRIBUNAL (NGT)**

The National Green Tribunal (NGT) was established on October 18, 2010, under the National Green Tribunal Act, 2010, to handle cases related to environmental protection, conservation of forests, and sustainable use of natural resources. It functions as a specialized judicial body that ensures the enforcement of environmental laws while also providing relief and compensation for environmental damages affecting individuals or property.

Designed to expedite the resolution of environmental disputes, the tribunal is not bound by the traditional legal framework outlined in the Code of Civil Procedure, 1908. Instead, it operates based on principles of natural justice, ensuring fairness and flexibility in decision-making. The tribunal's primary objective is to reduce the backlog of environmental cases in higher courts while ensuring swift and effective environmental governance. It aims to conclude cases within six months of filing, promoting timely justice.

To improve accessibility, NGT operates from five locations in India. The Principal Bench is in New Delhi, with additional benches in Bhopal, Pune, Kolkata, and Chennai. These locations follow a circuit procedure, allowing the tribunal to hear cases from different regions and make environmental justice more accessible nationwide.

**KEY FEATURES OF THE NATIONAL GREEN TRIBUNAL (NGT)**

• **Time-Bound Resolution of Cases:** One of the defining features of NGT is its commitment to speedy justice in environmental matters. Unlike traditional courts, where cases can take years, the tribunal aims to resolve cases within six months of filing. This helps in swift enforcement of environmental laws and ensures that legal disputes do not delay necessary action against environmental damage. The time-bound approach also reduces the burden on higher courts, allowing for more efficient judicial processes.

• **Specialized Composition:** NGT consists of Judicial Members and Expert Members who bring diverse knowledge and expertise to environmental litigation:

- Judicial Members are former Supreme Court or High Court judges, ensuring that the tribunal functions with strong legal oversight.
- Expert Members are professionals with backgrounds in environmental science, engineering, pollution control, or sustainable development, providing technical knowledge necessary for informed decision-making.

This multi-disciplinary approach allows NGT to evaluate environmental cases comprehensively, considering both legal and scientific aspects.

• **Exclusive Jurisdiction Over Environmental Matters:** NGT has exclusive jurisdiction over cases related to environmental laws, including:

- The Water (Prevention and Control of Pollution) Act, 1974
- The Air (Prevention and Control of Pollution) Act, 1981
- The Environment (Protection) Act, 1986
- The Forest (Conservation) Act, 1980
- The Biological Diversity Act, 2002

• **Legally Binding and Enforceable Decisions:** NGT's judgments are legally binding on all concerned parties, including government agencies, industries, and individuals. Its decisions can be challenged only in the Supreme Court of India, making it a powerful authority in enforcing environmental laws. The tribunal has the power to:

- Impose fines and penalties on violators.
- Order compensation and restoration measures for environmental damage.
- Direct government bodies to take corrective actions.

This ensures strict accountability for environmental violations and promotes compliance with regulatory norms.

• **Nationwide Reach and Accessibility:** To make environmental justice accessible across the country, NGT operates from five locations:

- Principal Bench – New Delhi
- Other Benches – Bhopal, Pune, Kolkata, Chennai

These regional benches follow a circuit procedure, meaning they can hold hearings in different locations as required. This decentralized structure ensures that citizens from various parts of the country can approach NGT without unnecessary legal or geographical barriers.

• **Principles of Natural Justice:** unlike traditional courts, the Code of Civil Procedure, 1908, does not bind NGT. Instead, it follows the principles of natural justice, which emphasize:

- Fairness and impartiality in decision-making.
- Flexibility in procedures, allowing for quicker resolutions.
- Consideration of scientific evidence and expert opinions rather than relying solely on legal technicalities.

**RELATION TO STRINGENT REGULATORY NORMS**

NGT plays a key role in enforcing stringent regulatory norms for industries, businesses, and individuals to ensure compliance with environmental laws.

- **Stricter Environmental Clearances:** NGT mandates thorough impact assessments before approving industrial projects.
- **Enforcement of Pollution Control Laws:** Imposes penalties on industries violating air and water quality standards.
- **Ban on Hazardous Practices:** Restricts harmful activities like sand mining, deforestation, and improper waste disposal.
- **Accountability for Violators:** Holds government bodies and corporations responsible for environmental damage.

**TREND OF INCREASING DEMAND FOR GREEN SOLVENTS & ITS IMPACT**

The rising demand for green solvents in India is driven by environmental concerns, regulatory initiatives, and the push for sustainable industrial practices. Green solvents are bio-based, non-toxic, and biodegradable, making them a safer alternative to conventional petrochemical solvents. The adoption of green solvents is increasing across industries like pharmaceuticals, paints & coatings, adhesives, and agriculture.

- **Environmental and Health Concerns**
  - Traditional solvents such as benzene, toluene, and xylene release volatile organic compounds (VOCs), contributing to air pollution and causing serious health issues, including respiratory diseases and neurological disorders.
  - Green solvents, such as ethyl lactate (derived from corn), d-limonene (from citrus peels), and glycerol-based solvents, reduce VOC emissions and toxicity.
  - The demand for non-toxic, biodegradable solvents is rising in response to increased public awareness and stricter environmental regulations.
  - Example: The solvent industry in India is moving towards bio-based alternatives in cleaning and degreasing applications to reduce worker exposure to hazardous chemicals.

- **Regulatory Initiatives Promoting Green Chemistry**
  - The Government of India is actively promoting green chemistry initiatives to minimize hazardous chemical use in industrial processes.
  - The National Green Tribunal (NGT) and Ministry of Environment, Forest and Climate Change (MoEF&CC) have implemented stricter pollution control measures, encouraging industries to replace hazardous solvents with eco-friendly alternatives.
  - Companies using toxic solvents are required to comply with Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, which has increased interest in solvent recovery and green alternatives.
  - Example: The Indian paint industry has been shifting toward low-VOC, water-based coatings that use green solvents instead of conventional petroleum-based solvents.

- **Growth of Green Solvent Technologies in Agriculture & Food Processing**

    - In agriculture, bio-based solvents are being used for pesticide formulation, replacing harmful petroleum-based solvents.
    - In food processing, green solvents such as supercritical $CO_2$ and ethanol-based solvents are used for extracting essential oils, flavors, and bioactive compounds.
    - The Indian Council of Agricultural Research (ICAR) has been developing eco-friendly solvent technologies to improve oil extraction from oilseeds.
    - Example: In edible oil extraction, conventional hexane-based methods are being replaced by green solvents like ethanol and supercritical $CO_2$, which are safer and environmentally friendly.

**IMPACT OF INCREASING DEMAND FOR GREEN SOLVENTS**

- **Economic Opportunities & Investments in Green Solvent Industry**

    - The shift toward green solvents has opened new investment opportunities in the chemical and pharmaceutical industries.
    - With India's chemical industry growing at 8-10% CAGR, there is a rising demand for bio-based and low-VOC solvents.
    - Indian companies are now investing in R&D for green solvent production, supported by government incentives for sustainable industrial practices.
    - Example: Companies like Godrej Industries and Tata Chemicals are developing bio-based solvent alternatives to meet domestic and international market demand.

- **Adoption of Green Solvents in Key Industries**

    - **Pharmaceutical Industry**
        - India is the world's third-largest producer of pharmaceuticals and is actively moving towards solvent recovery and green solvents in drug manufacturing.
        - Green solvent use: Ethanol, acetone, and supercritical $CO_2$ are replacing traditional toxic solvents in Active Pharmaceutical Ingredient (API) production.
        - Example: Companies like Sun Pharma and Dr. Reddy's have adopted solvent recovery processes to minimize hazardous waste.

    - **Paints & Coatings Industry**
        - India's paints and coatings market is shifting toward low-VOC, water-based formulations using green solvents.
        - Solvents like ethyl acetate and d-limonene are replacing xylene and toluene in industrial coatings.
        - Example: Asian Paints and Berger Paints are investing in sustainable solvent technologies for eco-friendly product lines.

    - **Textile Industry**
        - The Indian textile sector, one of the largest in the world, is increasingly using bio-based solvents for dyeing and finishing processes.
        - Example: Textile units in Tamil Nadu and Gujarat are transitioning to water-based and biodegradable solvent systems

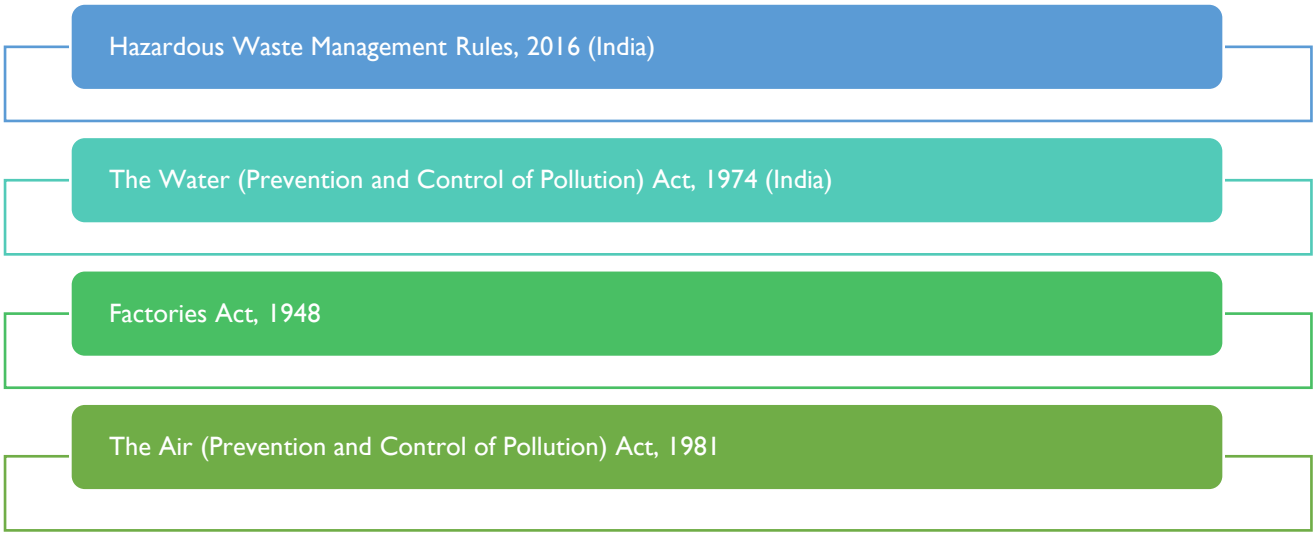
    - **Technological Advancements & Future Growth Potential**
        - India's research institutions and startups are developing bio-based solvents derived from plant-based sources such as corn, soybeans, and citrus peels.
        - Supercritical fluid technology is being explored for extraction and purification in food and pharmaceutical applications.
        - Example: CSIR-Indian Institute of Chemical Technology (IICT) is working on low-toxicity solvent formulations for industrial use.

The rising demand for green solvents in India is a direct result of environmental regulations, industrial growth, and consumer awareness. With significant investments in sustainable manufacturing and increasing adoption across industries, green solvents are set to play a crucial role in India's shift toward eco-friendly industrial practices. The government's initiatives, combined with technological advancements, are expected to boost green solvent adoption and create new opportunities in the chemical sector.

## REGULATORY LANDSCAPE

The solvents and solvent recycling industry is highly regulated due to environmental concerns, health risks, and the need for sustainable waste management. Below is an analysis of key regulatory policies and programs impacting the industry, along with insights into initiatives aimed at industry development.

## ANALYSIS OF KEY REGULATORY POLICIES / PROGRAMS THAT HAS AN IMPACT ON THE FUNCTIONING OF THE INDUSTRY




### Hazardous Waste Management Rules, 2016 (India)

The Hazardous Waste Management Rules, 2016, formulated by the Ministry of Environment, Forest and Climate Change (MoEFCC), play a crucial role in governing the handling, storage, transportation, and disposal of hazardous waste, including spent solvents. These rules aim to minimize environmental impact by mandating industries to recycle or safely dispose of solvents.

**Key Provisions**

- **Authorization Requirement:**
  Industries generating or handling hazardous waste, including spent solvents, must obtain authorization from the State Pollution Control Board (SPCB) or Pollution Control Committee (PCC).
- **Storage and Labelling:**
  Hazardous wastes, such as spent solvents, must be stored in a safe manner with appropriate labeling to indicate the nature of the waste. This ensures that the waste is handled correctly and reduces risks to health and the environment.
- **Transportation:**
  Hazardous wastes must be transported using authorized transporters. A manifest system is required to track the movement of these wastes, ensuring accountability and compliance with regulations.

- **Disposal and Recycling:**
  The rules emphasize recycling and resource recovery. Facilities engaged in solvent recovery must adhere to specific guidelines to ensure environmental safety. This includes following procedures for recycling, reusing, and recovering hazardous waste, which helps reduce waste generation and promotes sustainable practices.

**Impact on Solvent Recycling Industry**

- Regulatory Compliance: The rules ensure that solvent recycling operations comply with environmental standards, reducing the risk of pollution and promoting sustainable practices.
- Authorization and Monitoring: The requirement for authorization from SPCBs ensures that only compliant facilities operate, maintaining high standards of waste management.
- Environmental Protection: By emphasizing recycling and safe disposal, these rules protect the environment from hazardous waste, including spent solvents, thereby supporting the development of the solvent recycling industry in a sustainable manner.

**The Water (Prevention and Control of Pollution) Act, 1974 (India)**

The Water (Prevention and Control of Pollution) Act, 1974, mandates that industries obtain consent from State Pollution Control Boards for discharging effluents into water bodies, ensuring compliance with permissible limits for parameters like pH and Total Suspended Solids (TSS).

**Key Provisions**

- **Prevention of Water Pollution:**
  The Act aims to maintain or restore the wholesomeness of water by preventing pollution. This includes controlling the discharge of effluents from industrial processes, which can include solvent recycling operations if they generate wastewater containing solvents or solvent residues.
- **Consent for Discharge:**
  Sections 25 and 26 of the Act require industries to obtain prior consent from the State Pollution Control Board (SPCB) before discharging sewage or trade effluents into water bodies. This applies to solvent recycling facilities if they discharge wastewater into streams, wells, or other water bodies.
- **Standards for Discharge:**
  The Act mandates adherence to standards set by the SPCBs for the discharge of effluents. Industries involved in solvent recycling must ensure that any wastewater discharged meets these standards to prevent water pollution.

**Impact on Solvent Recycling Industry**

- **Wastewater Management:** Solvent recycling facilities must manage their wastewater effectively to comply with the Act. This includes treating effluents to remove contaminants before discharge, ensuring that they do not contribute to water pollution.
- **Regulatory Compliance:** Compliance with the Act is crucial for solvent recycling operations to avoid penalties and ensure environmental sustainability. This involves obtaining necessary consents and adhering to discharge standards.
- **Environmental Protection:** By controlling water pollution, the Act indirectly supports the environmental sustainability of solvent recycling operations, aligning with broader goals of reducing pollution and promoting cleaner industrial practices.

**Factories Act, 1948**

The Factories Act, 1948, primarily focuses on regulating labour conditions and ensuring worker safety in factories across India, with a particular emphasis on safeguarding employees from hazardous processes and improving their overall health and welfare. This Act mandates that factories maintain a safe working environment by implementing measures such as proper machine guarding, adequate ventilation, and health

facilities, thereby protecting workers from occupational hazards, including those associated with handling solvents in solvent recycling operations.

**Key Provisions:**

- **Hazardous Processes:**
  The Act defines "hazardous process" as any process that could cause material impairment to health or result in environmental pollution unless special care is taken. Solvent recycling operations, if they involve hazardous chemicals, fall under this category.
  State Governments can specify processes as hazardous and impose additional safety measures, which may apply to solvent recycling if it involves dangerous operations.
- **Safety and Health Measures:**
  The Act mandates that factories maintain cleanliness, dispose of waste properly, and ensure worker safety. For solvent recycling facilities, this includes managing solvent storage, handling, and disposal to prevent accidents and exposure to hazardous chemicals.
  Regular inspections by competent persons are required to ensure that equipment and processes are safe for workers.

**Impact on Solvent Recycling Industry**

- **Worker Safety:** The Act emphasizes the importance of maintaining a safe working environment, which is crucial for industries handling solvents. This includes providing protective equipment, ensuring proper ventilation, and training workers on handling hazardous materials.

- **Regulatory Compliance:** Compliance with the Act is essential for solvent recycling operations to ensure they meet safety standards and avoid penalties. This involves adhering to guidelines for hazardous processes and maintaining records of safety inspections.

**The Air (Prevention and Control of Pollution) Act, 1981**

The Air (Prevention and Control of Pollution) Act, 1981, is a landmark legislation in India aimed at preventing, controlling, and abating air pollution. The Act was enacted to address the growing concerns of air pollution in the country, which were exacerbated by industrial activities, vehicular emissions, and other environmental factors.

**Key Provisions:**

- **Industrial Plants and Emissions:**
  The Act defines an "industrial plant" as any plant used for industrial purposes that emits air pollutants. Solvent recycling facilities, if they emit air pollutants during their operations, fall under this definition.

  Section 21 of the Act requires industries, including those involved in solvent recycling, to obtain consent from the State Pollution Control Board (SPCB) before establishing or continuing operations that could lead to air pollution.

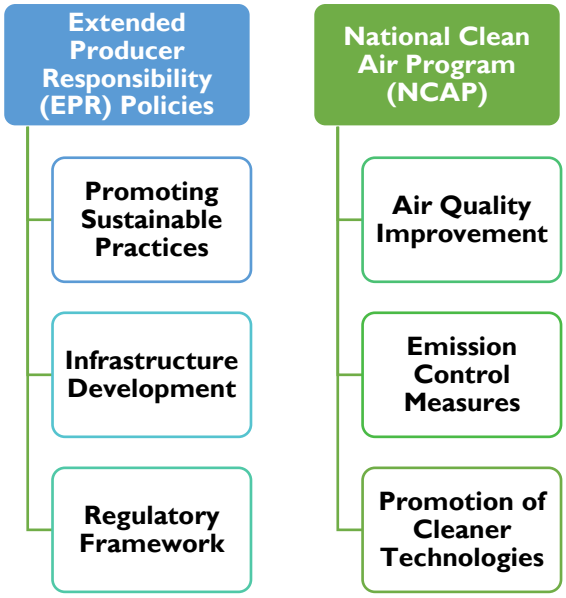
- **Air Pollutants**
  The Act defines "air pollutants" as substances that can be injurious to human beings, living creatures, plants, property, or the environment. Solvents, if released into the air during recycling processes, could be considered air pollutants if they meet these criteria.

- **Regulatory Framework**
  The Act establishes Central and State Boards for the Prevention and Control of Pollution, which oversee compliance with air pollution regulations. These boards can issue directions and guidelines to ensure that industries, including solvent recycling facilities, adhere to pollution control measures.

**Impact on Solvent Recycling Industry**

- **Compliance Requirements:** Solvent recycling facilities must comply with air pollution regulations by obtaining necessary consents and adhering to emission standards. This ensures that any air pollutants released during the recycling process are minimized.
- **Environmental Protection:** By controlling air emissions, the Act indirectly supports the environmental sustainability of solvent recycling operations, aligning with broader goals of reducing pollution and promoting cleaner industrial practices.

## POLICIES FOR DEVELOPING THE SOLVENT AND SOLVENT RECYCLING INDUSTRY IN INDIA




### Extended Producer Responsibility (EPR) Policies

While EPR policies in India are primarily focused on managing e-waste, plastic waste, battery waste, and used oil, they can indirectly influence the solvent and solvent recycling industry by promoting sustainable practices and waste management. Here's how EPR policies can impact this sector:

**Key Aspects of EPR**

**Promoting Sustainable Practices:** EPR encourages producers to design products with recycling in mind and to use eco-friendly materials. This approach can be applied to solvents by promoting the use of bio-based solvents or designing solvent systems that are easier to recycle. Although not directly targeted at solvents, EPR principles can foster a culture of sustainability that benefits solvent recycling by encouraging industries to adopt environmentally responsible practices.

**Infrastructure Development:** EPR policies lead to the development of recycling infrastructure, which can indirectly support solvent recycling by creating a framework for managing hazardous waste, including spent solvents. The establishment of collection centers and recycling facilities for other waste streams can serve as a model for solvent recycling operations.

**Regulatory Framework:** The EPR framework in India requires producers to register with the Central Pollution Control Board (CPCB) or State Pollution Control Boards (SPCBs) and meet specific recycling

targets. While not directly applicable to solvents, this framework demonstrates how regulatory oversight can ensure compliance with environmental standards.

**Impact on Solvent and Solvent Recycling Industry**

- Indirect Benefits: EPR policies promote a circular economy and resource efficiency, which can encourage solvent recycling by fostering sustainable practices across industries.
- Potential for Expansion: As EPR policies evolve, there may be opportunities for their application to solvent waste management, encouraging manufacturers to invest in solvent recovery systems and recycling facilities.

**National Clean Air Program (NCAP)**

The National Clean Air Program (NCAP) India aims to reduce industrial emissions, including VOCs from solvent industries, by encouraging the adoption of advanced solvent recovery technologies.
Key Aspects

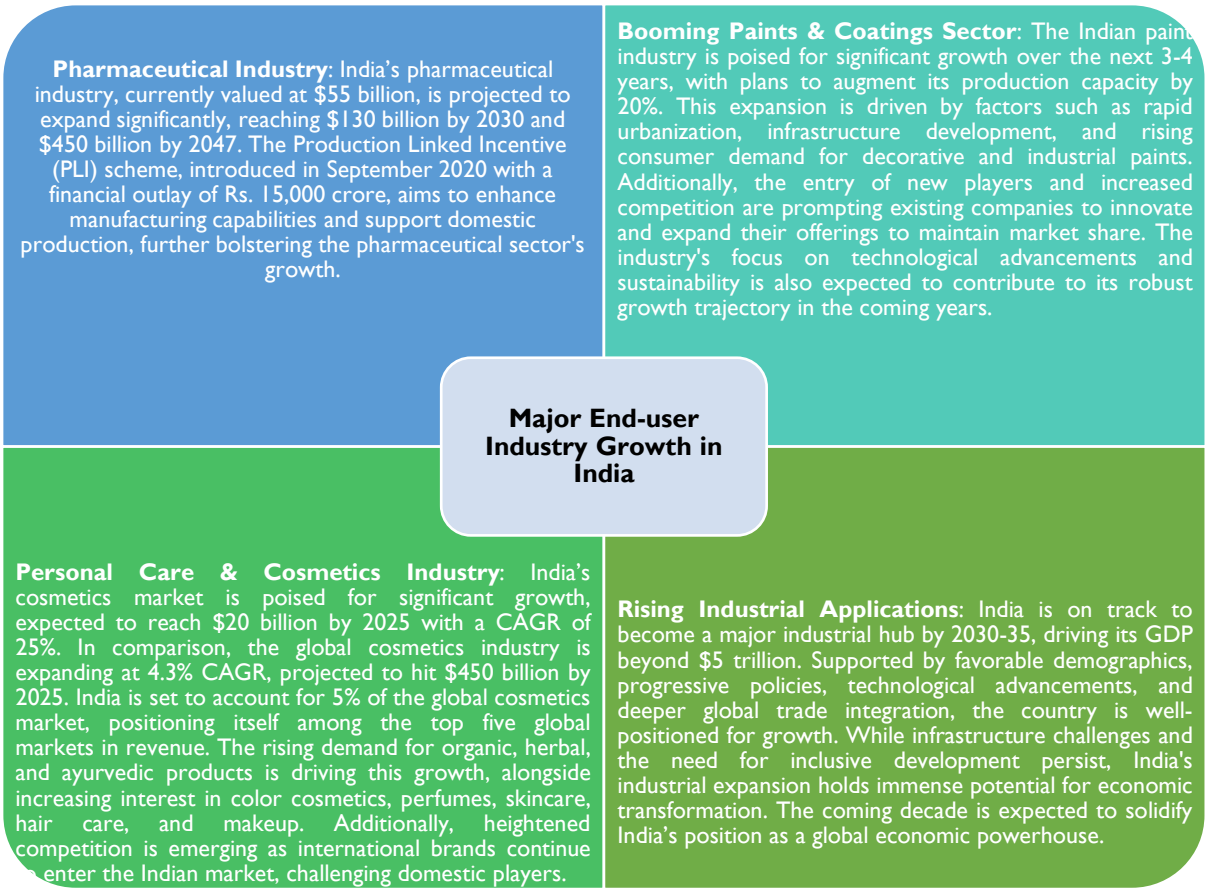
- **Air Quality Improvement:** NCAP aims to achieve a reduction of up to 40% in PM10 and PM2.5 concentrations by 2025-26 compared to the baseline year of 2017-1813. This focus on improving air quality can encourage industries, including those involved in solvents, to adopt cleaner technologies and practices.
- **Emission Control Measures:** The program involves implementing emission control measures across various sectors, which can indirectly benefit solvent recycling by promoting the use of advanced technologies that minimize VOC emissions6.
- **Promotion of Cleaner Technologies:** While NCAP does not specifically encourage the adoption of advanced solvent recovery technologies, its emphasis on reducing industrial emissions can create an environment where such technologies become more appealing to industries seeking to comply with air quality standards.

**Impact on Solvent and Solvent Recycling Industry**

- **Indirect Benefits:** NCAP's focus on improving air quality and reducing emissions can indirectly support the solvent recycling industry by encouraging the adoption of cleaner technologies and practices that minimize VOC emissions.
- **Future Opportunities:** As NCAP evolves, there may be opportunities for its principles to be applied more directly to solvent industries, promoting sustainable practices and advanced solvent recovery technologies.

**GROWTH FORECAST OF SOLVENT INDUSTRY IN INDIA IN UPCOMING YEARS:**

The solvent industry in India is set to experience substantial growth in the coming years, driven by the expansion of its major end-user industries, including pharmaceuticals, paints & coatings, agrochemicals, and personal care.




**Investment in Advanced Recycling Technologies:**

- The adoption of distillation, membrane separation, and supercritical fluid extraction is improving solvent recovery efficiency.
- The government is promoting investments in waste-to-energy and industrial recycling units to encourage solvent recovery.
- Example: The Gujarat Industrial Development Corporation (GIDC) has set up dedicated industrial waste recycling zones, supporting solvent recovery for chemical industries.

**Rise in Green & Circular Economy Practices:**

- The shift toward sustainable manufacturing and the circular economy model is encouraging industries to recover, purify, and reuse solvents rather than dispose of them.
- Companies are collaborating with third-party solvent recyclers to ensure compliance with sustainability goals.
- Example: Several startups in India, such as Tatva Chintan and Clean Science & Technology, are focusing on eco-friendly solvent recovery and purification methods.

**Stringent Environmental Regulations:**

- The Indian government has introduced strict environmental laws under the Hazardous Waste Management Rules, 2016, and amendments to the Extended Producer Responsibility (EPR) framework.
- Companies are now required to reduce solvent waste, recycle used solvents, and adopt cleaner production methods to meet compliance standards.

Example: The Central Pollution Control Board (CPCB) mandates industries to manage hazardous waste responsibly, leading to increased adoption of solvent recovery processes.

## COMPETITIVE LANDSCAPE

The solvent and solvent recycling industry in India is witnessing significant growth, driven by increasing industrial demand, technological advancements, and stringent environmental regulations. With key industries such as pharmaceuticals, chemicals, automotive, and paints & coatings relying heavily on solvents, competition in the sector is shaped by factors like innovation in solvent recovery technologies, compliance with pollution control norms, and the rising demand for eco-friendly alternatives. Companies investing in advanced distillation, membrane separation, and AI-driven monitoring systems are gaining a competitive edge by offering higher purity solvents and cost-efficient recycling solutions. Additionally, regulatory requirements, such as adherence to Hazardous Waste Management Rules, 2016, and VOC emission limits, make compliance a critical success factor.

Despite growing opportunities, the industry presents significant entry barriers. High initial investment in infrastructure, technology, and compliance measures makes it challenging for new players to enter. The complex regulatory framework, governed by agencies like the Central Pollution Control Board (CPCB) and the Ministry of Environment, Forest & Climate Change (MoEFCC), requires multiple approvals, adding to time and cost burdens. Furthermore, the shortage of skilled professionals in hazardous waste management and logistics challenges in handling solvents increase operational difficulties. However, with industries moving toward green solvents, circular economy models, and sustainable manufacturing, companies that innovate and comply with evolving regulations are expected to thrive in the competitive landscape.

## KEY FACTORS SHAPING COMPETITION

- **Technological Advancements:**

Adoption of advanced solvent recovery technologies like distillation systems, membrane separation, and adsorption techniques enhances recovery rates and purity.

High-purity recycled solvents are in demand across industries like pharmaceuticals, paints & coatings, and chemicals, driving competition among players investing in innovation.

Technological advancements are emerging, offering higher efficiency, lower energy consumption, and better selectivity in solvent separation, making solvent recovery more attractive and feasible for a wider range of industries.

- **Automation & Digitalization:**

Integration of IoT-based sensors and AI-driven monitoring systems optimizes process efficiency by providing real-time data on solvent quality and system performance.

Automated predictive maintenance reduces operational downtime and increases plant efficiency, allowing businesses to maintain cost-effectiveness.

- **Regulatory Compliance:**

Compliance with stringent environmental regulations, such as Hazardous Waste Management Rules, 2016, is crucial for legal operations and maintaining industry credibility.

Adherence to volatile organic compound (VOC) emission norms helps companies secure long-term contracts, particularly with environmentally responsible organizations.

The Hazardous Waste Management Rules mandate comprehensive waste management strategies for solvents. Compliance with these regulations is essential for companies to operate legally and maintain credibility in the industry.

- **Adaptability to Changing Laws:**

The solvent recycling industry is subject to frequent regulatory updates due to environmental concerns. Companies must quickly adapt to new rules on emissions, disposal, and waste management.

Failure to comply can result in fines, operational shutdowns, or revocation of permits, making regulatory awareness a competitive necessity.
As governments and international bodies continue to tighten environmental regulations, companies are under pressure to adopt practices that minimize their environmental impact. Solvent recovery and recycling provide a practical solution for industries to comply with these regulations by reducing hazardous waste generation and promoting the reuse of resources.

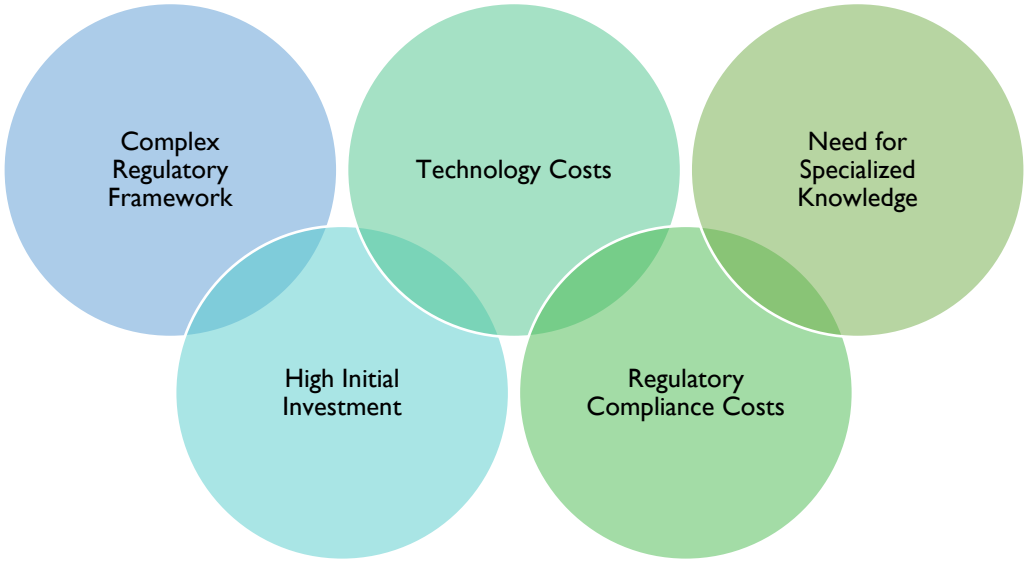
- **Market Diversification:**

Companies that expand their product range by developing eco-friendly solvents (e.g., bio-based solvents, low-VOC alternatives) appeal to environmentally conscious consumers.
Recycling facilities offering customized solvent recovery solutions tailored to specific industries (e.g., pharma vs. automotive) gain a competitive advantage.

- **Strategic Partnerships:**

Collaborations with industrial manufacturers and waste management firms ensure a steady supply of waste solvents for recycling.
Companies providing on-site solvent recycling services at industrial plants can build long-term partnerships and reduce transportation costs.
Example: Polycycl and Re Sustainability have forged a strategic partnership to establish plastic feedstock preparation facilities for chemical recycling and circular economy initiatives.

**ENTRY BARRIERS:**




- **High Initial Investment:**

  Setting up a solvent recycling facility involves significant capital expenditure on infrastructure, including distillation units, separation systems, storage tanks, and safety mechanisms. The cost of land acquisition, construction, equipment installation, and compliance measures further increase the financial burden. Example: The cost of fractional distillation units and advanced separation systems can run into crores of rupees, making it difficult for new entrants to establish operations.

- **Technology Costs:**
  Advanced recycling technologies (e.g., fractional distillation, azeotropic distillation, and membrane filtration) are often imported or require specialized R&D, making them expensive.Scaling up operations requires continuous investment in process efficiency improvements and pollution control measures.

- **Regulatory Compliance Costs:**
  Companies need to obtain multiple approvals, including environmental impact assessments (EIA), pollution control board certifications, and hazardous waste disposal permits, which are time-consuming and costly. Regular audits and compliance checks add ongoing expenses to ensure adherence to safety and environmental regulations.

- **Need for Specialized Knowledge:**
  The technical complexity of solvent recycling requires expertise in chemical engineering, process optimization, and hazardous waste management.A shortage of skilled personnel trained in handling hazardous materials and operating complex recovery systems makes recruitment challenging.

- **Complex Regulatory Framework:**
  The industry operates under a stringent regulatory landscape, governed by multiple agencies like the Central Pollution Control Board (CPCB), State Pollution Control Boards (SPCBs), and the Ministry of Environment, Forest and Climate Change (MoEFCC). Lengthy bureaucratic procedures for licensing and regulatory approvals pose a significant hurdle for new entrants, delaying market entry. Example: Delays in obtaining Environmental Impact Assessments (EIA) can slow down project implementation.

**The NGT regulations** are driving stricter compliance, waste management, and emission controls in India's solvent recycling industry, increasing operational costs for advanced technology and audits. Industrial hubs like Gujarat and Maharashtra face scrutiny, pushing firms to upgrade or relocate. However, the shift toward eco-friendly solvent recovery, bio-based alternatives, and circular economy practices is creating growth opportunities. Government incentives and EPR policies further support sustainable recycling. While compliance is challenging, businesses adopting green solutions will gain a competitive edge in India's evolving environmental landscape.

**COMPETITION: PEER PROFILING**

**Laxmi Organic Industrial Ltd.**

**Company Overview:**

Founded in 1989, Laxmi Organic Industries Limited is based in Mumbai, India. The company has a presence in multiple regions, including India, Europe, North America, and the Asia-Pacific. Through steady growth and strategic initiatives, it has expanded its operations and built relationships with various industries.
The company operates manufacturing facilities in Mahad and Lote, Maharashtra, India, with a combined installed capacity of approximately 232,000 metric tons per annum (MTPA). Continuous improvements in production processes and technology contribute to operational efficiency and quality standards.

**Product Offerings:** Laxmi Organic Industries Limited offers a range of chemical products under its Essentials and Specialties business units.

- Essentials: This segment includes products such as bulk solvents and aldehydes, which are fundamental to various industrial applications. The company is recognized as a reliable supplier in this sector, addressing a market exceeding USD 12 billion.
- Specialties: This segment encompasses advanced chemical products like ketene and diketene derivatives, including esters, amides, and arylides. The company has also ventured into fluorospecialty chemicals, aiming to diversify its product portfolio and support profitable growth.

**Key Strengths:**

- **Customer-Centric Approach:** The Company emphasizes understanding customer needs and product stewardship, which has helped in expanding and strengthening its customer base. By adopting customer-

focused strategies, it has been able to develop business models that support long-term growth and adaptability.

- **Collaborations with Global Enterprises:** Laxmi Organic Industries Limited has established partnerships with international companies across different sectors. Its presence in multiple markets supports sales, marketing, and business development activities while also providing insights into industry trends, product demand, and regulatory requirements.
- **Commitment to Environmental Responsibility:** The Company integrates quality, safety, and sustainability into its business practices. In the fiscal year 2023-24, it successfully retained the Responsible Care certification following an external evaluation. Additionally, a portion of the energy used in its manufacturing operations comes from renewable sources such as hydro, wind, and solar power.
- **Focus on Research and Development:** Innovation is a key driver of the company's business, with research and development playing a crucial role in product development. Its efforts in technology advancement and execution have helped strengthen its position in the domestic specialty chemicals market while also expanding its presence in specific product segments internationally.

**Financial Analysis:**

| | Laxmi Organic Industrial Ltd. | | |
|---|---|---|---|
| All Values in Cr. | FY 2024 | FY 2023 | FY 2022 |
| Total Income | 2,893.24 | 2,808.70 | 3099.05 |
| Revenue from Operations | 2,865.01 | 2,791.17 | 3,084.26 |
| EBITDA | 255.60 | 238.97 | 367.59 |
| EBITDA Margin | 8.92 | 8.56 | 11.92 |
| PBT | 170.70 | 172.90 | 318.80 |
| PAT | 120.50 | 124.60 | 257.41 |
| PAT Margin | 4.21 | 4.46 | 8.35 |
| Operating Cash Flow | 561.50 | 199.00 | 64.90 |
| Shareholder Equity | 1,797.90 | 1,412.38 | 1,290.21 |
| Depreciation | 106.59 | 72.40 | 48.18 |
| Finance Cost | 6.54 | 11.20 | 15.40 |
| Total Asset | 2,827.20 | 1,412.38 | 2,249.46 |
| Net Worth (Shareholder Equity) | 1,797.90 | 1,412.38 | 1,290.21 |
| Short Term Borrowing | 38.52 | 266.63 | 131.15 |
| Long Term Borrowing | 97.22 | 130.34 | 2.16 |
| Debt Equity Ratio | 0.08 | 0.28 | 0.10 |
| Return on Capital Employed | 0.09 | 0.10 | 0.23 |
| Return on Equity | 0.07 | 0.09 | 0.20 |
| Return On Asset | 0.04 | 0.09 | 0.11 |

**Revenue and Growth:** Laxmi Organic Industries Limited recorded a total income of ₹2,893.24 crore in FY2024, reflecting a marginal increase from ₹2,808.70 crore in FY2023 but a decline from ₹3,099.05 crore in FY2022. Revenue from operations followed a similar trend, standing at ₹2,865.01 crore in FY2024, showing steady performance from the previous year's ₹2,791.17 crore but lower than ₹3,084.26 crore in FY2022. The revenue trend suggests stabilization after a high base in FY2022, indicating a focus on sustaining market presence.

**EBITDA and EBITDA Margin:** EBITDA for FY2024 was ₹255.60 crore, an increase from ₹238.97 crore in FY2023 but lower than ₹367.59 crore in FY2022. The EBITDA margin improved slightly to 8.92% in FY2024 from 8.56% in FY2023, though still below the 11.92% recorded in FY2022. This reflects efforts to optimize costs and maintain operational efficiency despite revenue fluctuations.

**Profitability (PAT and PAT Margin):** Profit after tax (PAT) stood at ₹120.50 crore in FY2024, slightly lower than ₹124.60 crore in FY2023 and significantly below ₹257.41 crore in FY2022. The PAT margin declined to 4.21% in FY2024 from 4.46% in FY2023 and 8.35% in FY2022, indicating pressures on net profitability. The decline in PAT margin suggests a combination of market conditions, cost structures, and industry factors affecting overall profitability.

**THIRUMALAI CHEMICALS LTD.**

**Company Overview:**

Thirumalai Chemicals Limited (TCL) is a leading manufacturer of industrial and specialty chemicals, including Phthalic Anhydride, Maleic Anhydride, Fumaric Acid, and Malic Acid, among others. Established in 1973, TCL has built a strong reputation for quality, innovation, and sustainability. The company exports to over 60 countries and serves industries such as plastics, paints, food, cosmetics, and pharmaceuticals.

TCL operates two manufacturing facilities in India, located in Ranipet, Tamil Nadu, and Dahej, Gujarat, with additional production units and offices in Malaysia, the USA, and Europe. The company is known for its world-class production facilities, efficient logistics, and adherence to global health and safety standards.

As part of its commitment to sustainability, TCL has implemented zero liquid discharge processes since 2006 and aims to reduce its Scope 1 and 2 greenhouse gas emissions by 25% by 2030. The company continues to expand its operations, including a new 90KTA Phthalic Anhydride plant in Dahej and a 40KTA Maleic Anhydride plant in the USA, reinforcing its global presence and commitment to responsible growth.

**Product Offerings:** TCL offered the following products:

- Phthalic Anhydride: Phthalic anhydride (PA) is a white, crystalline compound ($C_8H_4O_3$) used in plasticizers, pigments, dyes, and resins. It is crucial in producing unsaturated polyester resins (UPR) for fiberglass-reinforced plastics.PA enhances PVC flexibility, is key in alkyd and polyester resins for coatings, and is used in organic pigments and agricultural chemicals.
- Malic Acid
- Fumaric Acid
- Fine Chemicals

**Key Strengths:**

- **Diverse Product Portfolio:** TCL manufactures a range of industrial and specialty chemicals, including Phthalic Anhydride, Maleic Anhydride, Fumaric Acid, and Malic Acid, catering to multiple industries such as plastics, paints, food, cosmetics, and pharmaceuticals.
- **Global Presence & Market Leadership:** The Company exports to over 60 countries and is among the world's largest producers of Phthalic Anhydride. It is also the largest manufacturer of Maleic Anhydride and Fumaric Acid in Southeast Asia.
- **Advanced Manufacturing Capabilities:** TCL operates state-of-the-art production facilities in Ranipet (Tamil Nadu) and Dahej (Gujarat), with ongoing expansions, including a 90KTA Phthalic Anhydride plant in India and a 40KTA Maleic Anhydride plant in the USA.
- **Commitment to Sustainability:** The Company has been a Zero Liquid Discharge (ZLD) facility since 2006 and is working toward reducing Scope 1 and 2 greenhouse gas emissions by 25% by 2030.
- **Strong R&D and Innovation Focus:** TCL invests in cutting-edge research and technology to improve manufacturing efficiency, reduce costs, and develop new products, with patents granted for innovative processes.

- **Reliable Supply Chain & Customer Trust:** The Company has long-standing partnerships with leading global chemical firms and ensures efficient logistics and timely deliveries.
- **Financial Stability & Growth-Oriented Strategy:** TCL remains focused on cost optimization, capacity expansion, and strategic investments, including new projects in Gujarat and the USA, reinforcing its growth trajectory.

**Financial Analysis:**

| | Thirumalai Chemicals Ltd. | | |
|---|---|---|---|
| All Values in Cr. | FY2024 | FY2023 | FY2022 |
| Total Income | 2,102 | 2,162 | 2,010 |
| Revenue from Operations | 2,083 | 2132.24 | 1998.19 |
| EBITDA | 51.02 | 186.19 | 440.78 |
| EBITDA Margin | 2.45 | 8.73 | 22.06 |
| PBT | -34.55 | 129.41 | 375.37 |
| PAT | -38.79 | 89.83 | 281.23 |
| PAT Margin | -1.86 | 4.21 | 14.07 |
| Operating Cash Flow | 237.05 | 54.13 | 402.34 |
| Shareholder Equity | 1,146 | 1,191.92 | 1,085.01 |
| Depreciation | 63.2 | 55.68 | 56.63 |
| Finance Cost | 41.71 | 31.25 | 20.37 |
| Total Asset | 3,320 | 2,360.24 | 1,861.59 |
| Net Worth (Shareholder Equity) | 1,146.21 | 1,191.92 | 1,085.01 |
| Short Term Borrowing | 350.28 | 293.58 | 25.55 |
| Long Term Borrowing | 813 | 147.55 | 135.41 |
| Debt Equity Ratio | 1.01 | 0.37 | 0.15 |
| Return on Capital Employed | 0.00 | 0.10 | 0.32 |
| Return on Equity | -0.03 | 0.08 | 0.26 |
| **Return On Asset** | **-0.01** | **0.04** | **0.15** |

**Revenue and Growth:** TCL's total income declined by 2.8% in FY24 to ₹2,102 Cr, while revenue from operations fell by 2.3%. This indicates a slowdown in demand or price pressures, despite the company maintaining a stable market presence. Although the drop is not significant, it reflects industry challenges or competitive pricing pressures affecting top-line growth.

**EBITDA and EBITDA Margin:** EBITDA dropped 72.6% from ₹186.19 Cr in FY23 to ₹51.02 Cr in FY24, leading to a substantial margin contraction from 8.73% to 2.45%. This decline suggests higher input costs, reduced operational efficiencies, and potential pricing constraints, which influenced profitability at the operating level. Addressing cost structures and efficiency improvements will be crucial to restoring margins.

**Profitability (PAT and PAT Margin):** TCL reported a net loss of ₹38.79 Cr in FY24, compared to a profit of ₹89.83 Cr in FY23, marking a sharp downturn in profitability. The PAT margin declined from 4.21% to -1.86%, reflecting higher finance costs, increased depreciation, and weaker operational performance. To regain profitability, the company may need cost-cutting measures, improved pricing strategies, and enhanced operational efficiencies.

**Vinati Organics Ltd.**

**Company Overview:**
Vinati Organics Limited (VOL) is engaged in the manufacturing of specialty chemicals and organic intermediates, catering to industries such as pharmaceuticals, agrochemicals, personal care, and polymer additives. Established in 1989, the company has expanded its operations through process efficiencies, backward integration, and sustainability initiatives.

VOL exports to over 40 countries and has built a diverse product portfolio, including Isobutyl Benzene (IBB), Acrylamide Tertiary Butyl Sulfonic Acid (ATBS), and Butyl Phenols. With a focus on operational excellence, the company has achieved cost-efficient production while maintaining strict quality and environmental standards.

VOL operates two manufacturing facilities in Mahad (Raigad, Maharashtra) and Lote (Ratnagiri, Maharashtra), producing a range of specialty and performance chemicals. The company continues to expand its capacities, with recent developments in antioxidants and monomers, supporting its long-term growth objectives.

As part of its commitment to sustainability, VOL has invested in renewable energy sources, with 33 MW solar power capacity across its plants. The company actively implements waste management initiatives, resource recycling, and eco-friendly production processes.

**Product Offerings:** VOL manufactures a wide range of specialty chemicals and intermediates, including:

- Speciality Aromatics
- Speciality Monomers
- Butyl Phenols
- Antioxidants
- Other Speciality Products
- Miscellaneous Polymer
- Inorganic Chemical

**Key Strengths:**

- **Diverse Product Portfolio:** VOL manufactures more than 30 specialty chemicals catering to pharmaceuticals, personal care, agrochemicals, coatings, and polymers. The company continuously enhances its portfolio through backward integration and process optimization.
- **Global Presence & Market Leadership:** With exports contributing 55% of total revenue, VOL serves customers across North America, Europe, and Asia. The company holds a 65% global market share in IBB and ATBS, reinforcing its presence in key industries.
- **Advanced Manufacturing Capabilities:** VOL operates two production units in Mahad and Lote (Maharashtra), India, focusing on high-purity chemical manufacturing.
    - Antioxidants Production Capacity: 24,000 TPA
    - ATBS Capacity Expansion: Expected commissioning in FY 2024-25
- **Commitment to Sustainability:** VOL has invested in clean energy initiatives and operates with 44% renewable energy usage. The company has implemented:
    - Zero Liquid Discharge (ZLD) systems for efficient waste management.
    - Solar Power Capacity: 33 MW across multiple locations
    - Water Recycling & Effluent Treatment: Multi-Effect Evaporators (MEE) and Reverse Osmosis (RO) systems.

- **Strong R&D and Innovation Focus:** The Company focuses on continuous process improvement and new product development, ensuring cost efficiency and sustainability in manufacturing. VOL's integration strategy allows for efficient use of by-products, reducing waste and improving profitability.
- **Reliable Supply Chain & Customer Trust:** With a strong distribution network and efficient logistics, VOL supplies specialty chemicals to leading global manufacturers in the pharmaceuticals, polymer, fragrance, and coatings industries.
- **Financial Stability & Growth-Oriented Strategy:** Despite market fluctuations, VOL remains focused on capacity expansion and operational efficiencies. The company is investing in new product lines and backward integration, positioning itself for long-term sustainable growth.

**Financial Analysis:**

| | Vinati Organics Ltd. | | |
|---|---|---|---|
| All Values in Cr. | FY2024 | FY2023 | FY2022 |
| Total Income | 1,899.95 | 2,072.73 | 1,676.42 |
| Revenue from Operations | 1,938.75 | 2,125.16 | 1,615.51 |
| EBITDA | 547.31 | 676.03 | 434.06 |
| EBITDA Margin | 28.23 | 31.81 | 26.87 |
| PBT | 431.95 | 563.16 | 449.24 |
| PAT | 322.96 | 419.15 | 346.61 |
| PAT Margin | 16.66 | 19.72 | 21.46 |
| Operating Cash Flow | 331.82 | 515.02 | 126.77 |
| Shareholder Equity | 2461.55 | 2212.97 | 1861.52 |
| Depreciation | 72.93 | 59.02 | 45.48 |
| Finance Cost | 3.63 | 1.42 | 0.25 |
| Total Asset | 2,839.79 | 2,583.56 | 2,150.41 |
| Net Worth (Shareholder Equity) | 2461.55 | 2212.97 | 1861.52 |
| Short Term Borrowing | 4.64 | 24.86 | 18.39 |
| Long Term Borrowing | - | 10.35 | 10.00 |
| Debt Equity Ratio | - | 0.02 | 0.02 |
| Return on Capital Employed | - | 0.25 | 0.24 |
| Return on Equity | 0.13 | 0.19 | 0.19 |
| Return On Asset | 0.11 | 0.16 | 0.16 |

**Revenue & Growth:** Revenue from operations declined 8.8% in FY24 to ₹1,938.75 Cr, following strong 31.6% growth in FY23. The slowdown suggests lower demand, pricing pressure, or inventory adjustments in key markets.

**EBITDA & Margin:** EBITDA fell 19.0% to ₹547.31 Cr, with the EBITDA margin contracting to 28.23% from 31.81% in FY23. Higher raw material costs and reduced operating leverage impacted profitability, though margins remain above FY22 levels.

**Profitability (PAT & Margin):** PAT declined 22.9% to ₹322.96 Cr, with the PAT margin reducing from 19.72% to 16.66%. Increased depreciation and finance costs contributed to the decline, requiring a focus on cost optimization and pricing strategy.

**COMPANY PROFILE: SNEHAA ORGANICS LIMITED**

Snehaa Organics Limited., based in Hyderabad, Telangana, specializes in the handling, purification, and recycling of solvents. Established in 2010, the company has built a strong reputation for delivering reliable recovered solvents to a diverse customer base.

In 2019, Snehaa Organics became a part of the Vestro Group, marking a significant phase in its development. This acquisition brought improvements across various operational areas, including production, technology, environmental practices, and market expansion. With access to Vestro Group's resources and expertise, Snehaa Organics has continued to advance its capabilities and industry presence.

**Manufacturing Capability:**

- **Plant Location:** Plot No. 290 & 291, Dulapally, adjacent to IDA Jeedimetla, Quthbullapur, Hyderabad, Telangana, 500055, India
- **Installed Capacity & Production Volume:** The company boasts an installed capacity of 60 KL (kiloliters) kettles and 30 KL reactors, enabling efficient and effective processing of solvents and chemicals. These facilities allow Snehaa Organics to achieve production volumes exceeding 1,000 KL per month, meeting the high demands of its clients.

Snehaa Organics caters to a diverse clientele, primarily focusing on industries requiring solvent recovery and purification services. Through strategic partnerships with prominent industry players such as Glochem Industries, MSN Group, Radison Labs, and Agrisol Labs, the company provides top-notch job work services, addressing the needs of various sectors within the chemical and pharmaceutical industries.

**Product Profile:**

Snehaa Organics specializes in the handling, purification, and recycling of solvents. The company utilizes advanced distillation and purification technologies to process collected solvents, producing high-quality recovered solvents. These solvents are either returned to customers for reuse or sold in the market, contributing to a circular economy and reducing waste.

- Collection and Handling
- Purification and Recycling
- Quality Assurance
- Distribution and Sales

**Key Strengths:**

- **Strong Industry Partnerships:** Snehaa Organics collaborates with companies such as Glochem Industries, MSN Group, Radison Labs, and Agrisol Labs to provide solvent recovery and purification services. These partnerships enable the company to offer job work services that align with industry requirements, addressing the specific needs of its clients.

- **Quality & Regulatory Compliance:** Quality control is integrated into every stage of Snehaa Organics' operations to maintain consistency in recovered solvents. The company utilizes a pilot testing facility to develop customer-specific solutions and ensure process reliability. Compliance with environmental and industry standards is a core focus, supporting responsible and sustainable business practices.

- **Sustainability and Resource Efficiency:** Snehaa Organics emphasizes solvent recovery and reuse as part of its approach to reducing waste and minimizing environmental impact. The company adopts processing methods designed to lower emissions and optimize resource use. By integrating sustainable purification techniques, Snehaa Organics contributes to efforts aimed at reducing industrial carbon footprints.

- **Leadership and Technical Expertise:** The company is led by Kiran Nandigala, Technical Director, and Harish Nandigala, Marketing Director, who bring industry experience and strategic direction. As part of the Vestro Group, Snehaa Organics benefits from additional technological expertise and market insights. Investments in research and development focus on enhancing process efficiency and refining purification methods.

- **Market Reach & Expansion:** With an established presence in the domestic market, Snehaa Organics continues to explore opportunities for expansion. Its association with the Vestro Group has facilitated broader market access and strengthened business outreach. Branding and operational improvements support ongoing efforts to extend its reach within the industry.

**Financial Analysis:**

| | Snehaa Organics Ltd, | | |
|---|---|---|---|
| All Values in Cr. | FY2024 | FY2023 | FY2022 |
| Total Income | 23.78 | 13.69 | - |
| Revenue from Operations | 23.77 | 13.69 | - |
| EBITDA | 5.18 | 4.30 | - |
| EBITDA Margin | 21.80 | 31.40 | - |
| PBT | 4.71 | 4.12 | - |
| PAT | 3.50 | 3.09 | - |
| PAT Margin | 14.72 | 22.57 | - |
| Operating Cash Flow | - | - | |
| Shareholder Equity | 7.55 | 4.05 | - |
| Finance Cost | 0.43 | 0.18 | - |
| Total Asset | 0.06 | 0.00 | - |
| Net Worth (Shareholder Equity) | 17.82 | 11.98 | - |
| Short Term Borrowing | 7.55 | 4.05 | - |
| Long Term Borrowing | 4.00 | 0.00 | - |
| Debt Equity Ratio | 4.62 | 4.29 | - |
| Return on Capital Employed (Values In Percentage) | 1.14 | 1.06 | - |
| Return on Equity (in %) | 0.29 | 0.49 | - |
| Return On Asset = (PAT/Total Asset)*100 | 0.46 | 0.76 | - |

**THREATS AND CHALLENGES**

The solvent and solvent recycling industry in India plays a crucial role in various sectors, including pharmaceuticals, paints, coatings, chemicals, and manufacturing. However, despite its importance, the industry faces several threats and challenges that hinder its growth, efficiency, and sustainability. These challenges stem from regulatory constraints, economic factors, technological limitations, environmental concerns, and market dynamics.

Below is a detailed discussion of the key challenges affecting the industry:




➢ **Stringent Environmental Regulations**

- The Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, under the Ministry of Environment, Forest and Climate Change (MoEFCC), impose strict guidelines on handling, storage, transportation, and disposal of hazardous waste, including spent solvents.
- Industries handling hazardous solvents must obtain authorization from State Pollution Control Boards (SPCBs), which involves a complex and time-consuming process.
- The implementation of pollution control measures to meet compliance standards requires significant investment, increasing operational costs for industries engaged in solvent recycling.
- Regulatory changes and amendments create uncertainty for businesses, making long-term investment decisions difficult.
- Inspections and compliance audits by regulatory authorities increase the administrative burden on solvent recycling businesses.

➢ **Lack of Awareness and Adoption of Recycling Technologies**

- Many small and medium enterprises (SMEs) are unaware of the benefits of solvent recycling and continue to dispose of solvents improperly, leading to environmental pollution.
- A lack of knowledge about modern solvent recovery and purification technologies results in inefficient solvent usage and increased wastage.

- Businesses often perceive solvent recycling as technically complex or unviable, preventing widespread adoption.
- The industry lacks training programs and knowledge-sharing platforms that could help businesses understand best practices in solvent recycling.

➢ **High Initial Investment and Operational Costs**

- Establishing a solvent recycling plant requires substantial capital investment in distillation, filtration, and purification equipment.
- Energy-intensive processes, such as fractional distillation and solvent recovery, contribute to high operational costs.
- The costs associated with obtaining regulatory approvals, pollution control certifications, and safety compliance add to the financial burden.
- Many businesses, especially smaller ones, find it difficult to secure loans or government funding for investing in solvent recycling infrastructure.
- High maintenance costs for advanced solvent recovery units discourage industries from adopting them.

➢ **Poor Waste Management Infrastructure**

- Inadequate waste collection and segregation systems lead to contamination of solvents, reducing their recyclability.
- Many industrial zones lack centralized hazardous waste collection centres, making it difficult for companies to dispose of solvents responsibly.
- The absence of proper tracking mechanisms leads to the unauthorized dumping of spent solvents, which poses environmental hazards.
- Limited enforcement of waste management policies in some regions results in non-compliance and poor waste handling practices.

➢ **Competition from Virgin Solvents**

- Virgin solvents are often cheaper and more readily available than recycled solvents, making businesses less inclined to use recycled alternatives.
- Quality concerns related to recycled solvents lead industries to prefer virgin solvents, despite the environmental benefits of recycling.
- The lack of regulatory mandates requiring industries to use a minimum percentage of recycled solvents results in low demand.
- Price fluctuations in crude oil (a key raw material for virgin solvents) affect the market dynamics, sometimes making virgin solvents more affordable than recycled ones.

➢ **Health and Safety Risks**

- Exposure to toxic fumes and volatile organic compounds (VOCs) during solvent handling and recycling poses serious health hazards for workers.
- Fire and explosion risk due to the flammable nature of solvents require stringent safety measures, which many recycling units may lack.
- The absence of proper personal protective equipment (PPE) and safety training increases the risk of accidents in solvent recovery units.
- Improper storage and handling of spent solvents can lead to leaks and spills, causing environmental contamination and health hazards.

➢ **Inconsistent Quality of Recycled Solvents**

- The quality of recycled solvents depends on feedstock purity, recycling techniques, and contamination levels. Inconsistent quality affects industrial applications.

- Many industries hesitate to use recycled solvents due to concerns about purity, efficiency, and potential process failures.
- Lack of standardization and quality certification systems for recycled solvents makes it difficult for buyers to trust their effectiveness.
- Variability in recycled solvents can cause inconsistencies in manufacturing processes, leading industries to prefer virgin solvents for critical applications.

➢ **Limited Government Support and Incentives**

- The government provides limited subsidies or financial assistance to encourage the adoption of solvent recycling technologies.
- Unlike sectors such as renewable energy or plastic recycling, the solvent recycling industry does not receive strong policy-driven incentives.
- The absence of tax benefits or reduced GST rates on recycled solvents discourages businesses from investing in solvent recovery infrastructure.
- Lack of dedicated R&D funding for developing advanced solvent recovery technologies slows down innovation in the industry.

The solvent and solvent recycling industry in India has significant potential to contribute to environmental sustainability and resource efficiency. However, the sector faces multiple challenges, ranging from regulatory compliance and high costs to poor waste management infrastructure and quality inconsistencies.

To overcome these obstacles, a multi-stakeholder approach is needed, involving government policy support, industry awareness programs, financial incentives, and investment in advanced recycling technologies. Strengthening regulatory enforcement, improving waste collection mechanisms, and promoting the use of high-quality recycled solvents can help drive the growth and sustainability of this industry in India.

**SWOT Analysis of the Solvent and Solvent Recycling Industry in India**



# OUR BUSINESS

*Some of the information in the following discussion, including information with respect to our plans and strategies, contain forward-looking statement that involve risks and uncertainties. You should read "Forward Looking Statements" beginning on page 24 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" beginning on pages 37and 320 respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our fiscal year ends on March 31 of each year, and references to a particular fiscal year are to the twelve months ended March 31 of that year.*

*We have, in this Red Herring Prospectus, included various operational and financial performance indicators, some of which may not be derived from our Restated Financial Information, and may not have been subjected to an audit or review by our Statutory Auditor. For further information, see "Financial Information" beginning on page 282. The manner in which such operational and financial performance indicators are calculated and presented, and the assumptions and estimates used in such calculation, may vary from that used by other companies in India and other jurisdictions. Investors are accordingly cautioned against placing undue reliance on such information in making an investment decision and should consult their own advisors and evaluate such information in the context of the Restated Financial Information and other information relating to our business and operations included in this Red Herring Prospectus.*

***Unless otherwise indicated or the context otherwise requires, the financial information for the year ended March 31, 2025, for Fiscal 2024 and 2023, included herein is derived from the Restated Financial Information, included in this Red Herring Prospectus. Unless otherwise indicated or the context otherwise requires, in this section, references to "we" or "us" means Snehaa Organics Limited. For further information, relating to various defined terms used in our business operations, see "Definitions and Abbreviations" beginning on page 01.***

***Unless stated otherwise, industry and market data used in this section has been obtained or derived from publicly available information as well as industry publications and other sources for more information, see "Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation" beginning on page 22.***

## OVERVIEW

Snehaa Organics Limited was originally formed as partnership firm under the Indian Partnership Act, 1932 in the name and style of "M/s. Snehaa Pharma Chemicals", pursuant to a deed of partnership dated October 26, 2017. Our Promoter has made a strategic investment by acquiring M/s Snehaa Pharma Chemicals, with a vision to revolutionize the solvent recovery industry.

As part of this transition, a **Partnership Deed for Reconstitution** was executed on **June 21, 2019**, marking a significant change in ownership. Under this agreement, the existing partner retired, and the firm welcomed new partners Mr. Ramasubba Reddy Nandigala, Mrs. Venkata Lakshmi Nandigala, Mr. Nandigala Venkata Sai Harish & Rama Subba Reddy HUF.

Further, "M/s Snehaa Pharma Chemicals" was converted from partnership firm to a Private Limited Company in the name of "Snehaa Organics Private Limited" vide Certificate of Incorporation dated July 05, 2022 issued by Registrar of Companies, Central Registration Centre bearing CIN U24290TG2022PTC164443.

Thereafter, our Company was converted into a Public Limited Company in pursuance of a special resolution passed by the members of our Company at the Extra Ordinary General Meeting held on December 18, 2024. A fresh Certificate of Incorporation consequent to conversion was issued on January 07, 2025 by the Registrar of

Companies, CPC Manesar Haryana and consequently the name of our Company was changed from "Snehaa Organics Private Limited" to "Snehaa Organics Limited". The Company's Corporate Identification Number is U24290TG2022PLC164443.

## ABOUT US

Snehaa Organics Limited operates in the solvent recovery and recycling sector, providing sustainable solutions for industries that utilize solvents in their processes. The company collects spent solvents from various industries and employs distillation and purification technologies to process them for reuse. Company's workforce ensures efficient recovery from diverse solvent mixtures, including those with significant variability between batches.

Each batch undergoes comprehensive quality control measures to align with industry requirements. The company also maintains a testing facility to address specific customer needs. The recovered solvents are returned to the respective companies for reuse, while the additional purified solvents are sold in the market, supporting resource efficiency and waste reduction. Additionally, the company engages in direct trading of solvent, sourcing raw materials from suppliers, conducting quality assessments, and sold them in the open market.

The financial performance of our Company for the year ended March 31, 2025, Fiscals 2024 and 2023, is as follows:

***(Amount in Lakhs)***

| Particulars | For the year ended March 31, 2025 | For the year ended March 31, 2024 | For the period from July 05, 2022 to March 31, 2023 | For the period from April 01, 2022 to July 04 2022 |
|---|---|---|---|---|
| **Share Capital** | 750.00 | 100.00 | 100.00 | 100.00 |
| **Reserves & Surplus** | 727.63 | 643.81 | 277.83 | - |
| **Net Worth** | 1477.63 | 743.81 | 377.83 | 100.00 |
| **Total Income** | 2629.45 | 2380.31 | 1372.09 | 669.32 |
| **PAT** | 733.82 | 365.98 | 277.83 | 46.83 |

## OUR MANUFACTURING FACILITY

| Sl. No. | Location | Total Area | Usage Purpose |
|---|---|---|---|
| 1. | Survey No. 296/4/AA & 296/4/E at IDA Bollaram Village, Jinnaram Mandal, Bollaram Road, Hyderabad, Sangareddy, Telangana - 502325 | 3300 Sq. Feet | Manufacturing |
| | **Total** | 3300 Sq. Feet | |

**Manufacturing Unit**



**Admin Office**



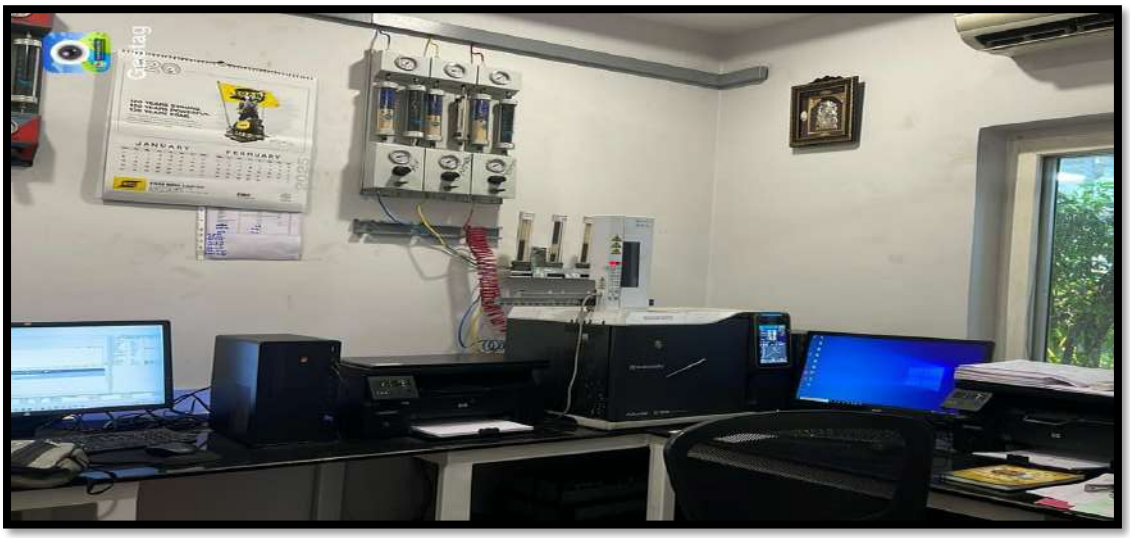
**Kettle and Storage Tank**



**MS Storage Tank**



**Quality Check Laboratory**



**Fire Hydrant System**




**SS Storage Tank**



## WAREHOUSE FACILITY

| S. No. | State | location (Address) | Storage capacity | Total Area | Usage Purpose |
|---|---|---|---|---|---|
| 1 | Telangana | Survey No. 296/7/3, IDA Bollaram Village, Jinnaram Mandal Hyderabad, Sangareddy, Telangana - 502325 | 979 KL Solvent Storage | 3003.09 Sq. yards or 2510.88 Sq. Mtrs, having plinth area of 360 Sq. Fts. | Used for storing Raw Material & Finished Products |

## PLACE OF BUSINESS

The details of place of business are as under:

| Sl. No. | Location | Lease Tenure | Total Area | Lease/ Owned | Usage Purpose | Name of Transferer/ Lessor | Lease Rent |
|---|---|---|---|---|---|---|---|
| 1. | Plot No. 290 & 291, Doolapally, Adjacent to IDA Jeedimetla, Hyderabad-500055 | 11 Months Commencing from 1st March, 2025 to 31st January 2026 | 880 Sq. Ft. | Rental | Registered office | Vestro Solvents Pvt Ltd. | Rs 10,000/- Monthly Rent |
| 2. | Survey No. 296/4/AA & 296/4/E at IDA Bollaram Village, Jinnaram Mandal, Bollaram Road, Hyderabad, Sangareddy, Telangana - 502325 | N. A | 3300 Sq. Feet | Owned | Manufacturing | Sri. Mudundi Srinivasa Raju | N.A |
| 3. | Survey No. 296/7/3, IDA Bollaram | 11 Months Commencing | 3003.09 Sq. yards or | Leased | Warehouse | Nandigala Rama Subba Reddy | Rs 30,000/- Month Rent |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | Village, Jinnaram Mandal Hyderabad, Sangareddy, Telangana - 502325 | from 1ST November, 2024 to 31st August 2025. | 2510.88 Sq. Mtrs, having plinth area of 360 Sq. Fts. | | | | |

The Lessor, as mentioned above, is associated with Snehaa Organics Limited. Vestro Solvents Private Limited is a group company and part of the promoter group of Snehaa Organics Limited. Additionally, Nandigala Rama Subba Reddy is a member of the promoter group of Snehaa Organics Limited.

The aforementioned lease deed is adequately stamped. Snehaa Organics Limited has paid rent in accordance with the arm's length principle

## OUR PRODUCTS

Our main products are broadly categories in:

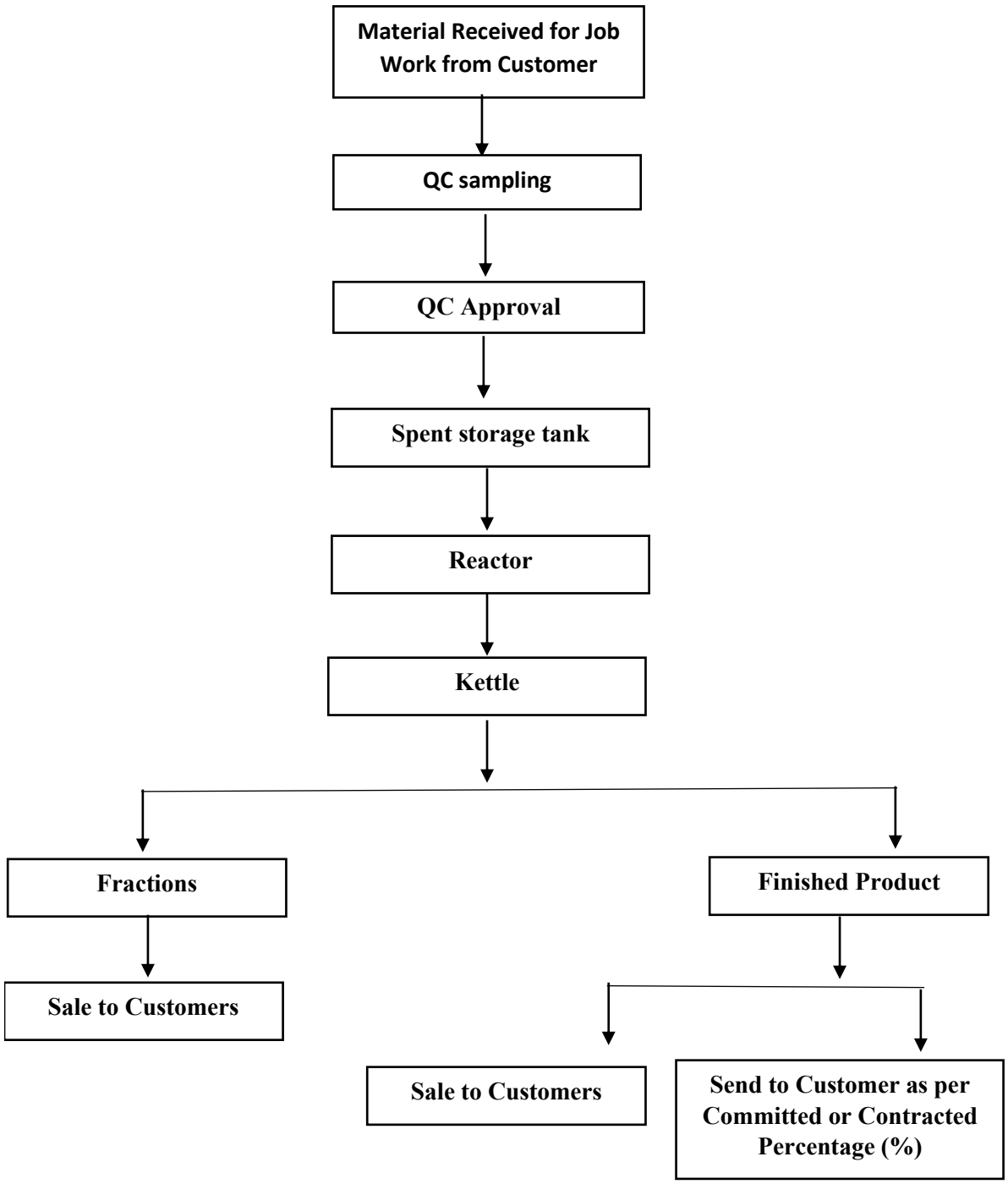
| S. No. | Name of the Solvent | Description | Identification By GC (Retention Time) * | Density** | Boiling Point | Usage |
|---|---|---|---|---|---|---|
| 01 | ETHYL ACETATE | A clear color less liquid with characteristic odor | 4.69 | 0.89 Kg/Ltr | 77.1°C | Used as reaction media, extraction agent, purification tools and formulation components. Essential for manufacturing active pharmaceutical ingredients (APIs) and drug products |
| 02 | TOLUENE | | 7.76 | 0.867 Kg/Ltr | 110.6°C | |
| 03 | ACETONE | | 2.89 | 0.784 Kg/Ltr | 56°C | |
| 04 | DIMETHYL FORMAMIDE | | 9.35 | 0.944 Kg/Ltr | 153°C | |
| 05 | METHANOL | | 1.90 | 0.792 Kg/Ltr | 64.7°C | |

***Note***: - **Retention time (RT) in Gas Chromatography (GC) is the time taken by a compound to travel from the injection point to the detector. It is a key parameter for identifying compounds and assessing purity, as each substance has a characteristic RT under specific chromatographic conditions.*

***Density (or Specific Gravity) of a solvent is the ratio of its mass to its volume, typically expressed in g/mL or kg/m³. Specific Gravity (SG) is the ratio of the solvent's density to the density of water at a standard temperature, indicating how heavy the solvent is compared to water.*

## PROCESS FLOW CHART FOR SOLVENT DISTILLATION

**Flow chart of Solvent Distillation Process**




## SOLVENT DISTILLATION DETAIL BUSINESS PROCESS FLOW (JOB WORK)

The entire process at our Solvent Distillation Plant is carried out in a structured and systematic manner, ensuring efficiency, safety, and quality check at each stage. Below is a comprehensive breakdown of the entire process:

**1. Raw Material Receipt and Initial Quality Control**

- **Receipt of Spent Solvents**: Spent solvents are delivered to the plant in road tankers or drums from various customers for job work. Upon arrival, the materials are logged into the system by the security and staff.
- **Verification and Sample Collection**: The personnel verify and inward the raw material before notifying the QC (Quality Control) department. The QC team collects representative samples of the spent solvents following the established sampling procedure and performs initial analysis to ensure the material meets the required specifications.
- **Quality Approval**: The QC department evaluates the sample against established specifications. If the sample passes the tests, the material is approved for further processing. In case of non-compliance, the raw material is rejected.

**2. Storage and Unloading**

- **Initial Weighment**: Upon approval, the vehicle undergoes an initial weighment to capture the gross weight of the spent solvent.
- **Unloading into Storage Tanks**: The spent solvents are unloaded into spent solvent storage tanks. After unloading, the vehicle is weighed again to ensure the correct amount of material has been received and verify against the initial weighment for any discrepancies.

**3. Pre-Treatment and Distillation**

- **Neutralization (if required)**: If the raw material requires neutralization (neutralization is a chemical process used to balance the potential of hydrogen of a substance by adding an acid or a base), it is transferred from the storage tanks into a reactor for neutralization. Following neutralization, the solvent is then pumped into a distillation kettle.
- **Distillation Process**: The spent solvents are processed through a packed distillation column. Some of the distillate is returned to the column as reflux to enhance the separation process. The distillation is performed at controlled temperatures, with the fraction collection beginning once the column reaches the necessary conditions.
- **Fraction Collection**: Operators collect the distillates in fractions while monitoring the purity at each stage. A sample from the reflux line is sent to QC for analysis to ensure the desired purity level is achieved.

**4. Quality Control and Final Product Collection**

- **QC Approval**: Once the sample from the reflux line attains the required purity level, the QC department gives final approval. At this stage, the distillate is considered the pure product and is collected in stainless steel (S.S.) storage tanks.
- **Residue Handling**: After the distillation process is completed, the residue left in the kettle is unloaded into MS drums. These residues are then sent to co-processing industries, such as cement plants, for safe disposal.
- **Final Quality Check**: The collected pure product undergoes thorough analysis. If the product (purified solvent) meets all specified quality parameters, QC approves it for dispatch. If the product does not meet the specifications, the batch is rejected and sent for redistillation.
- **Final Approval and Dispatch**: After receiving the necessary approvals and documentation from all concerned departments, security logs the dispatch details in the outward register. The vehicle is then cleared for dispatch to the customer.

**5. Distribution of Final Output:**

- The finished product is returned to the customer based on the committed or agreed recovery percentage.

- Any excess recovered solvent, beyond the customer's share, is kept with Sneha and sold in the open market.
- Additionally, distillation fractions possessing partial purity may also be sold commercially, depending on quality and market demand Packaging, Documentation, and Dispatch

**6. Packaging, Documentation, and Dispatch**

- **Product Packaging:** Once the finished product is approved by QC, it is stored in the storage area and prepared for dispatch. The storage area's personnel clean the road tanker and load the finished product. The product is weighed and ready for transport.

- **Documentation**: The following documents are prepared for dispatch:
  - Invoice
  - E-waybill
  - Certificate of Analysis (COA)
  - Tanker Cleaning Certificate

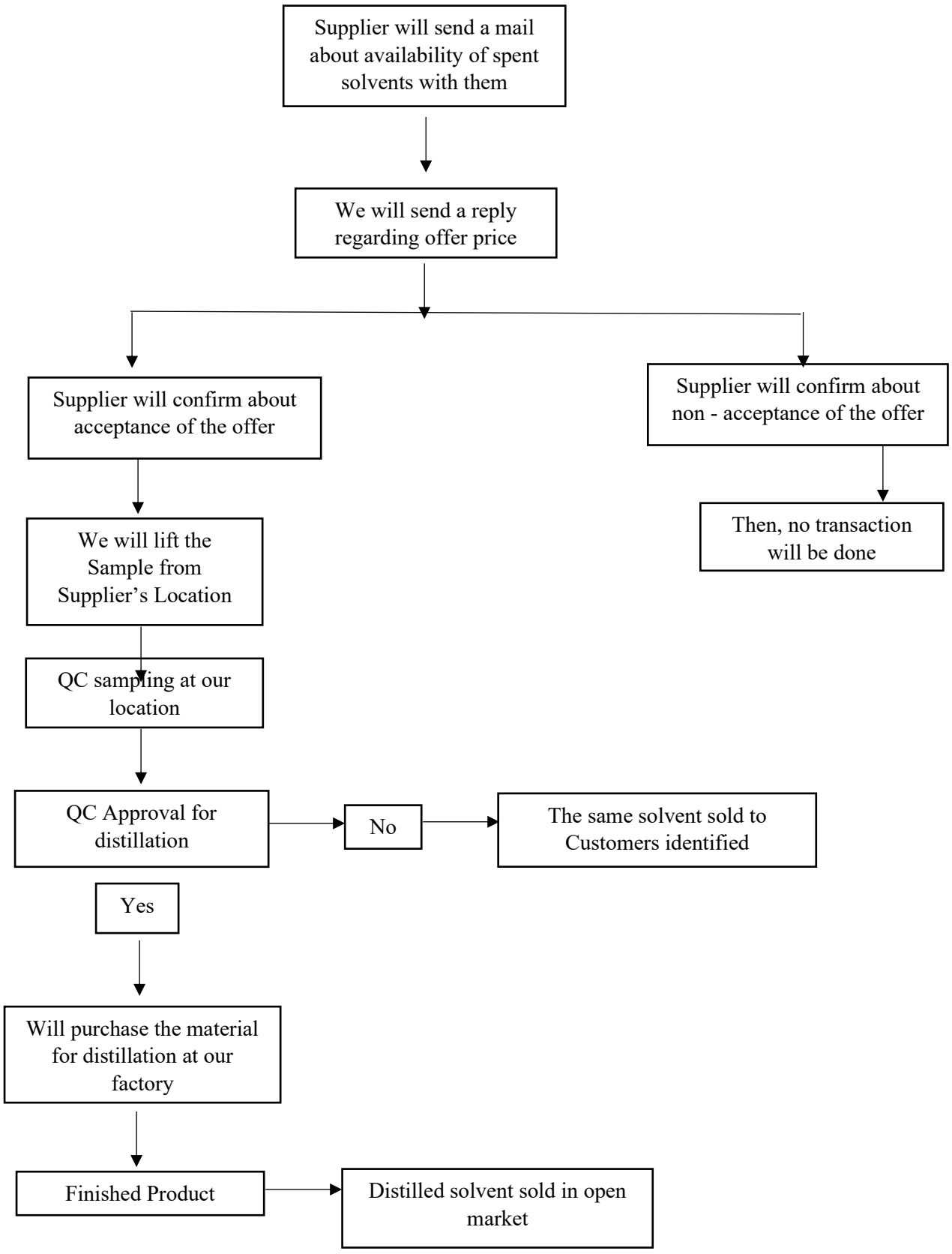
These documents ensure that the product meets all safety, quality, and legal requirements.

**7. Customer Delivery and Post-Delivery Support**

- **Customer Delivery**: The dispatched vehicle arrives at the customer's location, where the finished product is offloaded, and the customer receives the necessary documents, including the COA and invoice.
- **Post-Delivery Support**: Our marketing and customer service team ensures that the customer is satisfied with the product. Any concerns or feedback are promptly addressed to maintain strong relationships and ensure future business.

***Remainder of this page has been left blank intentionally.***

## BUSINESS PROCESS FLOW CHART (DIRECT TRADE)



## Direct Trade Sales

**1. Supplier communication regarding spent stock information**

The supplier initiates the process by sending an email with detailed information about their current inventory of spent solvents, including the quantities available for sale. The email should also specify any relevant details regarding the condition of the material.

**2. Response and Offer Pricing**

Upon receiving the supplier's email, the Marketing Team will thoroughly review the details of the spent solvents, including the quantities, condition, and any other provided information. Based on this assessment, the Marketing Team will prepare a formal proposal outlining the competitive pricing structure for the specified stock and send it to the client.

**3. Supplier's acceptance or decline of the offer**

The supplier will review the proposed offer and respond with their decision—either accepting or declining the proposal. If the offer is accepted, the process moves forward; if declined, the team will negotiate with the supplier.

**4. Sample Collection and Material Analysis**

Upon acceptance of the offer, Snehaa Organics Limited will arrange for the collection of the spent material in sample quantities from the supplier's location. The material will then be sent for Quality Control (QC) analysis to assess its suitability for distillation.

**5. Decision Process Based on QC Results**

Once the QC analysis is completed, the decision process proceeds as follows:

- **If the material is suitable for distillation**: Snehaa Organics Limited will proceed to purchase the material and initiate the distillation process. Upon completion, the distilled product will be marketed and sold in the open market by identifying suitable customers.
- **If the material is not suitable for distillation**: The material will still be purchased, but it will be sold in its raw form in the open market to suitable customers.

## RAW MATERIALS

Our company has sourced the raw materials from Domestic only. The list of raw materials of our Company for the year ended March 31, 2025 2024 and 2023, is as follows

**List of raw material Purchase**

**(Amount in lakh)**

| For the period from April 01, 2022 to July 04, 2022 | | | |
|---|---|---|---|
| **State** | **Product** | **Amount** | **State wise Total** |
| **Andhra Pradesh** | Cyclohexane | 3.53 | **18.43** |
| | Methylene Di Chloride | 14.90 | |
| **Uttar Pradesh** | Mixed Solvents | 3.12 | **3.12** |
| **Telangana** | HDPE Barrels | 9.59 | **398.14** |
| | Caustic Soda Flakes | 1.35 | |
| | Di Methyl Formamide | 9.37 | |
| | Ethyl Acetate | 42.14 | |

| | | | |
|---|---|---|---|
| | Fire Wood | 3.35 | |
| | Hydrated Lime | 0.13 | |
| | Hydrochloric Acid. | 0.00 | |
| | Hydrogen | 0.07 | |
| | Methanol | 19.10 | |
| | Methylene Di Chloride | 39.94 | |
| | Mixed Solvents | 179.64 | |
| | Recovered Solvents | 0.20 | |
| | Steam Coal | 31.55 | |
| | Stripper Solvent | 2.20 | |
| | Sulphuric Acid | 0.26 | |
| | Toluene | 59.27 | |
| | **Total** | **419.69** | **419.69** |

**(Amount in lakh)**

| **For the period from July 05, 2022 to March 31, 2023** | | | |
|---|---|---|---|
| **State** | **Product** | **Amount** | **State wise Total** |
| **Karnataka** | Methanol | 6.04 | **6.04** |
| **Maharashtra** | Steam Coal | 33.84 | **33.84** |
| **Telangana** | HDPE Barrels | 27.02 | **378.65** |
| | Acetic Acid | 0.14 | |
| | Acetone | 23.69 | |
| | Acetonitrile | 27.18 | |
| | Calcium Chloride | 0.22 | |
| | Caustic Soda Flakes | 2.46 | |
| | Ethyl Acetate | 11.04 | |
| | Fire Wood | 8.98 | |
| | G I Drums | 1.00 | |
| | Hydrated Lime | 0.26 | |
| | Hydrochloric Acid. | 0.01 | |
| | Hydrogen | 0.22 | |
| | ISO Propyl Alcohol (IPA) | 22.86 | |
| | Methanol | 7.84 | |
| | Methylene Di Chloride | 17.89 | |
| | Mixed Solvents | 25.98 | |
| | MS Drums | 3.41 | |
| | Recovered Solvents | 26.31 | |
| | Soda Ash | 1.40 | |
| | Steam Coal | 63.12 | |
| | Sulphamic Acide | 0.25 | |
| | Sulphuric Acid | 0.12 | |
| | Tetrahydrofuran | 31.58 | |
| | Toluene | 75.65 | |
| | **Total** | **418.53** | **418.53** |

**(Amount in lakh)**

| For the year ended on March 31, 2024 | | | |
|---|---|---|---|
| **State** | **Product** | **Amount** | **State wise Total** |
| **Andhra Pradesh** | Formaldehyde | 69.86 | 74.19 |
| | Methanol | 4.33 | |
| **Karnataka** | Ethyl Acetate | 259.25 | 259.25 |
| **Maharashtra** | Steam Coal | 76.09 | 76.09 |
| **Telangana** | HDPE Barrels | 56.80 | 392.74 |
| | Acetic Acid | 0.19 | |
| | Acetone | 34.53 | |
| | Bleaching Powder | 0.04 | |
| | Calcium Chloride | 2.96 | |
| | Caustic Soda Flakes | 12.45 | |
| | DI Methyl Formamide | 12.27 | |
| | Ferrous Sulphate | 0.14 | |
| | Hydrated Lime | 0.26 | |
| | Hydrochloric Acid. | 0.11 | |
| | ISO Propyl Alcohol | 53.89 | |
| | Methylene DI Chloride | 11.70 | |
| | Mixed Solvents | 16.87 | |
| | Nitrogen | 0.01 | |
| | Recovered Solvents | 14.92 | |
| | Soda Ash | 3.31 | |
| | Steam Coal | 43.95 | |
| | Sulphuric Acid | 0.22 | |
| | Toluene | 128.13 | |
| | **Total** | **802.27** | **802.27** |

**(Amount in lakh)**

| For the year ended on March 31, 2025 | | | |
|---|---|---|---|
| **State** | **Product** | **Amount** | **State Total** |
| **Andhra Pradesh** | Ethyl Acetate | 13.15 | **12.44** |
| | Recovered DMSO MLS | -0.71 | |
| **Karnataka** | Ethyl Acetate | 16.96 | **16.96** |
| **Maharashtra** | Steam Coal | 94.07 | **94.07** |
| **Telangana** | Acetic Acid | 0.45 | **621.51** |
| | ACETONITRILE | 15.46 | |
| | CALCIUM CHLORIDE POWDER | 0.72 | |
| | CAUSTIC SODA FLAKES | 2.02 | |
| | DI METHYL FORMAMIDE(DMF) | 5.32 | |
| | Ethyl Acetate | 287.71 | |
| | HDPE-PVC DRUMS | 87.37 | |
| | Hydrated Lime | 0.52 | |
| | Hydrochloric Acid | 0.50 | |
| | K.F Reagent | 0.07 | |

| | | | |
|---|---|---|---|
| | Methanol | 1.15 | |
| | Mixed Solvents | 36.47 | |
| | SODA ASH | 1.28 | |
| | Steam Coal | 30.65 | |
| | Sulphuric Acid | 0.29 | |
| | TETRAHYDROFURAN(THF) | 23.61 | |
| | Toluene | 125.16 | |
| | Transport Charges | 0.10 | |
| | Water HPLC | 0.05 | |
| | Lab Items | 2.61 | |
| **Uttar Pradesh** | Recovered Mixed Solvents | 4.50 | **4.50** |
| | **Total** | **749.48** | **749.48** |

The company carefully evaluates the reliability of all sourced materials to ensure compliance with regulatory and legal requirements, as well as adherence to applicable quality standards. Generally, there are multiple sources that can supply the raw materials that we require. Our raw material sourcing is not dependent on a single source of supply and we have access to alternate sources for our procurement of raw materials.

## PLANT AND MACHINERY

Our manufacturing unit have been setup by using the machineries and components which have been bought from our country. The plant & machinery installed at our premises are as under:

| S.No | Particulars | No. | Capacity | Owned/ leased | Purpose | |
|---|---|---|---|---|---|---|
| 1 | Coal fired Boiler | 1 | 2.Ton | Owned | For Steam Generation Purpose |  |
| 2 | Generator | 1 | 125 KVA | Owned | For Electricity Purpose |  |

| | | | | | | |
|---|---|---|---|---|---|---|
| 3 | Transformer | 1 | 160 KVA | Owned | For Electricity Purpose |  |
| 4 | Cooling Tower | 3 | 250 TR | Owned | Condensation Purpose |  |
| 5 | Diesel Forklift | 1 | 2.Ton | Owned | Material drums loading / unloading |  |
| 6 | SS Reactor | 2 | 6 KL | Owned | Material Neutralization |  |
| 7 | SS Reactor | 1 | 15 KL | Owned | Material Neutralization |  |
| 8 | SS Kettle | 1 | 9 KL | Owned | Distillation Purpose |  |

| | | | | | | |
|---|---|---|---|---|---|---|
| 9 | SS Kettle | 1 | 15 KL | Owned | Distillation Purpose |  |
| 10 | SS Kettle | 1 | 9 KL | Owned | Distillation Purpose |  |
| 11 | SS Kettle | 2 | 6 KL | Owned | Distillation Purpose |  |
| 12 | SS Kettle | 1 | 15 KL | Owned | Distillation Purpose |  |
| 13 | SS Distillation Columns-450 Ø | 4 | | Owned | Separation Purpose |  |

| | | | | | | |
|---|---|---|---|---|---|---|
| 14 | SS Distillation Columns-500 Ø | 1 | | Owned | Separation Purpose |  |
| 15 | SS Distillation Columns-750 Ø | 1 | | Owned | Separation Purpose |  |
| 16 | Condensers | 2 | 60 Sq mm | Owned | Material Condensation Purpose |  |
| 17 | Condensers | 7 | 32 Sq mm | Owned | Material Condensation Purpose |  |
| 18 | Condensers | 1 | 24 Sq mm | Owned | Material Condensation Purpose |  |
| 19 | Condensers | 6 | 16 Sq mm | Owned | Material Condensation Purpose |  |

| | | | | | | |
|---|---|---|---|---|---|---|
| 20 | Condensers | 5 | 06 Sq mm | Owned | Material Condensation Purpose |  |
| 21 | Condensers | 9 | 02 Sq mm | Owned | Material Condensation Purpose |  |
| 22 | MS Receivers | 2 | 2.2 KL | Owned | Material Storage |  |
| 23 | SS Receivers | 7 | 1 KL | Owned | Fraction collection |  |
| 24 | SS Receivers | 2 | 0.6 KL | Owned | Distillation Purpose |  |
| 25 | SS Receivers | 5 | 2 KL | Owned | Fraction collection |  |

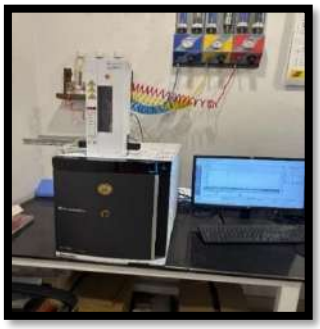
| | | | | | | |
|---|---|---|---|---|---|---|
| 26 | MS Tanks | 12 | 30 KL | Owned | Spent Material Stored |  |
| 27 | MS Tanks | 3 | 25 KL | Owned | Spent Material Stored |  |
| 28 | MS Tanks | 6 | 24 KL | Owned | Spent Material Stored |  |
| 29 | MS Tanks | 4 | 20 KL | Owned | Spent Material Stored |  |
| 30 | MS Tanks | 1 | 10 KL | Owned | Spent Material Stored |  |

| | | | | | | |
|---|---|---|---|---|---|---|
| 31 | MS Tanks | 2 | 06 KL | Owned | Spent Material Stored |  |
| 32 | MS Tanks | 1 | 05 KL | Owned | Nitrogen storage Purpose |  |
| 33 | SS Tanks | 7 | 20 KL | Owned | Distilled Material Stored |  |
| 34 | SS Tanks | 10 | 25 KL | Owned | Distilled Material Stored |  |
| 35 | Air Compressor | 1 | | Owned | Supply of Air for Nitrogen Manufacturing |  |
| 36 | Nitrogen Plant | 1 | 15 $nm^3/hr$ | Owned | Nitrogen blanketing for Control of Static Electricity |  |

| | | | | | | |
|---|---|---|---|---|---|---|
| 37 | Vacuum Pump | 1 | 12.5 HP | Owned | Distillation for High Boiling Point Materials |  |
| 38 | Vacuum Pump | 1 | 10 HP | Owned | Distillation for High Boiling Poing Materials |  |
| 39 | Boiler ID Fan | 1 | 10 HP | Owned | for Induced |  |
| 40 | Boiler feed water pump | 2 | 3 HP | Owned | Steam Boiler |  |
| 41 | Boiler Hotwell Pump | 1 | 1.5 HP | Owned | Steam Boiler |  |
| 42 | Boiler Blowdown | 1 | 1 HP | Owned | Steam Boiler |  |

| | | | | | | |
|---|---|---|---|---|---|---|
| 43 | Reactor Motor | 3 | 10 HP | Owned | Material Neutralization |  |
| 44 | Reactor Motor | 1 | 15 HP | Owned | Material Neutralization |  |
| 45 | 250 TR cooling tower fan-1 | 1 | 10 HP | Owned | Cooling tower |  |
| 46 | 250 TR cooling tower pump-1 | 1 | 12.5 HP | Owned | Cooling tower |  |
| 47 | 250 TR cooling tower pump-1 | 1 | 15 HP | Owned | Cooling tower |  |
| 48 | 250 TR cooling tower fan-2 | 1 | 10 HP | Owned | Cooling tower |  |

| | | | | | | |
|---|---|---|---|---|---|---|
| 49 | 250 TR cooling tower pump-2 | 1 | 10 HP | Owned | Cooling tower |  |
| 50 | 250 TR cooling tower pump-2 | 1 | 05 HP | Owned | Cooling tower |  |
| 51 | 250 TR cooling tower fan-3 | 1 | 05 HP | Owned | Cooling tower |  |
| 52 | 250 TR cooling tower pump-3 | 1 | 25 HP | Owned | Cooling tower |  |
| 53 | 250 TR cooling tower pump-3 | 1 | 05 HP | Owned | Cooling tower |  |
| 54 | De Scaling Pump | 1 | 03 HP | Owned | Condenser Cleaning/ descaling |  |

| | | | | | | |
|---|---|---|---|---|---|---|
| 55 | Loading/Unloading Pumps | 2 | 05 HP | Owned | Material Loading/Unloading |  |
| 56 | Loading/Unloading Pumps | 4 | 03 HP | Owned | Material Loading/Unloading |  |
| 57 | Loading/Unloading Pumps | 2 | 02 HP | Owned | Material Loading/Unloading |  |
| 58 | Loading/Unloading Pumps | 1 | 01 HP | Owned | Material Loading/Unloading |  |
| 59 | GC-Shimadzu Nexus-2030 With AOC-20I | 1 | | Owned | Material Purity Analysis Purpose |  |
| 60 | GC-Shimadzu Brevis-2050 With AOC-20I | 1 | | Owned | Material Purity Analysis Purpose |  |

| | | | | | | |
|---|---|---|---|---|---|---|
| 61 | HPLC-2050C System | 1 | | Owned | Material Purity Analysis Purpose |  |
| 62 | Automatic KF Titrator | 1 | | Owned | Material Moisture content Purpose |  |
| 63 | Conductivity Bench Meter | 1 | | Owned | Water Purity Analysis Purpose |  |
| 64 | Polman KF Titrator | 2 | | Owned | Material Moisture content Purpose |  |
| 65 | Polman pH meter | 1 | | Owned | Material pH Purpose |  |
| 66 | R & D Distillation Column | 1 | | Owned | Development of process |  |

| | | | | | | |
|---|---|---|---|---|---|---|
| 67 | Analytical Balance | 1 | 200 germs | Owned | KF Titrator Calibration |  |
| 68 | Lab Stirrer | 1 | | Owned | Material Neutralization for Lab Batch |  |
| 69 | MS Air Receiver | 1 | 250 Ltrs | Owned | Air Storage |  |
| 70 | Coal fired Boiler | 1 | 3.Ton | Owned | For Steam Generation Purpose |  |
| 71 | MS Chimney | 1 | | Owned | For Discharge of smoke from boilers |  |

## CAPACITY UTILIZATION

**The overall plant capacity is as follows;**

All below capacity as per annum and as per the current scenario of the production.

| Capacity and Capacity Utilization | | | |
|---|---|---|---|
| **Particulars** | **Fy 2024-25** | **Fy 2023-24** | **Fy 2022-23** |
| **Installed Capacity in (MTS)** | 8,640 | 7,920 | 7,200 |
| **Production Capacity in (MTS)** | 7,616 | 6,439 | 5,920 |
| **% of Utilization** | **88.15%%** | **81.30%** | **82.22%** |

With an installed capacity of 60 KL Kettles and 27 KL Reactors, Snehaa Organics ensures efficient and effective processing of solvents and chemicals.

**Capacity Utilization:**

| | | FY 24-25 | | | FY 2023-24 | | | FY 2022-23 | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Name of the Machinery | Capacity | Installed Capacity | Capacity Utilised | % of Utilisation | Installed Capacity | Capacity Utilised | % of Utilisation | Installed Capacity | Capacity Utilised | % of Utilisation |
| SS Kettle | 15 KL | 2,160 | 1,970 | 91.20% | 1,440 | 1,260 | 87.50% | 720 | 680 | 94.44% |
| SS Kettle | 9 KL | 1,296 | 1,132 | 87.35% | 1,296 | 978 | 75.46% | 1,296 | 1,103 | 85.11% |
| SS Kettle | 9 KL | 1,296 | 1,163 | 89.74% | 1,296 | 931 | 71.84% | 1,296 | 989 | 76.31% |
| SS Kettle | 6 KL | 864 | 730 | 84.49% | 864 | 750 | 86.81% | 864 | 778 | 90.05% |
| SS Kettle | 6 KL | 864 | 714 | 82.64% | 864 | 760 | 87.96% | 864 | 720 | 83.33% |
| SS Kettle | 15 KL | 2,160 | 1,907 | 88.29% | 2,160 | 1,760 | 81.48% | 2,160 | 1,650 | 76.39% |
| **Grand Total** | | **8,640** | **7,616** | **88.15%** | **7,920** | **6,439** | **81.30%** | **7,200** | **5,920** | **82.22%** |
| *** SS Kettle 15 KL was installed in FY 2022-23** | | | | | | | | | | |

***Note:*** *Capacity utilization will be calculated based solely on the kettles, as all other machinery in the factory is ancillary to the kettles and will not be considered in the plant's overall capacity utilization.*

***Note:*** *The above-mentioned capacity utilization has been certified by J. Ravi Kumar, Chartered Engineer vide certificate dated August 11, 2025.*

## TOP 10 CUSTOMERS

**A. Table showing Top 10 customers for the financial year 2022-23 (1st April, 2022 to 04th July, 2022)**

| Sl. No. | Particulars | Amount (Rs. In Lakh) | Share in Revenue (%) |
|---|---|---|---|
| 1 | Customer A | 206.62 | 32.03% |
| 2 | Customer B | 86.16 | 13.36% |
| 3 | Customer K | 42.28 | 6.55% |
| 4 | Customer C | 38.14 | 5.91% |
| 5 | Customer L | 36.76 | 5.70% |
| 6 | Customer M | 28.12 | 4.36% |

| | | | |
|---|---|---|---|
| 7 | Customer G | 20.90 | 3.24% |
| 8 | Customer N | 19.47 | 3.02% |
| 9 | Customer O | 18.06 | 2.80% |
| 10 | Customer P | 16.75 | 2.60% |
| | **Total** | **513.27** | **79.57%** |

**B. Table showing Top 10 customers for the financial year 2022-23 (5th July, 2022 to 31st March, 2023)**

| Sl. No. | Particulars | Amount (Rs. In Lakh) | Share in Revenue (%) |
|---|---|---|---|
| 1 | Customer A | 459.48 | 33.66% |
| 2 | Customer G | 133.61 | 9.79% |
| 3 | Customer L | 127.88 | 9.37% |
| 4 | Customer C | 123.04 | 9.01% |
| 5 | Customer B | 82.77 | 6.06% |
| 6 | Customer Q | 64.55 | 4.73% |
| 7 | Customer K | 44.79 | 3.28% |
| 8 | Customer R | 41.67 | 3.05% |
| 9 | Customer H | 41.46 | 3.04% |
| 10 | Customer S | 25.65 | 1.88% |
| | **Total** | **1,144.90** | **83.86%** |

**C. Table showing Top 10 customers for the financial year 2023-24:**

| Sl. No. | Particulars | Amount (Rs. In Lakh) | Share in Revenue (%) |
|---|---|---|---|
| 1 | Customer A | 529.41 | 22.32% |
| 2 | Customer G | 276.40 | 11.65% |
| 3 | Customer B | 260.97 | 11.00% |
| 4 | Customer C | 245.18 | 10.34% |
| 5 | Customer T | 164.66 | 6.94% |
| 6 | Customer L | 107.40 | 4.53% |
| 7 | Customer S | 101.81 | 4.29% |
| 8 | Customer R | 93.21 | 3.93% |
| 9 | Customer U | 82.92 | 3.50% |
| 10 | Customer V | 69.55 | 2.93% |
| | **Total** | **1,931.51** | **81.44%** |

**D. Table showing Top 10 customers for the Financial Year 2024-25**

| Sl. No. | Particulars | Amount (Rs. in Lakh) | Share in Revenue (%) |
|---|---|---|---|
| 1 | Customer G | 509.59 | 19.43% |
| 2 | Customer W | 266.95 | 10.18% |
| 3 | Customer A | 245.99 | 9.38% |

| | | | |
|---|---|---|---|
| 4 | Customer U | 232.10 | 8.85% |
| 5 | Customer C | 221.07 | 8.43% |
| 6 | Customer X | 190.99 | 7.28% |
| 7 | Customer Y | 91.46 | 3.49% |
| 8 | Customer J | 85.15 | 3.25% |
| 9 | Customer R | 73.94 | 2.82% |
| 10 | Customer AA | 67.07 | 2.56% |
| | **Total** | **1,984.31** | **75.67%** |

## TOP 10 SUPPLIERS

**A. Table showing Top 10 suppliers for the financial year 2022-23 (1st April, 2022 to 04th July, 2022)**

| Sl. No. | Particulars | Amount (Rs. In Lacs) | Share in Purchase % |
|---|---|---|---|
| 1 | Supplier C | 159.58 | 36.33 |
| 2 | Supplier A | 99.50 | 22.65 |
| 3 | Supplier D | 45.43 | 10.34 |
| 4 | Supplier E | 43.03 | 9.80 |
| 5 | Supplier H | 29.55 | 6.73 |
| 6 | Supplier K | 8.40 | 1.91 |
| 7 | Supplier L | 6.07 | 1.38 |
| 8 | Supplier B | 5.74 | 1.31 |
| 9 | Supplier M | 3.12 | 0.71 |
| 10 | Supplier N | 3.00 | 0.68 |
| | **Total** | **403.43** | **91.84** |

**B. Table showing Top 10 suppliers for the financial year 2022-23 (5th July, 2022 to 31st March, 2023)**

| Sl. No. | Particulars | Amount (Rs. In Lacs) | Share in Purchase % |
|---|---|---|---|
| 1 | Supplier B | 71.48 | 13.20 |
| 2 | Supplier H | 52.87 | 9.76 |
| 3 | Supplier L | 48.52 | 8.96 |
| 4 | Supplier O | 35.13 | 6.49 |
| 5 | Supplier E | 32.72 | 6.04 |
| 6 | Supplier P | 31.53 | 5.82 |
| 7 | Supplier D | 31.02 | 5.73 |
| 8 | Supplier F | 29.57 | 5.46 |
| 9 | Supplier Q | 27.18 | 5.02 |
| 10 | Supplier R | 26.18 | 4.83 |
| | **Total** | **386.19** | **71.32** |

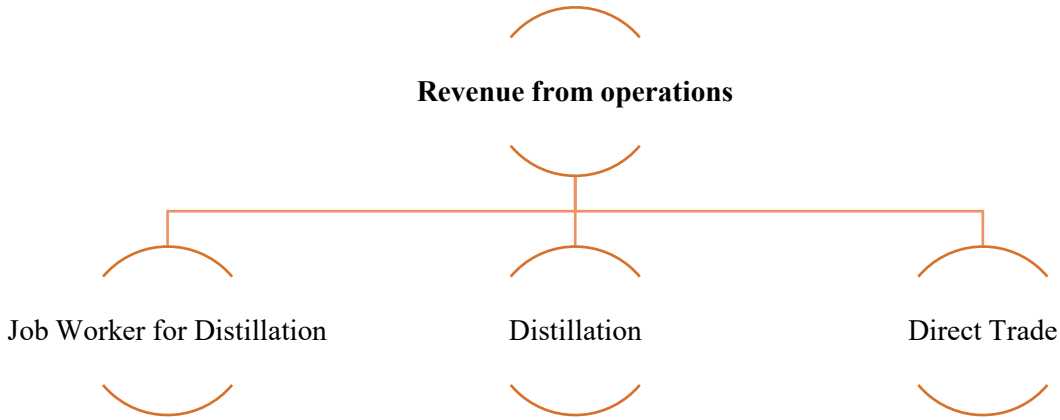
**C. Table showing Top 10 suppliers for the financial year 2023-24:**

| Sl. No. | Particulars | Amount (Rs. In Lakh) | Share in Purchase % |
|---|---|---|---|
| 1 | Supplier B | 271.90 | 24.23 |
| 2 | Supplier E | 170.94 | 15.23 |
| 3 | Supplier D | 122.37 | 10.90 |
| 4 | Supplier Q | 82.51 | 7.35 |
| 5 | Supplier O | 79.02 | 7.04 |
| 6 | Supplier L | 68.86 | 6.13 |
| 7 | Supplier P | 62.97 | 5.61 |
| 8 | Supplier A | 59.70 | 5.32 |
| 9 | Supplier K | 41.01 | 3.65 |
| 10 | Supplier S | 21.30 | 1.90 |
| | **Total** | **980.58** | **87.37** |

**D. Table showing Top 10 supplier for the financial year 2024-25:**

| Sl. No. | Particulars | Amount (Rs. In Lakh) | Share in Purchase % |
|---|---|---|---|
| 1 | Supplier B | 485.08 | 39.10% |
| 2 | Supplier E | 212.11 | 17.10% |
| 3 | Supplier O | 94.07 | 7.58% |
| 4 | Supplier D | 42.53 | 3.43% |
| 5 | Supplier K | 34.02 | 2.74% |
| 6 | Supplier Q | 32.19 | 2.59% |
| 7 | Supplier V | 31.23 | 2.52% |
| 8 | Supplier U | 30.44 | 2.45% |
| 9 | Supplier S | 26.88 | 2.17% |
| 10 | Supplier W | 25.98 | 2.09% |
| | **Total** | **1,014.53** | **81.78** |

## PRODUCT WISE REVENUE BREAKUP



Our revenues from operations across product verticals for financial year ended 2025, 2024 and 2023 is as follows:

| Name of the Product | Category | For the year ended March 31, 2025 | | For the year ended March 31, 2024 | | For the period from July 05, 2022 to March 31, 2023 | | For the period from April 01, 2022 to July 04, 2022 | |
|---|---|---|---|---|---|---|---|---|---|
| | | Amount in Lakhs. | % | Amount in Lakhs | % | Amount in Lakhs. | % | Amount in Lakhs. | % |
| Acetone | Manufacturing/Distillation | 143.64 | 5% | 240.37 | 10% | 115.86 | 8.5% | 26.01 | 4% |
| Acetonitrile | Manufacturing/Distillation | 15.79 | 1% | 2.34 | 0% | 28.37 | 2% | - | - |
| Benzene | Manufacturing/Distillation | - | 0% | 0.17 | 0% | - | - | - | - |
| Chloroform | Manufacturing/Distillation | 3.42 | 0% | 2.69 | 0% | 2.69 | 0% | 4.81 | 1% |
| Cyclol Hexane | Manufacturing/Distillation | 0.37 | 0% | 0.76 | 0% | 3.38 | 0% | 10.52 | 2% |
| DI Methyl Formamide | Manufacturing/Distillation | 69.80 | 3% | 86.31 | 4% | 171.52 | 13% | 86.12 | 13% |
| Ethyl Acetate | Manufacturing/Distillation | 760.34 | 29% | 450.62 | 19% | 179.77 | 13% | 174.94 | 27% |
| Formaldehyde | Manufacturing/Distillation | - | 0% | 70.01 | 3% | 49.32 | 4% | 6.11 | 1% |
| Hexane | Manufacturing/Distillation | 11.17 | 0% | 9.11 | 0% | 3.98 | 0% | 2.25 | 0% |
| ISO Propyl Alcohol (IPA) | Manufacturing/Distillation | - | 0% | 56.03 | 2% | 25.91 | 2% | 4.20 | 1% |
| Methanol | Manufacturing/Distillation | 31.03 | 1% | 1.09 | 0% | 6.21 | 0% | 23.29 | 4% |
| Methylene DI Chloride | Manufacturing/Distillation | 63.11 | 2% | 72.46 | 3% | 44.81 | 3% | 74.58 | 12% |
| Mixed Solvents | Manufacturing/Distillation | 287.70 | 11% | 106.26 | 4% | 58.25 | 4% | 28.28 | 4% |
| N Butanol | Manufacturing/Distillation | - | 0% | 0.64 | 0% | 0.14 | 0% | - | - |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Tetra Hydro Furan (THF) | Manufacturing/Distillation | 23.79 | 1% | 128.81 | 5% | 42.42 | 3% | 7.43 | 1% |
| Thionyl Chloride | Manufacturing/Distillation | - | 0% | - | - | - | - | - | - |
| Toluene | Manufacturing/Distillation | 703.80 | 27% | 790.68 | 33% | 525.33 | 38% | 179.89 | 28% |
| Triethylamine (TEA) | Manufacturing/Distillation | - | 0% | 5.62 | 0% | 0.67 | 0% | - | - |
| Recovered MDC | Recovered Solvent Generated from Manufacturing | - | 0% | - | - | 4.11 | 0% | - | - |
| Recovered Solvents | Recovered Solvent Generated from Manufacturing | 8.64 | 0% | 10.34 | 0% | 29.60 | 2% | 0.91 | 0% |
| Coal Ash | Recovered Solvent Generated from Manufacturing | - | 0% | - | - | - | - | - | - |
| Hydrochloric Acid | Trading | - | 0% | - | - | 0.16 | 0% | - | - |
| Recovered 2M2B | Trading | - | 0% | 5.15 | 0% | - | - | - | - |
| Recovered 2methyl THF | Trading | - | 0% | 19.52 | 1% | - | - | - | - |
| Recovered Acetonitrile | Trading | - | 0% | 13.56 | 1% | - | - | - | - |
| Recovered DMSO MLS | Trading | 107.79 | 4% | 216.64 | 9% | 72.73 | 5% | 7.68 | 1% |
| Recovered Mixed Solvents | Trading | - | 0% | 6.59 | 0% | - | - | - | - |
| Recovered N-Heptane (MLs) | Trading | 16.97 | 1% | 2.06 | 0% | - | - | - | - |
| Tert-Amyl Alcohol(2M2B) | Trading | (0.35) | 0% | 9.71 | 0% | - | - | - | - |
| Recovered Tetrahydrofuran (THF) | Trading | 106.31 | 4 | 14.24 | 0% | - | - | - | - |
| | | | | | | | | | |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Recoverd Mix + Water | Trading | 2.29 | 0% | - | - | - | - | - | - |
| Recovered IPA MLS | Trading | 19.75 | 1% | - | - | - | - | - | - |
| Recovered IPA MLS (Acedic) | Trading | 3.14 | 0% | - | - | - | - | - | - |
| Recovered 2 Methyl, 2-Butanol | Trading | 62.52 | 2% | - | - | - | - | - | - |
| Recovered 2Methyl THF | Trading | 155.04 | 6% | - | - | - | - | - | - |
| Recovered Toluene + Water | Trading | 3.70 | 0% | - | - | - | - | - | - |
| Recovered Mtbe (Distilled) + MC | Trading | 8.40 | 0% | - | - | - | - | - | - |
| Recovered IPA + Water | Trading | 4.69 | 0% | - | - | - | - | - | - |
| Recovered ISO Propyl Acetate | Trading | 9.48 | 0% | - | - | - | - | - | - |
| Potassium bromide | Trading | - | 0% | 17.96 | 1% | - | - | - | - |
| Pyridine | Trading | - | 0% | 0.68 | 0% | - | - | - | - |
| Nitro Benzene | Trading | - | 0% | - | 0% | - | - | 8.00 | 1% |
| Spent Solvent | Trading | - | 0% | 0.60 | 0% | - | - | - | - |
| Steam Coal | Trading | - | 0% | 0.99 | 0% | - | - | - | - |
| Sulphuric Acid | Trading | - | 0% | 29.76 | 1% | - | - | - | - |
| **Total** | | **2622.33** | **100 %** | **2,371.79** | **100 %** | **1,365.23** | **100%** | **645.02** | **100%** |

## GEOGRAPHICAL BREAKUP OF REVENUE

Our geographical breakup of revenue for financial year ended 2025, 2024 and 2023 is as follows:

**(Amount in lakhs)**

| Nature of Revenue | State | For the year ended March 31, 2025 | For the year ended March 31, 2024 | For the period from July 05, 2022 to March 31, 2023 | For the period from April 01, 2022 to July 04, 2022 |
|---|---|---|---|---|---|
| Job work | Andhra Pradesh | 13.33 | 14.65 | 44.79 | 42.28 |
| | Karnataka | 7.16 | 11.78 | 10.62 | 3.49 |
| | Telangana | 897.48 | 730.45 | 438.91 | 105.91 |
| **Revenue From Job work (A)** | | **917.97** | 756.88 | 494.32 | **151.68** |

| | | | | | |
|---|---|---|---|---|---|
| **% from Job work** | | **35.01%** | 31.91% | 36.21% | **23.52%** |
| Direct Sales | Andhra Pradesh | 10.26 | 164.66 | - | - |
| | Gujarat | - | 6.52 | 8.18 | - |
| | Karnataka | 7.14 | - | - | - |
| | Maharashtra | 51.46 | 68.12 | - | - |
| | Tamil Nadu | - | 4.00 | - | - |
| | Telangana | 437.11 | 106.82 | 117.98 | 21.79 |
| **Revenue From Direct Trade(B)** | | **505.97** | **350.12** | **126.16** | **21.79** |
| **% from Direct Trade** | | **19.29%** | **14.76%** | **9.24%** | **3.38%** |
| Sale of Products (Distilled) | Andhra Pradesh | 18.47 | 9.30 | - | 43.82 |
| | Gujarat | - | - | - | - |
| | Karnataka | 20.60 | 16.69 | - | - |
| | Maharashtra | - | - | - | - |
| | Punjab | 9.74 | 11.35 | - | - |
| | Tamil Nadu | - | - | - | - |
| | Telangana | 1,024.97 | 1,096.15 | 717.43 | 417.23 |
| | Uttar Pradesh | 13.14 | - | - | 10.50 |
| | West Bengal | 111.46 | 131.29 | 27.32 | - |
| **Revenue From Sale of Products(C)** | | **1,198.38** | **1264.78** | **744.75** | **471.55** |
| **% from Sale of products** | | **45.70%** | **53.33%** | **54.55%** | **73.11%** |
| **Total Revenue from Operations (A+B+C)** | | **2,622.33** | **2,371.79** | **1,365.23** | **645.02** |

Notes: Percentage of sales is calculated on the basis of total revenue.

## END USERS

Our End Users details for financial year ended 2025, 2024 and 2023 is as follows:

| **End user** | **For the year ended March 31, 2025** | | **For the year ended March 31, 2024** | | **For the period from July 05, 2022 to March 31, 2023** | | **For the period from April 01, 2022 to July 04, 2022** | |
|---|---|---|---|---|---|---|---|---|
| | **Amount in Lakhs** | **% of Revenue** | **Amount in Lakhs** | **% of Revenue** | **Amount in Lakhs** | **% of Revenue** | **Amount in Lakhs** | **% of Revenue** |
| Corporate Customer (A) | 1324.88 | 50.52% | 2013.54 | 84.90% | 1135.60 | 83.18% | 526.01 | 81.55% |
| Dealers (B) | 1297.44 | 49.48% | 358.25 | 15.10% | 229.62 | 16.82% | 119.01 | 18.45% |
| **Total(A+B)** | **2622.33** | **100%** | **2371.79** | **100%** | **1365.23** | **100%** | **645.02** | **100%** |

*The company do not give any exclusive dealership for their product to anybody and the company is not engaged in import and export activity of any product.

## SWOT ANALYSIS

| STRENGTHS | WEAKNESS |
|---|---|
| Technology and Infrastructure<br>Strategic Location<br>Good Reputation in the Pharmaceutical Sector | High Dependence on Local Market<br>Capital Intensity<br>Operational Complexity |
| **OPPORTUNITIES** | **THREATS** |
| Expansion into New Markets<br>Product Diversification and more profitable Opportunities<br>Forward Integration | Regulatory Changes<br>Pharmaceutical Market Instability<br>Intense Competition<br>Fluctuations in Raw Material Prices |

**STRENGTHS:**

1. **Technology and Infrastructure**

   Investing in modern infrastructure enables efficient and effective solvent recovery processes. Our Y-type 2.5-stage sheet metal structured packings offer significantly lower pressure drops and mass transfer efficiency compared to standard packings. This enhances operational efficiency, improves product quality, and reinforces the company's position within the industry.

2. **Strategic Location**

   Hyderabad, Telangana contributes 40% of the country's bulk drug production and has earned the titles of "Bulk Drug Capital of India" and "Vaccine Capital of the World." Based in Hyderabad, Telangana, Snehaa Organics benefits from proximity to a large, diverse market and a well-established supplier network. This location facilitates easier access to key resources, a skilled workforce, and customer bases, making logistics and expansion more feasible.

3. **Good Reputation in the Pharmaceutical Sector**

   Snehaa Organics has established a good image as provider recycled solvents to the pharmaceutical industry, strengthens customer loyalty. The company is recognized as a reliable supplier of eco-friendly solutions, fostering trust among pharmaceutical clients that prioritize sustainability. Our promoters and promoters group have a decade of experience in Pharmaceutical Sector

**WEAKNESSES:**

1. **High Dependence on Local Market**

   The company's limited geographic diversification poses a risk if the local market experiences economic downturns or disruptions. This reliance on the local market could affect revenue stability and limit growth potential.

2. **Capital Intensity**

   The solvent recovery industry requires ongoing investment in technology and infrastructure. This high capital expenditure can strain financial resources and affect profitability, especially as the company works to scale and meet regulatory standards.

3. **Operational Complexity**

   Managing a wide range of chemical processes and adhering to stringent environmental regulations introduces significant operational challenges. This complexity can result in higher costs and difficulties in maintaining consistent compliance across all stages of production.

**OPPORTUNITIES:**

1. **Expansion into New Markets**

   There is substantial potential for geographic diversification. Expanding operations internationally and into other Indian states could capture new customer segments, reducing dependence on the local market and driving long-term growth.

2. **Product Diversification and more profitable opportunities**

   Developing new solvent products or expanding into related chemical services could diversify revenue streams. Additionally, the strategic focus on purchasing and recycling high-value materials like Acetonitrile, THF, and 2TB opens up opportunities in high-margin product markets, particularly the pharmaceutical sector.

3. **Forward Integration into the Pharmaceutical Industry**

   Entering the pharmaceutical industry, particularly through the direct recycling of materials for pharmaceutical use, represents a strategic growth opportunity. Increased demand for pharmaceutical-grade solvents provides a lucrative market for Snehaa Organics to expand into.

**THREATS:**

1. **Regulatory Changes**

   Sudden or unexpected changes in environmental regulations or pollution control policies could lead to increased compliance costs and require significant operational adjustments. Staying ahead of regulatory shifts is essential to avoid disruptions and manage costs effectively.

2. **Pharmaceutical Market Instability**

   Fluctuations or downturns in the pharmaceutical industry could impact demand for recycled solvents, particularly premium products. While diversification is a key strategy, over-reliance on the pharmaceutical sector poses risks to revenue stability.

**3. Intense Competition**

The solvent recovery and recycling sector is highly competitive, with both established players and new entrants vying for market share. Maintaining technological leadership, operational efficiency, and customer loyalty will be critical to staying ahead of competitors.

**4. Fluctuations in Raw Material Prices**

Volatility in the prices of raw materials like Acetonitrile, THF, and 2TB could impact profitability. While the company is transitioning to directly purchasing and recycling these materials, any disruptions in their supply or price fluctuations may pose challenges.

## BUSINESS STRATEGIES

**1. Expansion and Diversification within the Same Industry**

Snehaa Organics will continue to diversify its product portfolio and expand within the solvent recovery and recycling sector. We plan to significantly expand our existing solvent products such as Acetonitrile, THF (Tetrahydrofuran) and introduce new product i.e. 2TB (Tertiary Butyl Alcohol), catering to both established and emerging industries, particularly the pharmaceutical sector. This diversification will not only increase our revenue streams but also enable us to tap into more profitable business opportunities and strengthen our market position.

**2. Focus on Operational and Functional Efficiencies**

To maintain our competitive advantage, we will prioritize optimizing operational efficiencies. By continually refining our production processes and implementing advanced technology, we will reduce costs across all aspects of the business, from raw material procurement to final product delivery. Through process optimization, we will improve productivity while maintaining our quality standards**.**

**3. Increase Market Share by Expanding Customer Base**

Expanding our customer base remains a key focus of our growth strategy. We will leverage our reputation for recycled solvents and our commitment to sustainability to strengthen relationships with existing clients while acquiring new ones. Expanding into new geographic regions like Karnataka will help us capture a larger market share and drive revenue growth. Furthermore, we will implement targeted marketing campaigns and strategic partnerships to enhance brand awareness and vendor/customer engagement**.**

**4. Sustainability and Environmental Compliance**

The company is committed to sustainable operations and strict adherence to environmental regulations. As part of its environmental responsibility, all effluents and waste generated at the plant are systematically disposed of through third party ensuring full compliance with prescribed environmental guidelines. The company continuously monitors and follows best practices to minimize environmental impact, aligning its operations with regulatory standards and sustainable waste management principles

## SALES AND MARKETING STRATEGY

Snehaa Organics Limited operates in the B2B segment, providing solvent recovery and recycling solutions. We maintain direct contact with majority of our customers which allows us to understand the technical needs and specifications of our customers. As a B2B business, our channels of marketing are such that we need to reach and target our clients of various industries to offer our diversified products. Physical access to B2B decision makers is always difficult and restricted; hence the first step is to connect with them face to face interaction by

visiting their respective offices. We have in-house team which looks after the sales and marketing of our products.

This team is also responsible for the marketing of our products, negotiating prices, procuring repeat orders and ensuring timely dispatch and deliveries. By fostering **long-term client relationships**, we support a **circular economy**, promoting solvent reuse and waste reduction.

## INVENTORY MANAGEMENT

At our solvent distillation unit, both raw materials and finished products are primarily stored at our designated warehouse facilities. After undergoing quality control checks, raw materials received from clients are stored in designated storage tanks earmarked for this purpose. Based on the client's requirements and delivery timelines, raw materials are recycled and converted into distilled products, which are then stored securely within these facilities. The materials are dispatched according to the requirements communicated by the Sales & Marketing team.

To ensure efficient and timely delivery, we maintain strategic stock reserves in certain cases, allowing us to shorten lead times and respond quickly to customer demands. These reserves are often aligned with customer stocking policies.

Our inventory management system is designed to maintain efficient stock levels for raw materials, packaging materials, and finished goods. These levels are determined through the Sales team, considering lead times for raw material procurement and production. We continuously assess factors such as estimated lead times and delivery schedules to manage inventory effectively across both our manufacturing and storage facility.

## LOGISTICS

As part of our Job Work Order, we are responsible for efficiently managing the collection of raw materials from our client's factory. After the recycling process, the materials are promptly delivered back to the client's facility. Additionally, any excess material generated during recycling is sold to customers and delivered directly to their respective locations.

To effectively handle these logistics operations, we currently operate a fleet of 10 commercial vehicles as on the March 31,2025. These vehicles are essential for ensuring the timely pickup and delivery of products to our customers, giving us the advantage of full control over our supply chain and eliminating reliance on external service providers. Additionally, we utilize commercial vehicles from our group companies to facilitate deliveries as needed, further enhancing operational efficiency.

In the event of a vehicle shortfall due to unforeseen circumstances, we are well-equipped to hire external vehicles to ensure uninterrupted operations and maintain seamless logistics management.

## UTILITIES & INFRASTRUCTURE FACILITIES

**Infrastructure Facilities**

Our Registered office is situated at Plot No 290 & 291, Dulapally, Adjacent to IDA, Jeedimetla, Quthbullapur, Rangareddi, Hyderabad, Telangana- 500055 well equipped with computer systems, internet connectivity, other communication and security etc.

Our Manufacturing facility is situated at Survey No. 296/4/AA & 296/4/E at IDA Bollaram Village, Jinnaram Mandal, Bollaram Road, Hyderabad, Sangareddy, Telangana - 502325.

Our manufacturing facility is also equipped with requisite utilities and infrastructure facilities including the following: -

**Power**

We meet our power requirements by purchasing electricity from Southern Power Distribution Company of TG Limited for our Manufacturing facility. Our Contracted Maximum Demand with the Southern Power Distribution Company of TG Limited is of 150 (KVA).

**Water**

Water is a key and indispensable resource requirement in our manufacturing process. Our Company has made adequate arrangements to meet its water requirements. Water is used in manufacturing process as well as for drinking and sanitary purpose. Water requirement at our manufacturing facility is met through private suppliers.

## INFORMATION TECHNOLOGY

Our registered office and manufacturing site are fully equipped with all the essential amenities to ensure seamless business operations. The facility is outfitted with advanced computer systems, CCTV surveillance for enhanced security, and reliable internet connectivity, all of which contribute to efficient communication, continuous monitoring, and robust data management. We use Tally Prime Gold 5.1 software, which supports various aspects of our business processes.

These resources are vital to maintaining smooth and effective operations, empowering our team to work with increased productivity and operational efficiency.

## RESEARCH AND DEVELOPMENT

Snehaa Organics Limited does not have a dedicated R&D team, we continuously optimize our solvent recovery and recycling processes through technological advancements. Our in-house testing facility ensures quality assessment, while process improvements enhance efficiency, sustainability, and compliance with industry standards.

## HUMAN RESOURCE

We believe that our employees are key contributors to our business success. We focus on attracting and retaining the best possible talent. Our Company looks for specific skill-sets, interests and background that would be an asset for our business.

As of July 31, 2025, there are total of 59 employees all of which are on payroll basis and none of them are employees are on contract basis.

We have encountered no significant work disruptions to date and we believe that we have maintained good relations with our employees.

## DEPARTMENT WISE BREAK-UP

| Department | Number of Employee's |
|---|---|
| Management | 2 |

| | |
|---|---|
| Finance and Accounts | 3 |
| Marketing | 2 |
| Quality Control | 1 |
| Production | 25 |
| Engineering | 3 |
| Stores | 2 |
| Administration | 8 |
| Logistics | 11 |
| Commercial Head | 1 |
| Security | 1 |
| **Grand Total** | **59** |

## EMPLOYEE AND RELATED COST/EXPENSE

The following table presents the details of the number of employees and related costs / expenses in the financial years, as per the guidelines issued by the Association of Investment Bankers of India:

| Particulars | FY 24-25 | FY 23-24 | FY 22-23 | |
|---|---|---|---|---|
| | For the year ended March 31, 2025 | For the year ended March 31, 2024 | For the period from July 05, 2022 to March 31, 2023 | For the period from April 01, 2022 to July 04, 2022 |
| Number of Employees | 59 | 38 | 36 | 26 |
| Employee Benefit Expenses (Rs in lakhs) | 214.48 | 149.88 | 133.43 | 38.86 |
| Revenue from Operations (Rs in lakhs) | 2622.33 | 2371.79 | 1365.23 | 645.02 |
| % of Revenue from Operations | 8.18% | 6.30% | 9.74% | 6.02% |
| Employee Attrition Rate (in %) | 24.56% | 64.86% | 22.58% | 16.00% |

*For more information, please refer page no. 46 of chapter titled "Risk Factor" of the Red Herring Prospectus of the Company.*

## COMPETITION

We believe that the principal factors affecting competition in our business include client relationships, reputation, market focus and the relative quality, price of the products. We face competition from various domestic and other players in the market. Further, there are no entry barriers in this industry and any expansion in capacity of existing manufacturers would further intensify competition. As a result, to remain competitive in our markets, we must continuously strive to reduce our costs of production, transportation and distribution and improve our operating efficiencies. If we are unable to manage our business it might impede our competitive position and profitability. We intend to continue competing using the resources available at our disposal to capture more market share and adding more resources as required, including human resources to manage our growth in an optimal way.

## QUALITY CONTROL

Our Company has inhouse quality management systems which ensures good quality and at all steps from procurement till dispatch. We have established a quality control team which has the responsibility to ensure compliance with manufacturing practices. Before commencement of the manufacturing process, the materials

purchased by our Company have to undergo a quality check, to ensure that they are of relevant quality and match the standards as specified.

## ENVIRONMENT, HEALTH & SAFETY

The personal health and safety of each employee of our organization is of primary importance. We believe that our employees are important assets and their safety at our worksite is our responsibility. Our Company provides the necessary equipment and facilities required for the personal safety and health of each employee. We implement work safety measures to ensure a safe working environment including general guidelines for health and safety at our manufacturing units. We believe that accidents and occupational health hazards can be significantly reduced through a systematic analysis and control of risks and by providing appropriate training to our management and our employees. We have implemented work safety measures to ensure a safe working environment at our facilities. Additionally, we conduct training programs to enhance employee awareness and preparedness for workplace safety. We have also installed fire detection systems for the safety of employee.

We are subject to extensive environmental laws and regulations in India, including those governing the prevention and control of water and air pollution, environmental protection, hazardous waste management, and noise pollution. To ensure compliance, we have implemented various measures, including entering into an agreement with third party. Under this agreement, we send pre-treated industrial waste water from our facility to them for proper disposal, thereby ensuring responsible waste management and adherence to regulatory standards.

## REPAIR AND MAINTAINANCE

We conduct daily, weekly, monthly, half yearly and annual repair and maintenance programs for our manufacturing facility based on the specific requirements of each machine. Our teams conduct periodic maintenance and repairs as needed to ensure optimal performance. A structured maintenance schedule helps minimize downtime, prevent unexpected breakdowns, and enhance operational efficiency.

## EXPORT AND EXPORT OBLIGATION

Our Company does not have any export obligations, as on date of this Red Herring Prospectus.

## INSURANCE

Our Company has insurance coverage which we consider reasonably sufficient to cover all normal risks associated with our operations and which we believe is in accordance with the industry standards.

Our Company has taken following insurance policies against any damage or loss:

| S. No. | Insurer | Description of property insured |
|---|---|---|
| 1 | The New India Assurance Company Limited<br>Policy No. **61380036253300000001** | Policy schedule for Public Liability (Act Only) Insurance<br>Insured from: - 01/04/2025<br>Insured till: - 31/03/2026<br>Sum Insured: - AOA: AOY 5Cr, 15Cr<br>Premium: - Rs. 18,084/- |
| 2 | The New India Assurance Company Limited<br>Policy No. **61380036250600000001** | Policy Schedule For Public Liability (Industrial Risks) Insurance<br>Insured From: - 01/04/2025 |

| | | |
|---|---|---|
| | | Insured till: - 31/03/2026<br>Sum Insured: - AOA: AOY 8.33Cr, 25Cr<br>&<br>AOA: AOY 10 Lakhs, 10 Lakhs<br>Premium: - Rs. 49,527/- |
| 3 | The New India Assurance Company Limited<br>Policy No. **61380011249600000007** | 01. Building including plinth, Basement and additional structures<br>02. Furniture & Fixtures, Fittings and other equipment<br>03. Plant & Machinery Sum Insured<br>04. Other Contents Sum Insured<br>05. Finished Stock Sum Insured<br><br>Insured from: - 31/08/2024<br>Insured till: - 30/08/2025<br>Sum Insured: - Rs. 9,00,00,000/-<br>Premium: - Rs. 65,254/- |
| 4 | The New India Assurance Company Limited<br>Policy No. **61380011248700000005** | Storage of hazardous Goods listed in Category II subject to warranty that goods.<br>Insured from: - 31/08/2024<br>Insured till: - 30/08/2025<br>Sum Insured: - Rs. 5,00,00,000/-<br>Premium: - Rs. 33,898/- |
| 5. | The New India Assurance Company Limited<br>Policy No. **61380031242000003748** | For Mercedes B/G Class (TS08KB0060)<br>Insured from: - 22/12/2024<br>Insured till: - 21/12/2025<br>Sum Insured: - Rs. 2,20,34,000/-<br>Premium: - Rs. 2,89,758/- |
| 6. | The New India Assurance Company Limited<br>Policy No. **61380031241800003209** | For Splendor Plus (TS08KA5512) 13S IBS BSVI With Charger E-2.0<br>BBK<br><br>Insured from: - 22/11/2023<br>Insured till: - 21/11/2028<br>Sum Insured: - Rs.65,260/-<br>Premium: - Rs. 1,351/- |
| 7. | The New India Assurance Company Limited<br>Policy No. **61380031240300003235** | For Mahindra Blazo 37(TG08T7242), Goods Carrying Other than 3-Wheeler Public Carrier<br><br>Insured from: - 20/11/2024<br>Insured till: - 19/11/2025<br>Sum Insured: - Rs.66,11,240/-<br>Premium: - Rs. 76,982/- |
| 8. | The New India Assurance Company Limited<br>Policy No. **61380031240300003238** | For Mahindra Blazo (TG08T7377), Goods Carrying Other than 3-Wheeler Public Carrier<br><br>Insured from: - 20/11/2024 |

| | | |
|---|---|---|
| | | Insured till: - 19/11/2025<br>Sum Insured: - Rs.66,11,240/-<br>Premium: - Rs. 76,982/- |
| 9. | The New India Assurance Company Limited<br>Policy No. **61380031240300003236** | For Mahindra Blazo 37(TG08T7575), Goods Carrying Other than 3-Wheeler Public Carrier<br><br>Insured from: - 20/11/2024<br>Insured till: - 19/11/2025<br>Sum Insured: - Rs.66,11,240/-<br>Premium: - Rs. 76,982/- |
| 10. | Royal Sundaram General Insurance Co. Limited<br>Policy No. **GMC0000493000100** | Group Health Policy*<br><br>Insured from: - 31/03/2025<br>Insured till: - 30/03/2026<br>Sum Insured: 10,19,00,000<br>Premium: 9,95,447.03 |
| 11. | The New India Assurance Company Limited<br>Policy No. **61380031250100000992** | For Ashok Leyl/3118 (TS08UF2445), Goods Carrying Other than 3-Wheeler Public Carrier<br>Insured from: - 09/06/2025<br>Insured till: - 08/06/2026<br>Sum Insured: - Rs.16,60,500/-<br>Premium: - Rs. 50,493/- |
| 12. | The New India Assurance Company Limited<br>Policy No. **61380031250100000457** | For Tata Motor/LPT3118 (TS08UF1239), Goods Carrying Other than 3-Wheeler Public Carrier<br><br>Insured from: - 24/06/2025<br>Insured till: - 01/05/2026<br>Sum Insured: - Rs.1590350/-<br>Premium: - Rs. 47,892/- |
| 13. | The New India Assurance Company Limited<br>Policy No. **61380031250100000458** | For Tata Motor/LPT3118 (TS08UF1266), Goods Carrying Other than 3-Wheeler Public Carrier<br><br>Insured from: - 30/05/2025<br>Insured till: - 01/05/2026<br>Sum Insured: - Rs.1590350/-<br>Premium: - Rs. 48,031/- |
| 14. | The New India Assurance Company Limited<br>Policy No. **61380031250100000978** | For Ashok Leyl/3118 (TS08UF2229), Goods Carrying Other than 3-Wheeler Public Carrier<br>Insured from: - 24/06/2025<br>Insured till: - 07/06/2026<br>Sum Insured: - Rs.16,60,500/-<br>Premium: - Rs. 50,301/- |

| | | |
|---|---|---|
| 15. | The New India Assurance Company Limited Policy No. 61380031250100001154 | For Tata Motor/LPT3118 (AP23TA0348), Goods Carrying Other than 3-Wheeler Public Carrier<br><br>Insured from: - 20/06/2025<br>Insured till: - 19/06/2026<br>Sum Insured: - Rs.9,72,000/-<br>Premium: - Rs. 49,595/- |
| 16. | The New India Assurance Company Limited Policy No. **61380031240100005306** | For Tata Motor/LPT2518 TC BS III (AP23Y3444), Goods Carrying Other than 3-Wheeler Public Carrier<br><br>Insured from: - 24/06/2025<br>Insured till: - 29/03/2026<br>Sum Insured: - Rs.504750/-<br>Premium: - Rs. 44,813/- |
| 17. | The New India Assurance Company Limited Policy No. **61380031240100005305** | For Tata Motor/LPT2518 TC BS III (AP23Y3579), Goods Carrying Other than 3-Wheeler Public Carrier<br><br>Insured from: - 24/06/2025<br>Insured till: - 29/03/2026<br>Sum Insured: - Rs. 5,31,500/-<br>Premium: - Rs. 44,838/- |

* *The Group Insurance policy has been obtained in the name of Vestro Solvents Private Limited*

Our Company has confirmed that there have been no claims files other than the claim related to the repair of the office vehicle for accidental damage to the vehicle bearing policy number **61380031242000003748** and Staff Mediclaim bearing policy number **4016/X/287348771/01/000** the details of which are mentioned below;

| **Insurance Claims Detail** | | | |
|---|---|---|---|
| **Sr No.** | **Policy Number** | **Category** | **Claimed Amount** |
| 1 | **61380031242000003748** | Vehicle Insurance | 2,61,600 |
| 2 | **4016/X/287348771/01/000** | Group Health (Floater) Insurance | 1,68,050 |
| **Total** | | | **4,29,650** |

## INTELLECTUAL PROPERTY RIGHTS

### TRADEMARK

As on the date of the Red Herring Prospectus, Our Company do not have any Intellectual Property Rights except herein below:

| Sr. No. | Application Number | Trademark | Trade Mark Type | Class | Status |
|---|---|---|---|---|---|
| 1. | 6873346 | Committed to Quality SNEHAA ORGANICS | Device | 35 | Formalities Check Pass |
| 2. | 6873347 | Committed to Quality SNEHAA ORGANICS | Device | 40 | Formalities Check Pass |
| 3. | 6873348 | Snehaa Organics | Word | 35 | Formalities Check Pass |
| 4. | 6873349 | Snehaa Organics | Word | 40 | Formalities Check Pass |

## WEBSITE DETAILS

| Domain name and ID | Sponsoring Registrar | Creation Date | Registry Expiry Date | Current Status |
|---|---|---|---|---|
| https://snehaaorganics.com/ | RIFY Hosting Private Limited | July 15, 2025 | July 15, 2026 | Active |

***Remainder of this page has been left blank intentionally***

## KEY REGULATIONS AND POLICIES

*The business of our Company requires, at various stages, the sanction of the concerned authorities under the relevant Central, State legislation and local laws. The following description is an overview of certain laws and regulations in India, which are relevant to our Company. Certain information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below are not exhaustive and are only intended to provide general information to Applicants and is neither designed nor intended to be a substitute for professional legal advice. The statements below are based on current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.*

**Key Legislations Applicable to our Business**

**(A) Labour Laws**

India's regulatory framework encompasses a comprehensive array of labour laws that gover

various aspects of employment and workplace conditions within the company. Important labour/employment laws applicable to the Company are as follows-

i. **The Factories Act, 1948;**

Applicable to factories and industrial establishments employing 10 or more workers (with power) and 20 or more workers (without power). Enacted to regulate working conditions, ensure worker safety, health, and welfare, and prevent hazards in manufacturing processes. It mandates provisions for working hours, leave, ventilation, hazardous processes, and accident prevention to promote a safe and healthy work environment.

ii. **Employees' Compensation Act, 1923;**

The Employees' Compensation Act, 1923 (formerly known as the Workmen's Compensation Act, 1923) is a social security legislation enacted in India to provide financial protection to employees or their dependents in the event of injury, disability, or death arising out of and in the course of employment. The Act applies to employers and employees in specified types of employment, especially those engaged in hazardous or manual work such as factories, mines, construction, plantations, transport, and other notified sectors.

iii. **Workmen's Compensation Act, 1923;**

The Workmen's Compensation Act, 1923 was enacted by the Government of India to provide financial protection to workmen and their dependents in case of accidental injury, disability, or death arising out of and during the course of employment. Applies to employers and employees engaged in certain types of hazardous or manual occupations, as specified in Schedule II of the Act. It Covers both directly employed workers and those employed through contractors.

iv. **Employees (Provident Fund and Miscellaneous Provisions) Act, 1952-**

The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 is a key piece of labour welfare legislation in India. It was enacted to provide social security to employees working in factories and other establishments through a system of compulsory savings for retirement, pension, and insurance. The Employees' Provident Funds and Miscellaneous Provisions Act, 1952 applies to every establishment that employs 20 or more persons and is engaged in any of the industries specified in Schedule I of the Act or any other establishment that the Central Government may notify.

v. **The Employees' State Insurance Act, 1948**

The Employees' State Insurance Act, 1948 is a social welfare legislation enacted by the Government of India to provide medical, cash, maternity, disability, and dependent benefits to workers. It establishes a self-financing social security and health insurance scheme for Indian workers, especially in the organized sector. The main objective of the ESI Act is to offer financial and medical protection to employees and their families during sickness, maternity, disability, or death due to employment injury. It ensures that workers have access to medical care and income support during periods when they are unable to earn. Applicable to Companies employing 10 or more workers in hazardous industries. Enacted to offer medical and financial benefits to employees in case of sickness, disability, or workplace injuries**.**

vi. **Industrial Disputes Act, 1947 And Industrial Dispute (Central) Rules, 1957;**

The Industrial Disputes Act, 1947 is a significant piece of labour legislation in India that aims to promote industrial peace and harmony by providing a legal framework for the investigation and settlement of industrial disputes between employers and workers. The main objective of this Act is to prevent and resolve disputes arising between employers and employees, to maintain industrial peace, and to ensure smooth functioning of industries. It lays down procedures for conciliation, adjudication, and voluntary arbitration, helping to avoid strikes, lockouts, and other disruptions. The Industrial Disputes (Central) Rules, 1957 are a set of regulations framed under the Industrial Disputes Act, 1947 to govern the procedure for the settlement and adjudication of industrial disputes at the central level in India. These rules provide a framework for the conciliation, arbitration, and adjudication of disputes between employers and employees in industries under central jurisdiction, such as railways, mines, oilfields and public sector undertakings.

vii. **Payment of Bonus Act, 1965;**

The Payment of Bonus Act, 1965 is a labour law enacted to ensure that employees in certain establishments receive a share in the profits of the organization in the form of an annual bonus. The Payment of Bonus Act, 1965 is applicable to every factory and every other establishment employing twenty (20) or more persons. Every employee shall be entitled to be paid by his employer in an accounting year, bonus, in accordance with the provisions of this Act, provided he has worked in the establishment for not less than thirty working days in that year.

viii. **The Minimum Wages Act, 1948;**

The Minimum Wages Act, 1948 is a significant labour law enacted by the Government of India to ensure that workers in various industries are paid a minimum wage for their work, preventing exploitation and ensuring fair compensation. The Act applies to workers employed in scheduled employments such as factories, mines, agriculture, construction, and more, as specified by the government. The Act empowers the Central and State Governments to set and revise minimum wage rates periodically, based on factors like the cost of living, skill levels, and industry norms. It mandates that employers must pay their employees at least the minimum wage, which can include basic wages and allowances like dearness allowance.

ix. **The Payment of Wages Act, 1936;**

The Payment of Wages Act, 1936 is a labour law designed to ensure that workers are paid their wages promptly and without unauthorized deductions. The Act applies to workers employed in factories,

railways, mines, and other specified establishments where the wages are below a certain limit. It applies to factories, industrial establishments, and other notified sectors, covering employees earning up to a specified wage limit. The Act mandates regular payment, legal modes of transaction, and protection of workers' financial rights.

x. **Maternity Benefit Act, 1961;**

The Maternity Benefit Act, 1961 is a labour law in India that provides for maternity benefits and protects the employment of women during the time of their maternity leave. The Act applies to factories, mines, and establishments with 10 or more employees and guarantees that women are entitled to a paid maternity leave of up to 26 weeks for the birth of a child. The Act also covers women who have worked for a minimum of 80 days in the 12 months immediately preceding the date of

elivery. The Maternity Benefit Act is a significant step in promoting gender equality at work by ensuring that women can balance work and family responsibilities without compromising their economic security.

xi. **Payment of Gratuity Act, 1972;**

The Payment of Gratuity Act, 1972 is a law that provides a gratuity benefit to employees who have worked for a certain period in an organization, as a form of reward for long service. The Act applies to factories, mines, shops, and other establishments with 10 or more employees. Employees are eligible for gratuity after completing a minimum of five years of continuous service with the same employer. The amount of gratuity is calculated based on the employee's last drawn salary and the number of years worke, with the formula being 15 days' wages for every completed year of service. The Payment of Gratuity Act is a crucial element of employee welfare, providing financial security for employees after the end of their employment.

xii. **Equal Remuneration Act, 1976;**

The Equal Remuneration Act, 1976 is a law designed to ensure equal pay for equal work for both men and women in India, aiming to eliminate gender-based wage discrimination in the workplace. The Act mandates that employers must pay equal remuneration to men and women workers for performing the same or similar work or work of equal value, thereby promoting gender equality in employment. The law prohibits discrimination in recruitment, training, promotions, or conditions of service based on gender. It applies to all establishments, whether in the public or private sector, and covers factories, mines, and other establishments. The Equal Remuneration Act plays a significant role in promoting fairness and equality at work, striving to remove the barriers of gender

based pay disparity.

xiii. **The Child and Adolescent Labour (Prohibition and Regulation) Act, 1986**

The Child and Adolescent Labour (Prohibition and Regulation) Act, 1986 is a law enacted in India to prohibit the employment of children below the age of 14 years in certain hazardous occupations and regulate the working conditions of adolescents (14 to 18 years). The primary aim of the Act is to prevent the exploitation of children by prohibiting their employment in dangerous or unhealthy jobs, particularly in sectors like factories, mines, and hazardous industries. It also provides for the rehabilitation

nd education of children who are rescued from labour. The Act is part of India's efforts to eliminate child labour and ensure that children and adolescents are protected and provided with opportunities for education and healthy development.

xiv. **Sexual Harassment of Women at Workplace (Prevention. Prohibition and Redressal) Act, 2013**

The Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013 is a law enacted to prevent and address sexual harassment of women in the workplace in India. The Act aims to create a safe and secure working environment for women by prohibiting sexual harassment, providing a mechanism for redressal, and ensuring strict action against offenders. The law applies to all workplaces, both in the public and private sectors, including offices, factories, educational institutions, and even domestic work. It defines sexual harassment as any unwelcome behaviour, including physical, verbal, or non-verbal conduct of a sexual nature, which creates an intimidating, ho

tile, or offensive work environment. However Internal Complaints Committee (ICC) compliance is only needed for establishments with ten or more employees.

xv. **The Apprentices Act, 1961**

The Apprentices Act, 1961 is a law enacted to regulate and promote the training of apprentices in various industries and establishments in India. The Act aims to provide a structured system of vocational training for young individuals, helping them gain skills and knowledge in specific trades, thereby improving their employability. The Act applies to establishments that have a training program for apprentices and mandates that employers provide both on-the-job training and theoretical education in certain trades. It defines the roles and responsibilities of both apprentices and employers, including the terms of apprenticeship, working conditions, and remuneration. Aim to regulate and control the training of apprentices in India, ensuring a skilled workforce by providing practical training and bridging the gap between academia and industry. It applies to all establishments with 30 or more employees, mandating them to engage apprentices in designated trades.

xvi. **The Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979**

The Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 is a labour law designed to protect the rights and welfare of migrant workers who move from one state to another for work in India. The Act aims to regulate the conditions of employment and ensure the fair treatment of migrant workers, who are often vulnerable to exploitation due to their transient nature of employment. It applies to establishments that employ five or more migrant workers who have been recruited through an agency or contractor from a different state. The Act mandates that employers provide migrant workers with certain protections, including fair wages, proper housing, medical facilities, and safety measures while working. It also requires employers to maintain registers documenting details of migrant workers, their wages, and other employment terms. The law specifically ensures that migrant workers are entitled to the same working conditions and benefits as local workers, including adequate wages and employment security.

## B) TAXATION LAWS

The purpose of taxation laws in India for companies is to establish a framework for the collection of taxes from businesses and ensure compliance with tax regulations.

### (i) Income-Tax Act, 1961

The Act establishes the legal framework for the assessment, collection, and administration of income tax. It sets out the rights, duties, and obligations of income tax payers, including businesses, regarding tax compliance for all entities as well as individuals situated in India. The government of India imposes an income tax on taxable income of all persons including individuals, Hindu Undivided Families (HUFs), companies, firms, association of persons, body of individuals, local authority and any other artificial judicial person. Levy of tax is separate on each of the persons. The levy is governed by the Indian Income Tax Act, 1961. The Indian Income Tax Department is governed by CBDT and is part of the Department of Revenue under the Ministry of Finance, Govt. of India. Income tax is a key source of funds that the government uses to fund its activities and serve the public. The quantum of tax determined as per the statutory provisions is payable as: a) Advance Tax; b) Self-Assessment Tax; c) Tax Deducted at Source (TDS); d) Tax Collected at Source (TCS); e) Tax on Regular Assessment.

(ii) **The Goods and Service Tax Act, 2017**

The GST Act establishes a legal framework for the collection, administration, and regulation of the Goods and Services Tax. It defines the rights, duties, and obligations of taxpayers, including businesses engaged in the sale of goods or provision of services. he GST Act mandates various compliance requirements for businesses. This includes obtaining a GST registration, filing regular GST returns, maintaining proper records, issuing tax invoices, and complying with specific provisions related to invoicing, input tax credit, and other aspects of the tax system. Further, Central Government levies GST on the inter-state supply of goods or services. The Act is applicable to the company.

**C) INTELLECTUAL PROPERTY LAWS**

The purpose of intellectual property (IP) laws in India for companies is to protect and promote innovation, creativity, and the rights of creators and inventors. These laws provide legal mechanisms for safeguarding various forms of intellectual property, such as patents, trademarks, copyrights, and industrial designs. The following laws are applicable to the company-

**(i) Trademarks Act, 1999 (TM Act)**

Trademark is used in relation to goods so as to indicate a connection in the trade and goods sold/services provided and a person having the right as proprietor or user to use the mark. The Trademarks Act. 1999. Trademarks Act governs the registration, acquisition, transfer and infringement of trademarks and remedies available to a registered proprietor or user of a trademark. The Act may be applicable to the Company in cases of infringement of a Trademark by the Company or if the Company registers a Trademark under the Act or wishes to enforce its trademark (registered or unregistered) against infringement by others.

**(ii) Copyrights Act, 1957**

The Copyrights Act governs copyright protection in India. Under the Copyright Act, copyright may subsist in original literary, dramatic, musical or artistic works, cinematograph films, and sound recordings. Following the issuance of the International Copyright Order, 1999, subject to

certain exceptions, the provisions of the Copyright Act apply to nationals of all member states of the World Trade Organization.

While copyright registration is not a prerequisite for acquiring or enforcing a copyright, registration creates a presumption favoring ownership of the copyright by the registered owner. Copyright registration may expedite infringement proceedings and reduce delay caused due to evidentiary considerations. Once registered, the copyright protection of a work lasts for 60 years.

The Act may be applicable to the Company in case of any infringement of Copyright by the Company or in case the Companies enforced its copyright against infringement. The remedies available in the event of infringement of a copyright under the Copyright Act include civil proceedings for damages, account of profits, injunction and the delivery of the infringing copies to the copyright owner. The Copyright Act also provides for criminal remedies, including imprisonment of the accused, imposition of fines and seizure of infringing copies.

**(iii) Patents Act, 1970**

The purpose of the Patent Act in India is to protect inventions. Patents provide the exclusive rights for the owner of a patent to make, use, exercise, distribute and sell a patented invention. The patent registration confers on the patentee the exclusive right to use, manufacture and sell his invention for the term of the patent. Patents are used for the interests of inventors on one hand and the interests of the public on the other hand. The inventors are rewarded with a limited exclusive right on their invention, for providing technical progress to the public.

An application for a patent can be made by (a) person claiming to be the true and first inventor of the invention; (b) person being the assignee of the person claiming to be the true and first invention in respect of the right to make such an application; and (c) legal representative of any deceased person who immediately before his death was entitled to make such an application. Penalty for the contravention of the provisions of the Patents Act include imposition of fines or imprisonment or both.

**(D) ENVIRONMENTAL REGULATIONS**

The purpose of environmental laws in India is to protect nature and ensure sustainable development. These laws help control pollution, conserve forests and wildlife, and manage natural resources wisely. They also set rules for industries to prevent harm to the environment and promote eco-friendly practices. The following are applicable to the Company.

**(i) The Environment Protection Act, 1986**

The purpose of the Environment Protection Act is to act as an "umbrella" legislation designed to provide a framework for Central government co-ordination of the activities of various central and state authorities established under previous laws. The Environment Protection Act authorizes the central government to protect and improve environmental quality, control, and reduce pollution from all sources, and prohibit or restrict the setting and /or operation of any industrial facility on

environmental grounds. The Act prohibits persons carrying on business, operation or process from discharging or emitting any environmental pollutant more than such standards as may be prescribed. Where the discharge of any environmental pollutant in excess of the prescribed standards occurs or is apprehended to occur due to any accident or other unforeseen act, the person responsible for such discharge and the person in charge of the place at which such discharge occurs or is apprehended to occur is bound to prevent or mitigate the environmental pollution caused as a result of such discharge and should intimate the fact of such occurrence or apprehension of such occurrence; and (b) be bound, if called upon, to render all assistance, to such authorities or agencies as may be prescribed.

**(ii) The Hazardous Wastes Management Rules, 2016**

These rules regulate the generation, collection, storage, packaging, transportation, use, treatment, processing, recycling, recovery, and disposal of hazardous wastes. They also control the import and export of hazardous wastes, making industries responsible for proper waste management. It provides that an occupier of a facility shall be responsible for safe and environmentally sound management of hazardous and other wastes generated in the establishment and hazardous and other wastes generated shall be sent or sold to an authorized actual user or shall be disposed of in an authorized disposal facility.

**(iii) Water (Prevention and Control of Pollution) Act, 1974**

The Water (Prevention and Control of Pollution) Act 1974 (the Act) was enacted with an objective to protect the rivers and streams from being polluted by domestic and industrial effluents. The Act provides for the prevention and control of water pollution and the maintaining or restoring of wholesomeness of water, for the establishment of Boards for the prevention and control of water pollution, for conferring on and assigning to such Boards powers and functions relating thereto and for matters connected therewith .It prohibits the discharge of toxic and poisonous matter in the river and streams without treating the pollutants as per the standard laid down by the Pollution control boards constituted under the Act. A person intending to commence any new industry, operation or process likely to discharge pollutants must obtain prior consent of the board constituted under the Act.

**(iv) Air (Prevention and Control of Pollution) Act, 1981**

Air (Prevention and Control of Pollution) Act 1981, provides for the prevention, control and abatement of air pollution, for the establishment, with a view to carrying out the aforesaid purposes, of Boards, for conferring on and assigning to such Boards powers and functions relating thereto and for matters connected therewith. It was enacted with an objective to protect the environment from smoke and other toxic effluents released in the atmosphere by industries. With a view to curb air pollution, the Act has declared several areas as air pollution control area and prior written consent is required of the board constituted under the Act, if a person intends to commence an industrial plant in a pollution control area.

**(v) Manufacture, Storage and Import of Hazardous Chemical Rules, 1989**

The Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989, regulate the safe handling, storage, and import of hazardous chemicals in India. These rules mandate industries to

identify and assess risks, maintain safety measures, and ensure proper labeling and documentation for hazardous chemicals. They also require setting up emergency plans, training personnel, and obtaining necessary licenses. Compliance with these rules helps minimize risks to health, safety, and the environment from the handling and storage of hazardous chemicals. These rules set safety requirements and procedures for industries involved in handling hazardous chemicals

**(vi) Bio-Medical Waste Management Rules, 2016**

The Bio-Medical Waste Management Rules, 2016, regulate the handling, segregation, transportation, and disposal of biomedical waste in India. It is applicable to healthcare facilities and industries dealing with medical solvents and hazardous biological waste. Enacted to ensure safe collection, treatment, and disposal of biomedical waste to prevent infections and contamination.

**(vii) The Montreal Protocol on Substances that Deplete the Ozone Layer**

The Montreal Protocol, finalized in 1987, is a global agreement to protect the stratospheric ozone layer by phasing out the production and consumption of ozone-depleting substances (ODS). ODS are substances that were commonly used in products such as refrigerators, air conditioners, fire extinguishers, and aerosols. The landmark agreement was signed in 1987 and entered into force in 1989. India became party to the Montreal Protocol on June 19, 1992. The parties to the Protocol meet once a year to make decisions aimed at ensuring the successful implementation of the agreement. These include adjusting or amending the Protocol, which has been done six times since its creation. The most recent amendment, the Kigali Amendment, called for the phase-down of hydrofluorocarbons (HFCs) in 2016. The Montreal Protocol provided a set of practical, actionable tasks that were universally agreed on. The Protocol has successfully met its objectives thus far and continues to safeguard the ozone layer today.

**(viii) The Ozone Depleting Substances (Regulation and Control) Rules, 2000**

The Ozone Depleting Substances (Regulation and Control) Rules, 2000 are formulated under the EPA. The rules provide that no person shall produce or cause to produce any ozone depleting substance after the date specified in the schedule and unless he is registered with the authority specified in the schedule thereto. The rules provide for corresponding percentage calculated on base level for production of ozone depleting substances. Furthermore, the rules also prescribe regulation for purchase, sale and use of Ozone Depleting Substances.

**(ix) Environmental Impact Assessment (EIA) Notification, 1994**

The Environmental Impact Assessment (EIA) Notification, 1994, in India is a crucial regulatory framework under the Environment (Protection) Act, 1986. This notification outlines the process for evaluating the potential environmental impacts of proposed development projects before they are undertaken. It mandates that certain projects undergo a comprehensive environmental impact assessment, considering factors such as air and water quality, biodiversity, and socio-economic impacts. The EIA Notification establishes procedures for public consultation, disclosure of project-related information, and submission of environmental clearance applications. The goal is to integrate environmental considerations into decision-making processes, ensuring sustainable development while minimizing adverse effects on the environment. Over the years, the EIA framework has undergone amendments to enhance its effectiveness in addressing contemporary

environmental challenges.

**(x) The Public Liability Insurance Act and Rules 1991 and Amendment, 1992**

Aims to provide immediate relief to victims of accidents involving hazardous substances, mandating owners to obtain insurance for such incidents.

**(xi) National Green Tribunal Act, 2010**

For effective and expeditious disposal of cases relating to environmental protection and conservation of forests and other natural resources including enforcement of any legal right relating to environment and giving relief and compensation for damages to persons and property and for matters connected therewith or incidental thereto. It is a specialized body equipped with the necessary expertise to handle environmental disputes involving multidisciplinary issues.

**(xii) The National Environment Appellate Authority Act, 1997**

Specialized body (NEAA) to hear appeals regarding environmental issues, particularly those related to restrictions on industries or operations under the Environment (Protection) Act, 1986. Its purpose was to provide a dedicated forum for resolving disputes and protecting environmental rights.

**(xiii) The Environment (Siting for Industrial Projects) Rules, 1999**

Lays down detailed provisions relating to areas to be avoided for siting of industries, precautionary measures to be taken for site selecting as also the aspects of environmental protection which should have been incorporated during the implementation of the industrial development projects.

**E) INDUSTRIAL SAFETY LAWS**

**(i) Chemical Accidents (Emergency, Planning, Preparedness and Response) Rules, 1996**

The Chemical Accidents (Emergency Planning, Preparedness and Response) Rules, 1996, in India constitute a regulatory framework designed to manage and respond to potential hazards associated with the handling and storage of hazardous chemicals. Formulated under the Environment (Protection) Act, 1986, these rules outline measures for the identification of hazardous installations, development of on-site and off-site emergency plans, and the constitution of a Crisis Group to coordinate emergency response efforts. They emphasize public information and awareness, require prompt notification of accidents, and mandate training and drills for personnel involved in handling hazardous chemicals. The rules aim to minimize the impact of chemical accidents by ensuring comprehensive emergency planning, preparedness, and response strategies.

**(ii) Transportation of Dangerous Goods Rules, 2008**

The Transportation of Dangerous Goods Rules, 2008, in India establish a regulatory framework to ensure the safe and secure transportation of hazardous materials. Formulated under the Motor Vehicles Act, 1988, these rules prescribe standards and procedures for the packaging, labelling, and transport of dangerous goods by road. The rules detail requirements for vehicle markings, documentation, and emergency response plans to mitigate potential risks

during transportation. Emphasizing the protection of public safety and the environment, these rules aim to prevent accidents, spillages, and other incidents related to the transportation of hazardous materials**.**

**(iii) Chemicals (Management and Safety) Rules, 1980**

The Chemicals (Management and Safety) Rules, 1980, in India constitute a regulatory framework aimed at ensuring the safe management and handling of hazardous chemicals. These rules, formulated under the Environment (Protection) Act, 1986, outline measures to control the import, transport, storage, and use of such chemicals to prevent adverse effects on human health and the environment. The rules encompass provisions for the classification of hazardous chemicals, labelling, safety data sheets, and the implementation of safety measures in industrial facilities. With a focus on risk assessment and prevention of chemical-related incidents, these rules play a crucial role in promoting the responsible management of chemicals across various industries.

**(iv) The Indian Boilers Act, 1923**

Aims to ensure the safety of life and property by regulating boilers, ensuring uniformity in registration and inspection, and preventing accidents related to boiler explosions.

**(v) The Occupational Safety, Health and Working Conditions Code, 2020**

Aims to consolidate and amend laws regulating occupational safety, health, and working conditions, applying to various sectors, including factories, construction, and more, with the purpose of improving worker safety and welfare.

**F) GENERAL/OTHER APPLICABLE LAWS**

General laws like the Contract Act, Competition Act, and Consumer Protection Act play a crucial role in regulating companies in India. These laws serve different purposes and provide a framework for fair and ethical business practices. Important laws inter alia applicable to the company are as follows:

**(i) The Companies Act, 2013**

The Act is applicable to the Company as it deals with incorporation of companies and post incorporation procedures and compliances. The conversion of private company into public company and vice versa is also laid down under the Act.

**(ii) Consumer Protection Act, 2019**

The Consumer Protection Act, 2019, aims to safeguard consumer rights in India by addressing unfair trade practices, deceptive advertising, and product defects. It establishes a robust mechanism for grievance redressal through Consumer Commissions at the district, state, and national levels. The Act introduces provisions for e-commerce platforms, ensures the right to health and safety, and strengthens the enforcement of consumer rights. It also empowers consumers with greater transparency, awareness, and access to timely dispute resolution. The Act is applicable as the company deals with sale/purchase of products to end consumers.

**(iii) The Information Technology Act, 2000**

The Act also aims to provide for the legal framework so that legal sanctity is accorded to all electronic records and other activities carried out by electronic means. The Act states that unless otherwise agreed, an acceptance of contract may be expressed by electronic means of communication and the same shall have legal validity and enforceability. The Act is applicable to the Company as it does carry out above activities.

**(iv) Micro, Small and Medium Enterprises Development Act, 2006:**

The Micro, Small, and Medium Enterprises Development (MSMED) Act, 2006 is a landmark legislation in India designed to foster the growth and development of micro, small, and medium enterprises (MSMEs), which are vital to the country's economic progress. The Act provides a clear classification of MSMEs based on their investment in plant and machinery or equipment and annual turnover. This classification is crucial for determining eligibility for various support measures and incentives under the Act.

The MSMED Act, 2006 also establishes a framework for supporting MSMEs through financial assistance, technology upgradation, and infrastructure development. It includes provisions for the Credit Guarantee Fund to offer collateral-free loans, enhancing access to finance for small businesses. Additionally, the Act promotes the registration of MSMEs to help them benefit from government schemes and subsidies. It also provides mechanisms for dispute resolution and the creation of institutions to support the sector's growth. By streamlining regulatory processes and providing targeted support, the MSMED Act aims to boost entrepreneurship, create jobs, and contribute to sustainable economic development. This Company is registered under this Act.

**(v) The Petroleum Act, 1934 & and rules thereunder**

Regulates the import, storage, transport, and handling of petroleum products in India to ensure safety and prevent hazards. It classifies petroleum based on flashpoints and provides a legal framework for licensing and safety compliance. The Act applies to industries, businesses, oil companies, and government bodies dealing with petroleum and is enforced nationwide.

**(vi) Indian Contract Act, 1872**

The Indian Contract Act, 1872 codifies the way in which a contract may be entered into, executed, implementation of the provisions of a contract and effects of breach of a contract. A person is free to contract on any terms he chooses. The Contract Act also provides for circumstances under which contracts will be considered as void or voidable. The Contract Act contains provisions governing certain special contracts, including indemnity, guarantee, bailment, pledge, and agency.

**(vii) The Competition Act, 2002**

The Competition Act, 2002 prohibits anti-competitive agreements, abuse of dominant positions by enterprises and regulates ―combinations in India. The Competition Act also established the Competition Commission of India (the ―CCI) as the authority mandated to implement the Competition Act. The provisions of the Competition Act relating to combinations were notified on March 4, 2011 and came into effect on June 1, 2011. Combinations which are likely to cause an appreciable adverse effect on competition in a relevant market in India are void under the Competition Act.

There are also different thresholds for those categorized as Individuals and Group. The CCI may enquire into all combinations, even if taking place outside India, or between parties outside India, if such combination is Likely to have an appreciable adverse effect on competition in India. Effective June 1, 2011, all combinations have to be notified to the CCI within 30 days of the execution of any agreement or other document for any acquisition of assets, shares, voting rights or control of an enterprise under Section 5(a) and (b) of the Competition Act (including any binding document conveying an agreement or decision to acquire control, shares, voting rights or assets of an enterprise); or the board of directors of a company (or an equivalent authority in case of other entities) approving a proposal for a merger or amalgamation under Section 5(c) of the Competition Act. The obligation to notify a combination to the CCI falls upon the acquirer in case of an acquisition, and on all parties to the combination jointly in case of a merger or amalgamation.

**(viii) Transfer of Property Act, 1882**

Transfer of Property Act, 1882 establishes the general principles relating to transfer of property in India. This Act lays down the legal framework for the transfer of property rights, including the sale, mortgage, lease, and gift of real estate. It outlines the procedures and conditions under which property can be legally transferred from one party to another, ensuring that transactions are conducted in a lawful manner. The Act defines various types of property transfers and provides guidelines for executing and registering such transfers, aiming to protect the interests of all parties involved and to prevent disputes.

One of the key features of the Act is, its detailed provisions on the transfer of property through sale and mortgage. It specifies the requirements for a valid sale deed, including the necessity of a written instrument and registration with the relevant authorities. The Act also addresses the legal implications of mortgages, detailing the rights and obligations of both mortgagors and mortgagees. Transfer of property is subject to stamping and registration under the specific statutes enacted for that purpose. Additionally, it covers lease agreements, providing a framework for the duration, terms, and conditions of lease contracts. Overall, the Transfer of Property Act, 1882 ensures transparency and fairness in property transactions, contributing to a stable real estate market.

**(ix) The Indian Stamp Act, 1899**

Under the Indian Stamp Act, 1899, stamp duty is payable on instruments evidencing a transfer or creation or extinguishment of any right, title or interest in immovable property. The Indian Stamp Act, 1899 provides for the imposition of stamp duty at the specified rates on instruments listed in Schedule I of the Stamp Act. However, under the Constitution of India, the states are also empowered to prescribe or alter the stamp duty payable on such documents executed within the state. Instruments chargeable to duty under the Stamp Act but which have not been duly stamped, are incapable of being admitted in court as evidence of the transaction contained therein. The Stamp Act also provides for impounding of instruments by certain specified authorities and bodies and imposition of penalties, for instruments which are not sufficiently stamped or not stamped at all Instruments which have not been properly stamped instruments can be validated by paying a penalty of up to 10 times of the total duty payable on such instruments.

**(x) Registration Act, 1908 (The "Registration Act")**

The purpose of the Registration Act, amongst other things, is to provide a method of public registration of documents so as to give information to people regarding legal rights and obligations arising or affecting a particular property, and to perpetuate documents which may afterwards be of legal importance, and also to prevent fraud. The purpose of the Registration Act is the conservation of evidence, assurances, title and publication of documents and prevention of fraud. It details the formalities for registering an instrument. Section 17 of the Registration Act identifies documents for which registration is compulsory and includes, among other things, any non-testamentary instrument which purports or operates to create, declare, assign, limit or extinguish, whether in present or in future, any right, title or interest, whether vested or contingent, in any immovable property of the value of one hundred rupees or more, and a lease of immovable property for any term exceeding one year or reserving a yearly rent. A document will not affect the property comprised in it, nor be treated as evidence of any transaction affecting such property (except as evidence of a contract in a suit for specific performance or as evidence of part performance under the TP Act or as collateral), unless it has been registered. Evidence of registration is normally available through an inspection of the relevant land records, which usually contains details of the registered property. Further, registration of a document does not guarantee title of land.

**(xi) Arbitration and Conciliation Act, 1996 and subsequent amendments**

The Arbitration and Conciliation Act was enacted to consolidate and amend the law relating to domestic arbitration, international commercial arbitration and enforcement of foreign arbitral awards as also to define the law relating to conciliation and for matters connected therewith or incidental thereto. The Act provides for the arbitral tribunal to gives reasons for its arbitral award, to ensure that the arbitral tribunal remains within the limits of its jurisdiction and thus minimizing the supervisory role of courts in the arbitral process. There are many provisions that also permit an arbitral tribunal to use mediation, conciliation or other procedures during the arbitral proceedings to encourage settlement of disputes, to provide that every final arbitral award is enforced in the same manner as if it were a decree of the court, to provide that a settlement agreement reached by the parties as a result of conciliation proceedings will have the same status and effect as an arbitral award on agreed terms on the substance of the dispute rendered by an arbitral tribunal and to provide that, for purposes of enforcement of foreign awards, every arbitral award made in a country to which one of the two International Conventions relating to foreign arbitral awards to which India is a party applies, will be treated as a foreign award.

**(xii) Legal Metrology Act, 2009**

The Legal Metrology Act, 2009, regulates the standards of weights and measures in India to ensure accuracy and fairness in trade. It establishes rules for the manufacture, sale, and use of weighing and measuring instruments. The Act mandates the use of standard units of measurement, prevents fraudulent practices, and ensures consumer protection. It also sets penalties for violations and requires manufacturers and traders to comply with prescribed standards to maintain transparency and accountability in commercial transactions. The Act is applicable to companies engaged in manufacturing, importing, packing, selling, or distributing certain products are subject to

mandatory compliance requirements. The Act is applicable to the Company as it is engaged in sale of products having such compliances.

**(xiii) The Insolvency and Bankruptcy Code (IBC), 2016**

Aims to consolidate and streamline insolvency and bankruptcy laws in India, providing a time-bound resolution process for corporate, partnership, and individual debtors, while promoting entrepreneurship and balancing stakeholder interests.

**(xiv) Customs and Import/Export Regulations**

If the Company is involved in importing or exporting goods, the relevant customs laws, Foreign Trade Policy, and other related regulations would be applicable such as Customs Act, 1962, Customs Tariff Act, 1975, Foreign Trade (Development and Regulation) Act, 1992 etc.

***Remainder of this page has been left blank intentionally***

## HISTORY AND CERTAIN OTHER CORPORATE MATTERS

Our company was originally formed as partnership firm under the Indian Partnership Act, 1932 in the name and style of "M/s. Snehaa Pharma Chemicals", pursuant to a deed of partnership dated October 26, 2017. Further, "M/s Snehaa Pharma Chemicals" was converted from partnership firm to a Private Limited Company in the name of "Snehaa Organics Private Limited" vide Certificate of Incorporation dated July 05, 2022 issued by Registrar of Companies, Central Registration Centre bearing CIN U24290TG2022PTC164443.Thereafter, our Company was converted into a Public Limited Company in pursuance of a special resolution passed by the members of our Company at the Extra Ordinary General Meeting held on December 18, 2024. A fresh Certificate of Incorporation consequent to conversion was issued on January 07, 2025 by the Registrar of Companies, CPC Manesar Haryana and consequently the name of our Company was changed from "Snehaa Organics Private Limited" to "Snehaa Organics Limited". The Company's Corporate Identification Number is U24290TG2022PLC164443.

## ADDRESS OF REGISTERED OFFICE AND OTHER OFFICE

| | | |
|---|---|---|
| 1 | Registered Office | Plot No. 290 & 291, Doolapally, Adjacent to IDA Jeedimetla, Hyderabad-500055 |
| 2 | Manufacturing unit | Survey No. 296/4/AA & 296/4/E at IDA Bollaram Village, Jinnaram Mandal, Bollaram Road, Medak District, Hyderabad, Telangana - 502325 |
| 3 | Warehousing | Survey No. 296/7/3, IDA Bollaram Village, Jinnaram Mandal Hyderabad, Sangareddy, Telangana – 502325 |

## CHANGE OF REGISTERED OFFICE

There is no change in the registered office of our Company since its incorporation.

### MAJOR EVENTS AND MILESTONES IN THE HISTORY OF THE COMPANY

The Table below sets forth some of the major events in the history of our company:

| Year | Key Events/ Milestone/ Achievements |
|---|---|
| 2017 | Originally started business to act as Distillation of Solvents and manufacture of pharma chemicals as a partnership firm in the name of "M/s Snehaa Pharma Chemicals" |
| 2017* | Establishment of Manufacturing Plant. |
| 2022 | Incorporation of the Company as Private Limited Company from partnership firm in the name of Snehaa Organics Private Limited. |
| 2025 | Conversion of the Company from Private Limited to Public Limited. |

**Promoter has acquired the M/s Snehaa Pharma Chemicals as a going concern, and the manufacturing operations were part of the ongoing business.*

## MAIN OBJECT OF OUR COMPANY

1. To carry on the business of Distillation of Solvents and Manufacture of Pharma chemicals and job works in pharma chemicals.

2. To manufacture, produce, refine, process, formulate, mix or prepare, mine or otherwise acquire, invest in, own, hold, use, lease, mortgage, pledge, buy, sell, exchange, distribute, assign, transfer or otherwise dispose of, trade, deal in and deal with, import and export any and all classes and kinds of fertilizers, organic fertilizers, inorganic fertilizers, agricultural chemicals, manures, their mixtures and formulations and any and all classes and kinds of chemicals, source materials, ingredients, mixtures derivatives and compounds thereof.

3. To deal in sale and purchase of fertilizers, chemicals and other allied items.

4. To float companies, firms to carry on business of manufacturing fertilizers and chemicals and other allied items.

5. To acquire and erect factories for manufacturing of fertilizers and chemicals of all kinds and description required for agricultural and other allied industries.

## AMENDMENT TO THE MEMORANDUM OF ASSOCIATION OF THE COMPANY

Since incorporation, the following changes have been made to the Memorandum of Association of the Company:

| Details of Shareholders Approval | Type of General Meeting | Amendments |
|---|---|---|
| September 05, 2022 | EGM | *Clause V of the MoA was amended to reflect an increase in the Authorised share capital of our Company from ₹ 50,00,000 consisting 5,00,000 equity shares of ₹ 10 each to ₹ 1,00,00,000 consisting of ₹ 10,00,000 equity shares of ₹ 10 each* |
| November 22, 2024 | EGM | *Clause V of the MoA was amended to reflect an increase in the Authorised share capital of our Company from ₹ 1,00,00,000 consisting of ₹ 10,00,000 equity shares of ₹ 10 each to ₹ 11,00,00,000 consisting of 1,10,00,000 equity shares of ₹ 10 each* |
| December 18, 2024 | EGM | *Conversion of Company from Private Limited into Public Limited Company i.e. from Snehaa Organics Private Limited to Snehaa Organics Limited.* |

## DETAILS OF BUSINESS OF OUR COMPANY

For details on the description of our company's activity, business model, marketing strategy, strength, please see our 'Business', 'Management Discussion and Analysis of Financial Conditions' and 'Basis for Issue Price' on page 178, 320 and 114 respectively.

## CAPITAL RAISING (DEBT/EQUITY)

For details in relation to our capital raising activity through equity, please refer to the chapter titled "Capital Structure" beginning on page **89** of the Red Herring Prospectus.

For a description of our company's Debt facility, see, "Financial Indebtedness" on page **336** of the Red Herring Prospectus.

## DEFAULT OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTION /BANKS

There have been no defaults or rescheduling of borrowings with any financial institutions / Banks as on the date of the Red Herring Prospectus. Furthermore, none of the Company's loan from any of the financial institutions / Banks have been converted into equity in the past.

## TIME AND COST OVERRUNS IN SETTING UP OF PROJECT

There has been no time /cost overrun in setting up of Project by our Company.

## REVALUATION OF ASSETS

Our Company has not revalued its assets since incorporation

## LOCK-OUT OR STRIKES

There have been no lock-outs or strikes in our company since incorporation.

## CHANGE IN ACTIVITIES OF OUR COMPANY SINCE INCORPORATION

There has been no change in business activities of our company since incorporation from the date of this Red Herring Prospectus which may have had a material effect on the profit/loss account of our Company except as mentioned in Material development in Chapter titled "Management Discussion and Analysis of Financial Conditions & Result of Operations" beginning on page **320** of the Red Herring Prospectus.

## HOLDING COMPANY OF OUR COMPANY

Our Company does not have any Holding Companies as on the date of filing of this Red Herring Prospectus.

## SUBSIDIARY COMPANY OF OUR COMPANY

Our Company does not have any Subsidiary Companies as on the date of filing of this Red Herring Prospectus.

## INJUNCTIONS OR RESTRAINING ORDERS

Our Company is not operating under any injunctions or restraining orders.

## DETAILS REGARDING ACQUISITION OF BUSINESS / UNDERTAKING, MERGERS, AMALGAMATION, REVALUTAION OF ASSETS

There are no Merger, Amalgamation etc. with respect to our Company and we have not acquired any business undertaking since incorporation.

## NUMBER OF SHAREHOLDER OF OUR COMPANY

Our Company has seven shareholders as on date of the Red Herring Prospectus. For further details on the Shareholding Pattern of our Company, please refer to the Chapter titled "Capital Structure" beginning on page **89** of the Red Herring Prospectus.

## ReDETAILS OF PAST PERFORMANCE

For details of Change in management, please see chapter titled "Our Management" on page **243** of the Red Herring Prospectus.

## DETAILS OF FINANCIAL PERFORMANCE

For details in relation to our financial performance in the previous three financial years, including details of non- recurring items of income, refer to section titled "Financial Information" beginning on page **282** of this Red Herring Prospectus.

## SHAREHOLDER AGREEMENT

Our company has not entered into any shareholders agreement as on the date of filing of this Red Herring Prospectus.

## COLLABORATION AGREEMENT

As on the date of the Red Herring Prospectus, Our Company is not party to any collaboration agreement.

## RESTRICTIVE COVENANTS IN LOAN AGREEMENTS

Our Company has taken Credit facilities from any of the Banks / Financial Institutions but no restrictive covenants applicable on company.

## STRATEGIC / FINANCIAL PARTNERS

Our Company does not have any Strategic / Financial Partner as on the date of this Red Herring Prospectus.

## OTHER AGREEMENTS

- Our Company has not entered into any non-compete Agreement on the date of this Red Herring Prospectus.
- Our Company has not entered into any Joint Venture Agreement on the date of this Red Herring Prospectus.

## OTHER INFORMATION: -

- There are no other agreements/ arrangements and clauses / covenants which are material and which needs to be disclosed or non-disclosure of which may have bearing on the investment decision, other than the ones which have already disclosed in the offer document.
- There are no findings/observations of any of the inspections by SEBI or any other regulator which are material and which needs to be disclosed or non-disclosure of which may have bearing on the investment decision, other than the ones which have already disclosed in the offer document.

- There is no any conflict of interest between the suppliers of raw materials and third-party service providers (crucial for operations of the company) and the company, Promoter, Promoter Group, Key Managerial Personnel, Directors and subsidiaries / Group Company and its directors.
- There is no any conflict of interest between the lessor of the immovable properties, (crucial for operations of the company) and the company, Promoter, Promoter Group, Key Managerial Personnel, Directors and subsidiaries / Group Company and its directors.

***Remainder of this page has been left blank intentionally***

# OUR MANAGEMENT

## Our Board of Directors

In accordance with our Articles of Association, unless otherwise determined in a general meeting of the Company and subject to the provisions of the Companies Act, 2013 and other applicable rules, the number of Directors of the Company shall not be less than three (3) and not more than fifteen (15). As on date of this Red Herring Prospectus, we have five (5) Directors on our Board, which includes one (1) Managing Director, one (1) Whole Time Director, and one (1) Non-Executive Director, and two (2) Independent Directors. Our Company is in compliance with the corporate governance norms prescribed under the SEBI Listing Regulations and the Companies Act, 2013, in relation to the composition of our Board and constitution of committees thereof.

Set forth below, are details regarding our Board as on the date of this Red Herring Prospectus:

| Name, Designation, DIN, Date of Birth, Address, Qualification, Experience, Occupation, Term, Period of Directorship and Nationality | Age (years) | Other Directorships |
|---|---|---|
| **Mr. Nandigala Venkata Sai Harish**<br><br>**Designation:** Whole Time Director<br>**DIN:** 07967075<br><br>**Date of Birth:** January 21, 1998<br><br>**Address:** Villa No 167, Ashoka Ala Maison, Doolapally, Dulapalle, Medchal−Malkajgiri, Telangana - 500014<br><br>**Qualification:** Bachelor of Business Administration (Finance) from Alliance University<br><br>**Experience:** More than 6 Years<br><br>**Occupation:** Business<br><br>**Term:** For a period of 5 years w.e.f. November 25, 2024<br><br>**Period of Directorship**: Director since Incorporation and appointed as Whole Time Director on November 25, 2024<br><br>**Nationality:** Indian | 27 | 1. Vestro Solvents Private Limited<br>2. Vedant Agri Foods Private Limited<br>3. Vedant Logitech Private Limited<br>4. Vestro Labs Private Limited<br>5. Vestro Chemical Corporation Private Limited<br>6. Vedant Petrochem Private Limited |
| **Mr. Nandigala Venkata Sai Kiran**<br><br>**DIN:** 07986570<br><br>**Date of Birth:** January 24, 1999<br><br>**Designation:** Managing Director | 26 | 1. Vestro Solvents Private Limited<br>2. Vedant Agri Foods Private Limited<br>3. Vestro Labs Private Limited<br>4. Vestro Containers Private Limited |

| Name, Designation, DIN, Date of Birth, Address, Qualification, Experience, Occupation, Term, Period of Directorship and Nationality | Age (years) | Other Directorships |
|---|---|---|
| **Address:** Villa No 167, Ashoka Ala Maison, Dulapalle, Medchal−Malkajgiri, Telangana - 500014<br><br>**Qualification:** Bachelor of Arts from FLAME University.<br><br>**Experience:** 5 Year<br><br>**Occupation:** Business<br><br>**Term:** For a period of 5 years w.e.f. December 01, 2022<br><br>**Period of Directorship**: Director since incorporation and appointed as Managing Director on December 01, 2022<br><br>**Nationality:** Indian | | 5. Vedant Petrochem Private Limited |
| **Ms. Samhitha Reddy Tera**<br><br>**DIN:** 10913944<br><br>**Date of Birth:** November 24, 2001<br><br>**Designation:** Non-Executive Director<br><br>**Address:** 5-11-117/2, Venkateshwara Nagar, H.B. Colony, Maula Ali Post, Secunderabad, Hyderabad, Andhra Pradesh- 500040<br><br>**Qualification:** Bachelor of Arts (Honours) from University of Toronto<br><br>**Experience:** Nil<br><br>**Occupation: Service**<br><br>**Term:** Liable to be retire by rotation<br><br>**Period of Directorship**: Director w.e.f. January 21, 2025<br><br>**Nationality:** Indian | 23 | *Nil* |
| **Ms. Khushbu Kachhawa**<br><br>**DIN:** 10872432<br><br>**Date of Birth:** June 02, 1998 | 27 | *Nil* |

| Name, Designation, DIN, Date of Birth, Address, Qualification, Experience, Occupation, Term, Period of Directorship and Nationality | Age (years) | Other Directorships |
|---|---|---|
| **Designation:** Independent Director<br><br>**Address:** 2-1-163/1, Street No. 16, Old Nallakunta, Near Old Ramalayam, New Nallakunta, Hyderabad, Telangana-500044<br><br>**Occupation:** Service<br><br>**Qualification:** Bachelor of Commerce from Osmania University<br><br>**Experience:** More than 4 Years<br><br>**Term:** A period of five (5) years with effect from December 17, 2024 to December 16, 2029.<br><br>**Period of Directorship**: Director since December 17, 2024<br><br>**Nationality:** Indian | | |
| **Ms. Gurprit Kaur**<br><br>**DIN:** 10894590<br><br>**Date of Birth:** October 10, 1991<br><br>**Designation:** Independent Director<br><br>**Address:** House No. 235/A2, Hanuman Nagar, Booty More, Ranchi, Near Gymkhana Club, Booti, Ranchi Jharkhand-834009<br><br>**Qualification:** B.com & CS<br><br>**Experience:** More than 6 Years<br><br>**Occupation:** Service<br><br>**Term:** A period of five (5) years with effect from January 21, 2025 to January 20, 2030<br><br>**Period of Directorship**: Director since January 21, 2025<br><br>**Nationality:** Indian | 33 | Nil |

## BRIEF PROFILE OF DIRECTOR

**Mr. Nandigala Venkata Sai Harish**, aged 27 years, is a Whole Time Director of Snehaa Organics Limited and Founding Promoter of the company. He was appointed as the First Director on the Board of our Company upon its incorporation on July 05, 2022. He is a Bachelor of Business Administration (Finance) from Alliance University of Bangalore, with over 6 years of experience in the International Business, Finance and Petrochemical Industry. Mr. Harish is currently serving as a director in Vestro Solvents Private Limited, Vedant Agri Foods Private Limited, Vedant Logitech Private Limited, Vestro Labs Private Limited, Vestro Chemical Corporation Private Limited & Vedants Petrochem Private Limited. He was appointed as Whole Time Director of the company for a period of 5 years w.e.f. November 25, 2024.

**Mr. Nandigala Venkata Sai Kiran,** aged 26 years, is the Managing Director of Snehaa Organics Limited and Founding Promoter of the Company. He was appointed as the First Director on the Board of our Company upon its incorporation on July 05, 2022. He has gained the qualification of Bachelor of Arts from FLAME University. He has 5 years of experience and brings the extensive knowledge in optimizing business operations and streamlining production processes. Mr. Kiran currently serving as the Director in Vestro Solvents Private Limited, Vedant Agri Foods Private Limited, Vestro Labs Private Limited, Vestro Containers Private Limited and Vedant Petrochem Private Limited. He was appointed as Whole Time Director of the company for a period of 5 years w.e.f. December 01, 2022

**Ms. Samitha Reddy Tera,** aged 23 years, is a Non-Executive Director on the Board of Snehaa Organics Limited since January 21, 2025. She holds a Bachelor of Arts degree from the University of Toronto, which has equipped her with a strong foundation in critical thinking and strategic analysis. In her upcoming role Samhitha will bring her expertise and insights to help guide Snehaa Organics Limited towards continued success and growth. Prior to this, there is no employment in any company.

**Ms. Khushbu Kachhawa,** aged 27 years, is an Independent Director on the Board of Snehaa Organics Limited since December 17, 2024. She holds a Bachelor of Commerce Degree from Osmania University. Ms. Khushbu Kachhawa is having about 4 years of experience in the trading activities of FMCG sector and expertise in corporate secretarial and legal services. She is proficient in managing corporate compliance, governance, regulatory requirements, and possess a strong understanding of food and edible products dynamics. In past, she has associated with Shree Ram Namkeen, Proprietorship and currently she is providing her services in Z & Z Finedge Consulting Private Limited also since November 2023.

**Ms. Gurprit Kaur,** aged 33 years, is an Independent Director on the board of Snehaa Organics Limited since January 21, 2025. She holds a B. Com and is a qualified Company Secretary (CS), being a member of the Institute of Company Secretaries of India (ICSI). She has over 6 years of experience in corporate law, Governance and Secretarial Practises. In past, she has associated with O.P. Jalan & Associates Consultants LLP and Swift Salahkar Private Limited and as Company Secretary in Advanced System in Package Technologies Private Limited since January 2023 till March 2025. She is currently working as a Company Secretary in New Jaisa Technologies limited.

## CONFIRMATION

As on the date of this Red Herring Prospectus.

A. None of the above-mentioned Directors are on the RBI List of wilful defaulters or Fraudulent Borrowers. in terms of RBI master circular dated July 01, 2016.

B. Neither Promoters nor persons forming part of our Promoter Group, our directors or persons in control of our Company or our Company are debarred from accessing the capital market by SEBI.

C. None of the Promoters, Directors or persons in control of our Company, has been or is involved as a promoters,

any order or directions made by SEBI or any other regulatory authority.

D. None of our Directors are/were director of any company whose shares were delisted from any stock exchange(s) during his/her tenure.

E. None of Promoters or Directors of our Company are a fugitive economic offender as defined in Regulation 2(1)(p) of the SEBI ICDR Regulations, nor have been declared as a 'fugitive economic offender' under Section 12 of the Fugitive Economic Offenders Act, 2018.

F. None of our Directors are/were director of any company whose shares were suspended from trading by stock exchange(s) or under any order or directions issued by the stock exchange(s)/ SEBI/ other regulatory authority in the last five years.

G. In respect of the track record of the directors, there have been no criminal cases filed or investigations being undertakenwith regard to alleged commission of any offence by any of our directors and none of our directors have been charge-sheeted with serious crimes like murder, rape, forgery, economic offence.

## NATURE OF FAMILY RELATIONSHIP BETWEEN DIRECTORS

Except as stated below, none of the Directors or Director and Key Managerial Personnel or Senior Management of the Company are related to each other as per Section 2(77) of the Companies Act, 2013:

| Name of the Director | Designation | Relationship with other Directors |
|---|---|---|
| Nandigala Venkata Sai Harish | Whole Time Director | Brother of Nandigala Venkata Sai Kiran & Spouse of Samhitha Reddy Tera |
| Nandigala Venkata Sai Kiran | Managing Director | Brother of Nandigala Venkata Sai Harish |
| Samhitha Reddy Tera | Non-Executive Director | Spouse of Nandigala Venkata Sai Harish |

## DETAILS OF CURRENT AND PAST DIRECTORSHIP(S) OF THE ABOVE DIRECTORS IN LISTED COMPANIES WHOSE SHARES HAVE BEEN / WERE SUSPENDED FROM BEING TRADED ON ANY OF THE STOCK EXCHANGES, DURING HIS/HER TENURE

None of our Directors is or was a director of any company listed on any stock exchange, whose shares have been or were suspended from being traded during the five years preceding the date of this Red Herring Prospectus, during the term of his/her directorship in such company.

## DETAILS OF CURRENT AND PAST DIRECTORSHIP(S) OF THE ABOVE DIRECTORS IN LISTED COMPANIES WHICH HAVE BEEN/ WERE DELISTED FROM THE STOCK EXCHANGE(S), DURING HIS/HER TENURE

None of our Directors is, or was a director of any listed company, which has been or was delisted from any stock exchange, during the term of his/her directorship in such company.

## DETAILS OF ANY ARRANGEMENT OR UNDERSTANDING WITH MAJOR SHAREHOLDERS, CUSTOMERS, SUPPLIERS OR OTHERS, PURSUANT TO WHICH ANY OF THE DIRECTOR WAS SELECTED AS DIRECTOR OR MEMBER OF SENIOR MANAGEMENT

None of our Directors have been appointed or selected pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others.

## DETAILS OF SERVICE CONTRACTS ENTERED INTO BY THE DIRECTORS WITH THE COMPANY PROVIDING FOR BENEFITS UPON TERMINATION OF EMPLOYMENT

Other than the statutory benefits that the KMPs are entitled to, upon their retirement, Directors and the Key Managerial Personnel of our Company have not entered into any service contracts pursuant to which they are entitled to any benefits upon termination of employment or retirement.

## DETAILS OF BORROWING POWERS

In terms of the resolution passed at the Extra Ordinary General Meeting of our Company held on 21.01.2025 and pursuant to Section 180(1)(c) of the Companies Act,2013 (including any statutory modification or re-enactment thereof, for the time being in force) and Articles of Association of the Company, consent of the Company be and is hereby given to the Board of Directors of the Company to borrow moneys whether rupee loans or foreign currency loans or other external commercial borrowings, from time to time, at their discretion together with the moneys to be borrowed/already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) either from the Company's Bankers and/or any one or more persons or Financial Institutions or from any other sources abroad, such as, Foreign Banks, Foreign Investment/Financial Institutions or Funds or other Bodies. Authorities/Entities abroad whether by way of cash credit. advance. loans or bill discounting, Issue of Non-Convertible Debentures/Fully Convertible Debentures/Partly Convertible Debentures with or without detachable or non-detachable warrants or warrants of any other kind, bonds, external commercial borrowings or other debt instruments, or otherwise and whether unsecured or secured by mortgage. charge. hypothecation or lien or pledge on the Company's assets and properties whether movable or immovable or stock-in-trade (including raw materials, stores, spare parts and components or stock in transit) and work-in-progress of the Company on such terms and conditions as may be considered suitable by the Board of Directors up to a limit of INR.50,00,00,000/- [Indian Rupees Fifty Crore Only] in excess of the aggregate of the paid-up-capital of the Company and its free reserves, that is to say reserves not set apart for any specific purpose."

## REMUNERATION /COMPENSATION OF MANAGING DIRECTOR

Pursuant to a resolution passed by the Board of Directors at the meeting held on December 01, 2022 Mr. Nandigala Venkata Sai Kiran was designated as the Managing Director of our Company for a period of Five (05) year with effect from December 01, 2022. Pursuant to a resolution passed by the Board of Directors at the meeting held on November 23, 2024 and approved by the Shareholders of our Company at the EGM held on November 25, 2024, consent is given for payment of remuneration to Mr. Nandigala Venkata Sai Kiran in accordance with Sections 197, 198, 203 and other relevant provisions of the Companies Act, 2013 read with Schedule V of the Act and Rules prescribed thereunder. The terms and conditions approved by the Board of Directors have been summarised below:

| | |
|---|---|
| **Remuneration (including Perquisites and benefits, is any)** | ₹ 26,66,664 (Indian Rupees Twenty-Six Lakhs Sixty-Six Thousand Six Hundred and Sixty-Four Only) for each year effective from 01st December 2024. |
| **Minimum Remuneration** | All perquisites and other allowances limited to remuneration as per applicable provisions of Schedule V of the Companies Act, 2013 |
| **Commission** | Nil |
| **Remuneration paid for the period from April 01, 2023 to March 31, 2024** | Nil |
| **Remuneration paid for the period from April, 2024 to March 31, 2025** | Rs 8,88,888/- |

## TERMS OF APPOINTMENT AND REMUNERATION OF OUR WHOLE-TIME DIRECTOR

Pursuant to a resolution passed by the Board of Directors at the meeting held on November 23, 2024 and approved by the Shareholders of our Company at the EGM held on November 25, 2024 Mr. Nandigala Venkata Sai Harishwas designated as the Whole Time Director of our Company for a period of Five (05) year with effect from November 25, 2024. The terms and conditions approved by the Board of Directors have been summarised below:

| | |
|---|---|
| **Remuneration (including Perquisites and benefits, is any)** | ₹ 26,66,664 (Indian Rupees Twenty-Six Lakhs Sixty-Six Thousand Six Hundred and Sixty-Four Only) for each year effective from 01st December 2024. |
| **Minimum Remuneration** | All perquisites and other allowances limited to remuneration as per applicable provisions of Schedule V of the Companies Act, 2013 |
| **Commission** | Nil |
| **Remuneration paid for the period from April 01, 2023 to March 31, 2024** | Nil |
| **Remuneration paid for the period from April, 2024 to March 31, 2025** | Rs 8,88,888/- |

## REMUNERATION DETAILS OF OUR DIRECTOR

*(i) Sitting fee details of our Independent Directors and Non-Executive Directors*

| S. No. | Name of the Director | Remuneration (₹ in lacs) |
|---|---|---|
| **1.** | Khushbu Kachhawa | 0.30 |
| **2.** | Gurprit Kaur | 0.23 |

*Note: - With effect from December 17, 2024, for Khushbu Kachhawa (Independent Director) and January 21, 2025, for Gurprit Kaur (Independent Director), a sitting fee of ₹25,000 per quarter is applicable.

## REMUNERATION PAID TO OUR DIRECTOR BY OUR SUBSIDIARY

As on the date of this Red Herring Prospectus, our Company does not have a subsidiary.

## SHAREHOLDING OF DIRECTORS IN OUR COMPANY

Except as stated below, none of our directors holds any Equity Shares of our Company as on the date of filing of this Red Herring Prospectus:

| Sr. No. | Name of Director | Number of Equity Shares | % of the pre-Issue Equity Share Capital |
|---|---|---|---|
| 1) | Nandigala Venkata Sai Harish | 37,50,000 | 50.00% |

| Sr. No. | Name of Director | Number of Equity Shares | % of the pre-Issue Equity Share Capital |
|---|---|---|---|
| | | | |
| 2) | Nandigala Venkata Sai Kiran | 37,49,995 | 49.99% |

*Note: Our Articles of Association do not require our directors to hold any qualification Equity Shares in the Company.*

## INTEREST OF OUR DIRECTORS

Our Executive Directors may be deemed to be interested to the extent of remuneration paid to them for services rendered as a Director of our Company and reimbursement of expenses, if any, payable to them. For details of remuneration paid to our see "Terms of appointment and remuneration of our Executive Directors" above.

Our directors may also be interested to the extent of Equity Shares, if any, held by them or held by the entities in which they are associated as promoters, directors, partners, proprietors or trustees or kartas or coparceners or held by their relatives or that may be subscribed by or allotted to the companies, firms, ventures, trusts in which they are interested as promoters, directors, partners, proprietors, members or trustees, pursuant to this Issue. Except as disclosed in "Financial Information" and "Our Promoter and Promoter Group" beginning on Page Nos. **282** and **259** respectively of this Red Herring Prospectus, our directors are not interested in any other company, entity or firm.

Except as stated in "Restated Financial Information –Annexure XXXIII – Statement of Related Party Transactions" on Page No. **309** of this Red Herring Prospectus, our directors do not have any other interest in the business of our Company.

## INTEREST AS TO PROPERTY

Except as mentioned in "Our Business – Place of Business" and "Restated Financial Information –Annexure-XXXIII– Statement of Related Party Transactions" from the chapter titled "Restated Financial Information" on Page Nos. **183** and **309** of this Red Herring Prospectus. our directors do not have any interest in any property acquired or proposed to be acquired by our Company.

## BONUS OR PROFIT-SHARING PLAN FOR OUR DIRECTORS

None of our Directors are a party to any bonus or profit-sharing plan.

## CHANGES IN OUR BOARD DURING THE LAST THREE YEARS

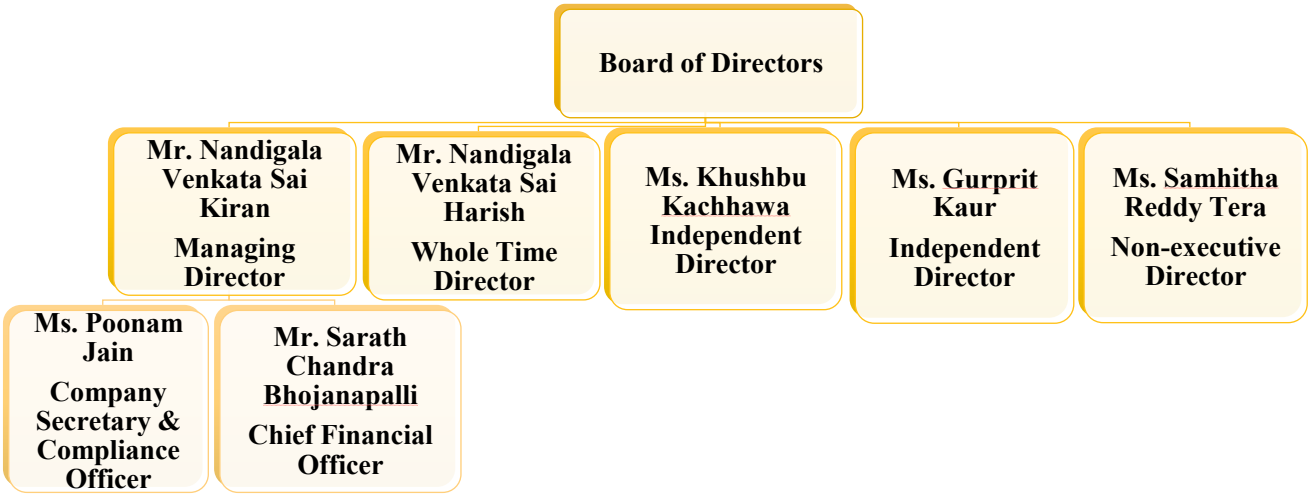
Save and except as mentioned below, there had been no change in the Directorship during the last three (3) years. To maintain brevity and to avoid any confusion, this table does not enumerate the instances where the status or designation of the Director has been changed or when the appointment of an Additional Director has been regularized:

| Name of Director | Date of Appointment/ Change | Date of Cessation | Reasons for change/appointment |
|---|---|---|---|
| Nandigala Venkata Sai Kiran | December 01, 2022 | - | Change in designation to Managing Director |
| Nandigala Venkata Sai Harish | November 25, 2024 | - | Change in designation to Whole Time Director |
| Khushbu Kachhawa | December 17, 2024 | - | Appointed as Non-Executive Independent Director |
| Samhitha Reddy Tera | January 21, 2025 | - | Appointed as Non-Executive Director |
| Gurprit Kaur | January 21, 2025 | - | Appointed as Non-Executive |

| Name of Director | Date of Appointment/ Change | Date of Cessation | Reasons for change/appointment |
|---|---|---|---|
| | | | Independent Director |

## MANAGEMENT ORGANIZATION STRUCTURE

Set forth is the management organization structure of our Company:




## COMMITTEES OF OUR BOARD

Our Board has constituted following committees in accordance with the requirements of the Companies Act 2013:

a) Audit Committee;

b) Stakeholders' Relationship Committee; and

c) Nomination and Remuneration Committee;

Details of each of these committees are as follows:

### a) AUDIT COMMITTEE

The Audit Committee was constituted *vide* Board resolution dated January 21, 2025 in accordance with the provisions of Section 177 of the Companies Act, 2013 and Rule 6 and 7 of Companies (Meetings of Board and its Powers) Rules, 2014, as amended from time to time, read with Regulation 18 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. As on the date of this Red Herring Prospectus, the Audit Committee comprises of:

| Sr. No. | Name of the Director | Audit Committee |
|---|---|---|
| 1. | Gurprit Kaur | Chairman |
| 2. | Khushbu Kachhawa | Member |
| 3. | Nandigala Venkata Sai Kiran | Member |

**The Audit Committee shall have the following powers/responsibilities:**

i. To investigate any activity within its terms of reference;

ii. To seek information from any employee;

iii. To obtain outside legal or other professional advice; and

iv. To secure attendance of outsiders with relevant expertise, if it considers necessary.

**The role of the Audit Committee not limited but shall include the following:**

i. Oversight of our Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

ii. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.

iii. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.

iv. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:

   a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;

   b. Changes, if any, in accounting policies and practices and reasons for the same;

   c. Major accounting entries involving estimates based on the exercise of judgment by management;

   d. Significant adjustments made in the financial statements arising out of audit findings;

   e. Compliance with listing and other legal requirements relating to financial statements;

   f. Disclosure of any related party transactions;

   g. Qualifications in the draft audit report.

v. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.

vi. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

vii. Review and monitor the auditor's independence and performance, and effectiveness of audit process.

viii. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.

ix. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

x. Discussion with internal auditors any significant findings and follow up there on.

xi. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

xii. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

xiii. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

xiv. To review the functioning of the Whistle Blower mechanism.

xv. Approval of appointment of chief financial officer (or the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.

xvi. Approval or any subsequent modification of transactions with related parties.

xvii. Scrutiny of inter-corporate loans and investments.

xviii. Valuation of undertakings or assets of our Company, whenever necessary.

xix. Evaluation of internal financial controls and risk management systems.

xx. Review of management discussion and analysis report, management letters issued by the statutory auditors, etc.

xxi. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

**The Audit Committee shall mandatorily review the following information:**

1) management discussion and analysis of financial condition and results of operations;

2) management letters/letters of internal control weaknesses issued by the statutory auditors;

3) internal audit reports relating to internal control weaknesses; and

4) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.

5) statement of deviations:

(a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).

(b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

## b) NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee was constituted at a meeting of the Board of Directors held on January 21, 2025 in accordance with the provisions of Section 178 of the Companies Act, 2013 and Rule 6 of Companies (Meetings of Board and its Powers) Rules, 2014, as amended from time to time, read with Regulation 19 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. As on the date of this Red Herring Prospectus the Nomination and Remuneration Committee comprises of:

| Sr. No. | Name of the Director | Nomination and Remuneration Committee |
|---|---|---|
| 1. | Gurprit Kaur | Chairman |
| 2. | Khushbu Kachhawa | Member |
| 3. | Samhitha Reddy Tera | Member |

**Role of the Nomination and Remuneration Committee not limited to but includes:**

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;

   a. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
   a. use the services of an external agencies, if required;
   b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
   c. consider the time commitments of the candidates.

2. Identifying persons who are qualified to become directors and may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal

3. Formulation of criteria for evaluation of performance of independent directors and Board of Directors.

4. Devising a policy on diversity of Board of Directors.

5. Deciding on, whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

6. Decide the salary, allowances, perquisites, bonuses, notice period, severance fees and increment of Executive Directors.

7. Define and implement the Performance Linked Incentive Scheme (including ESOP of our Company) and evaluate the performance and determine the amount of incentive of the Executive Directors for that purpose.

8. Decide the amount of Commission payable to the Whole time Director / Managing Directors.

9. Review and suggest revision of the total remuneration package of the Executive Directors keeping in view the performance of our Company, standards prevailing in the industry, statutory guidelines etc.

10. To formulate and administer the Employee Stock Option Scheme.

## c) STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee has been formed by the Board of Directors, at the meeting held on January 21, 2025 in accordance with the provisions of Section 178(5) of the Companies Act, 2013 and Companies (Meetings of Board and its Powers) Rules, 2014, as amended from time to time, read with Regulation 20 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. As on the date of this Red Herring Prospectus the Stakeholders' Relationship Committee comprises of:

| Sr. No. | Name of the Director | Stakeholders Relationship Committee |
|---|---|---|
| 1. | Gurprit Kaur | Chairman |
| 2. | Khushbu Kachhawa | Member |
| 3. | Samhitha Reddy Tera | Member |

### Role of the Stakeholder's Relationship Committee

The Committee shall consider and resolve grievances of security holders, including but not limited to:

1. Review statutory compliances relating to all shareholders.
2. Resolution of grievances of the shareholders.
3. Oversight of compliances in respect of dividend payment and transfer of unclaimed amounts to the Investor Education and Protection Fund.
4. Oversight of the performance of the Registrars and Transfer Agents.
5. Review of movements in shareholding and ownership structure of our Company.
6. Recommend measures for improvement of quality of investor services.
7. Conduct a Shareholder Satisfaction Survey to assess shareholders' views.
8. Suggest and drive implementation of various shareholder-friendly initiatives

## COMPLIANCES WITH SME LISTINGS REGULATION

The provisions of the SEBI (Listing Obligation and Disclosures) Regulations, 2015 will be applicable to our Company immediately upon the listing of Equity Shares of our Company on Emerge Platform of NSE.

## OUR KEY MANAGERIAL PERSONNEL

In addition to our Managing Director and Whole-time Director whose details have been provided under paragraph above titled *'Brief Profile of our Directors'*, set forth below are the details of our Key Managerial Personnel as on the date of filing of this Red Herring Prospectus:

| | |
|---|---|
| **Name** | Sarath Chandra Bhojanapalli |
| **Designation** | Chief Financial Officer |
| **Date of Appointment** | November 23, 2024 |
| **Age** | 36 Years |
| **service contracts including termination / retirement benefits** | N/A |
| **Term of Office** | As per Company Rules |
| **Expiration of Term** | As per Company Rules |
| **Qualification** | CA (Inter) |
| **Previous Employment** | Aayuv Technologies Private Limited |
| **Overall Experience** | More than 12 years |
| **Remuneration** | Mr. Sarath Chandra Bhojanapalli was appointed as Chief Financial Officer on 23/11/2024, he is |

| | |
|---|---|
| | appointed for a remuneration of Rs. 24 lacs Per Annum.<br>As on dated March 31, 2025 his remuneration is of Rs. 8,00,000/- |

| | |
|---|---|
| **Name** | Poonam Jain |
| **Designation** | Company Secretary and Compliance Officer |
| **Date of Appointment** | January 21, 2025 |
| **Age** | 34 |
| **service contracts including termination / retirement benefits** | N/A |
| **Term of Office** | As per Company Rules |
| **Expiration of Term** | A s per Company Rules |
| **Qualification** | CS and B.com |
| **Previous Employment** | Newjaisa Technologies Limited |
| **Overall Experience** | 5 Years |
| **Remuneration** | As per Discussion by Board. As on March 31, 2025 her remuneration is Rs. 70,645/- |

Note: Details in respect to Managing Director and Whole-time director, have been provided under paragraph above titled *'Brief Profile of our Directors'*

## BRIEF PROFILEOF KEY MANAGERIAL PERSONNEL

Note: Details in respect to Managing Director and Whole-time director, have been provided under paragraph above titled *'Brief Profile of our Directors'*

**Sarath Chandra Bhojanapalli, CFO**

Sarath Chandra Bhojanapalli, 36 years, is the Chief Financial Officer of our Company since November 2024. He has over 12 years of experience in Finance, Accounting, Auditing Taxation and Fundraising. In the past, he has associated with 3F Oil Palm Agrotech Private Limited, Sresta Natural Bioproducts Private Limited and Aayuv Technologies Private Limited.

**Poonam Jain, Company Secretary and Compliance Officer**

Poonam Jain, 34 years, hold a professional degree from Institute of Company Secretaries of India. She has an experience of 5 years in Corporate Secretarial Laws and Governance. In the past, she was associated with M/s Banthia S & Co., M/s Saket Kalani & Associates, Rajesh Gupta & Company and New Jaisa Technologies Limited.

## DETAILS OF ANY ARRANGEMENT OR UNDERSTANDING WITH MAJOR SHAREHOLDERS, CUSTOMERS, SUPPLIERS OR OTHERS, PURSUANT TO WHICH ANY OF THE KEY MANAGERIAL PERSONNEL, WAS SELECTED AS KEY MANAGERIAL PERSONNEL

None of our Key Managerial Personnel have been selected pursuant to any arrangement or understanding with any major shareholders, customers, suppliers to our Company or others.

## CONTINGENT AND DEFERRED COMPENSATION PAYABLE TO OUR KEY MANAGEMENT PERSONNEL

There is no contingent or deferred compensation payable to our Key Management Personnel which does not form part of their remuneration.

## RELATIONSHIP OF KEY MANAGERIAL PERSONNEL WITH OUR DIRECTORS, PROMOTERS AND / OR OTHER KEY MANAGERIAL PERSONNEL

In addition to the disclosure made under the heading *"Relationship between our Directors"* and except as disclosed below, none of our Key Managerial Personnel are related to each other or to any of our directors:

| Name of KMP | Designation | Relation |
|---|---|---|
| Nandigala Venkata Sai Harish | Whole-time Director | Brother of Nandigala Venkata Sai Kiran, the Managing Director of the Company. |
| Nandigala Venkata Sai Kiran | Managing Director | Brother of Nandigala Venkata Sai Harish, the Whole Time Director of the Company. |

## SHAREHOLDING OF THE KEY MANAGERIAL PERSONNEL

Except Managing Director & Whole Time Director none of the Key Management Personnel hold shareholding in our Company.

## BONUS OR PROFIT-SHARING PLAN FOR OUR KEY MANAGERIAL PERSONNEL

Our Company does not have any bonus and / or profit-sharing plan for the key managerial personnel.

## PAYMENT OR BENEFIT TO KEY MANAGERIAL PERSONNEL OF OUR COMPANY

Except as disclosed in this Red Herring Prospectus, no amount or benefit has been paid or given within two preceding years or is intended to be paid or given to any of the Key Managerial Personnel except the normal remuneration for services rendered by them.

## INTEREST OF KEY MANAGERIAL PERSONNEL

The Key Management Personnel of the Company, do not have any interest in the Company other than to the extent of the remuneration and their shareholding in the company or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business.

None of the key Managerial Personnel have been paid any consideration of any nature from the Company, other than their remuneration.

## CHANGE IN KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT IN THE LAST THREE YEARS

In addition to the changes specified under *"Changes in our Board during the Last Three Years*", set forth below, are the changes in our Key Managerial Personnel in the last three years immediately preceding the date of filing of this Red Herring Prospectus:

| Name | Designation | Date of change | Reason |
|---|---|---|---|
| Sarath Chandra Bhojanapalli | Chief Financial Officer | November 23, 2024 | Appointment |
| Poonam Jain | Company Secretary and Compliance Officer | January 21, 2025 | Appointment |

## EMPLOYEES STOCK OPTION PLAN AND EMPLOYEE STOCK PURCHASE SCHEME

As on date of this Red Herring Prospectus, our Company does not have any employee stock option plan or purchase schemes for our employees.

## LOANS TAKEN BY DIRECTORS / KEY MANAGERIAL PERSONNEL

Except as provided in restated financial statement in the chapter "*Financial Information"* beginning on page 282 of the Red Herring Prospectus, there are no loans outstanding against the key managerial personnel as on the date of this Red Herring Prospectus.

## OTHER BENEFITS TO THE OFFICERS OF THE ISSUER COMPANY

Except the payment of salaries and perquisites, no amount or benefit has been paid or given within the two preceding years or intended to be paid or given to any employee and there is no consideration for payment of giving of the benefit.

***Remainder of this page has been left blank intentionally***

## OUR PROMOTER AND PROMOTER GROUP

### OUR PROMOTERS

The promoters of our Company as on the date of this Red Herring Prospectus are: -

1. Nandigala Venkata Sai Harish
2. Nandigala Venkata Sai Kiran
3. Samhitha Reddy Tera

The details of the shareholding of our Promoters, as on date of this Red Herring Prospectus has been provided below:

| Sr. No. | Particulars | Category | No. of Equity Shares of face value of ₹ 10 each | % of Shares to Pre – Issue Equity Share Capital |
|---|---|---|---|---|
| 1. | Nandigala Venkata Sai Harish | Individual Promoter | 37,50,000 | 50.00 |
| 2. | Nandigala Venkata Sai Kiran | Individual Promoter | 37,49,995 | 49.99 |
| 3. | Samhitha Reddy Tera | Individual Promoter | - | - |
| **Total** | | | **74,99,995** | **99.99** |

*For details of the build-up of our promoters" shareholding in our Company, see section titled "Capital Structure" beginning on page no. 89 of this Red Herring Prospectus.*

**Details of our Promoters are as follows**:

***1. Nandigala Venkata Sai Harish***



Nandigala Venkata Sai Harish, aged 27 years, is the founder and promoter of our Company. He is acting as Whole Time Director of our Company. He holds a degree of Bachelor of Business Administration (Finance) from Alliance University of Bangalore, with over 6 years of experience in the International Business, Finance and Petrochemical Industry. The Permanent Account Number of Nandigala Venkata Sai Harish is BBIPN9269E.

For complete profile of Nandigala Venkata Sai Harish, along with details of his date of birth, address, educational qualifications, professional experience, positions/ posts held in the past and other directorships and special achievements, please see "*Our Management*" on page 243.

***Nandigala Venkata Sai Kiran***



Nandigala Venkata Sai Kiran, aged 26 years, is the founder and promoter of our Company. He is acting as the Managing Director of our Company. He holds a Bachelors' of Arts degree from FLAME University and brings his knowledge in optimizing business operations and streamlining production processes. The Permanent Account Number of Nandigala Venkata Sai Kiran is BGVPN6839A.

For complete profile of Nandigala Venkata Sai Kiran, along with details of his date of birth, address, educational qualifications, professional experience, positions/ posts held in the past and other directorships and special achievements, please see "*Our Management*" on page 243.

***Samhitha Reddy Tera***



Samhitha Reddy Tera, aged 23 years, is one of the promoter of our Company. She is acting as the Non-Executive Director of our Company. She holds a Bachelor of Arts degree from the University of Toronto, which has equipped her with a strong foundation in critical thinking and strategic analysis. The Permanent Account Number of Samhitha Reddy Tera is BTLPT0009B.

For complete profile of Samhitha Reddy Tera, along with details of her date of birth, address, educational qualifications, professional experience, positions/ posts held in the past and other directorships and special achievements, please see "*Our Management*" on page 243.

For details pertaining to other ventures of our Promoters, refer chapter titled "Our Group Companies" beginning on page no. 266 of this Red Herring Prospectus.

## DECLARATION BY OUR PROMOTER

Our Company confirms that the Permanent Account Number, Bank Account Number, Passport Number, Aadhaar Card Number and Driving License Number of our Individual Promoters shall be submitted to the Stock Exchange at the time of filing of this Red Herring Prospectus.

## CHANGE IN THE CONTROL OF OUR COMPANY

All our Promoters are the original promoters of our Company except Mrs. Samhitha Reddy Tera, who was identified as Promoter of our Company w.e.f. 21.01.2025. Ms. Venkata Lakshmi Nandigala transfers her share on 01.04.2024 and her status was changed to non-promoter. Accordingly, as on the date of this Red Herring Prospectus, our Company has three Promoters. For more information, please refer chapter titled "Our History and other corporate matter" and "Capital Structure – Buildup of equity share holding of the promoters in our Company" on page 238 and 97 respectively.

## PROMOTER'S EXPERIENCE IN THE BUSINESS OF OUR COMPANY

Our Promoters have adequate experience in the line of business of our company. For details in relation to experience of promoters in the business of our Company, please refer to the chapter titled "Our Management" on page 243.

## LITIGATION INVOLVING OUR PROMOTERS

For details of legal and regulatory proceedings involving our Promoters, please refer chapter titled "Outstanding Litigation and Material Development" beginning on page no. 338 of this Red Herring Prospectus.

## COMPANIES WITH WHICH OUR PROMOTERS HAVE DISASSOCIATED IN THE PRECEEDING THREE YEARS

Our Promoters have not disassociated themselves from any companies, firms or entities during the last three years preceding the date of this Red Herring Prospectus.

## INTERESTS OF PROMOTER

(a) Our Promoters are interested in our Company to the extent (i) that they have promoted our Company; (ii) their shareholding in our Company; (iii) the dividends payable thereon; and (iv) any other distributions in respect of their shareholding in our Company.

Additionally, our Promoters may be interested in transactions entered into by our Company with other entities (i) in which our Promoters hold shares, or (ii) in which our Promoters are partners or directors; or (iii) which are controlled by our Promoters. For further details of interest of our Promoters in our Company, see *"Financial Statements- Restated Financial Statements – Annexure XXXIII – Statement of Related Party Transactions"* on page 309.

(b) Further, Nandigala Venkata Sai Harish, Nandigala Venkata Sai Kiran & Samhitha Reddy Tera are also interested in our Company in the capacity of our Whole Time Direct Director, Managing Director & Non-Executive Director respectively, and may be deemed to be interested in the remuneration payable to them and the reimbursement of expenses incurred by them in the said capacity. For further details, see "Our Management" on page 243. For further details of interest of our Promoters in our Company, see "Financial Statements- Restated Financial Statements – Notes to Restated Financial Statements – Annexure XXXIII – Statement of Related Party Transactions" on page 309**.**

(c) Except as disclosed in "Restated Financial Statements" and "Financial Indebtedness" on page 282 and 336, respectively in this Red Herring Prospectus, our Promoters have (i) not extended any personal guarantees and (ii) have not provided their personal properties, for securing the repayment of the bank loans obtained by our Company.

(d) Except for the interest held by our Promoters in the entities disclosed under "- Other ventures of our Promoter", our Promoters do not have any interest in any venture that is involved in activities similar to those conducted by our Company.

(e) No sum has been paid or agreed to be paid to our Promoters or to any firm or company in which our Promoters are interested, in cash or shares or otherwise by any person, either to induce them to become or to qualify them, as a director or Promoters or otherwise for services rendered by the Promoters, or by such firm or company, in connection with the promotion or formation of our Company.

## INTEREST IN PROPERTY, LAND, CONSTRUCTION OF BUILDING AND SUPPLY OF MACHINERY

None of our Promoters have any interest in any property acquired by our Company since its incorporation, up to the filing of this Red Herring Prospectus, or in any property proposed to be acquired by our Company. Additionally, they have no interest in any transactions involving our Company related to the acquisition of land, construction of buildings, or supply of machinery.

## PAYMENT OR BENEFITS TO PROMOTERS OR PROMOTER GROUP

Nandigala Venkata Sai Harish, Nandigala Venkata Sai Kiran and Samhitha Reddy Tera are associated with our Company in the capacity of Whole Time Director, Managing Director & Non-Executive Director respectively and may be deemed to be interested to the extent of remuneration payable to them and the reimbursement of expenses incurred by them in the said capacity.

Except as disclosed above and as stated in "*Financial Statements- Restated Financial Statements – Notes to Restated Financial Statements –Annexure XXXIII– Statement of Related Party Transactions"* on page 309, there has been no payment or benefits by our Company to our Promoters or any of the members of the Promoter Group during the two years preceding the date of this Red Herring Prospectus nor is there any intention to pay or give any benefit to our Promoter or Promoter Group as on the date of this Red Herring Prospectus.

## OTHER VENTURES OF OUR PROMOTERS

Our Promoters are involved in other ventures and business activities in different capacities as listed below:

**Nandigala Venkata Sai Harish**

| S. No. | Name of the entity | Status | Nature of interest / position |
|---|---|---|---|
| **1.** | Vestro Labs Private Limited | Company | 50% of Shareholding & Director |
| **2.** | Vestro Chemical Corporation Private Limited | Company | 40% of Shareholding & Director |
| **3.** | Vedant Logitech Private Limited | Company | 71% of Shareholding & Director |
| **4.** | Vedant Agrifoods Private Limited | Company | 50% of Shareholding & Director |
| **5.** | Vedant Petrochem Pvt Ltd | Company | 50% of Shareholding & Director |
| **6.** | Vestro Solvents Private Limited | Company | 12% of Shareholding & Director |
| **7.** | Rama Subba Reddy HUF | HUF | Co-Parcener |
| **8.** | Vedant Crop Sciences | Proprietorship | 100% |

**Nandigala Venkata Sai Kiran**

| S. No. | Name of the entity | Status | Nature of interest / position |
|---|---|---|---|
| 1. | Vestro Labs Private Limited | Company | 50% of Shareholding & Director |
| 2. | Vedant Agrifoods Private Limited | Company | 50% of Shareholding & Director |
| 3. | Vestro Petrochem Private Limited | Company | 50% of Shareholding & Director |

| S. No. | Name of the entity | Status | Nature of interest / position |
|---|---|---|---|
| 4. | Vestro Solvents Private Limited | Company | 12% of shareholding & Director |
| 5. | Vestro Containers Private Limited | Company | Shareholder (holding 1 share) & Director |
| 6. | Rama Subba Reddy HUF | HUF | Co-Parcener |

**Samhitha Reddy Tera**

| S. No. | Name of the entity | Status | Nature of interest / position |
|---|---|---|---|
| 1. | NA | NA | NA |

Except as stated above and except as disclosed in "– *Promoter Group*" below and in "*Our Management*" on pages 264 and 243, our Promoters are not involved in any other ventures.

## MATERIAL GUARANTEES

Except as disclosed in the chapter titled "*Financial Indebtedness*" on page 336, as on the date of this Red Herring Prospectus, our Promoters have not given any material guarantee to any third party with respect to the Equity Shares.

## OTHER CONFIRMATIONS

Our Promoters are not Wilful Defaulters or a Fraudulent Borrowers.

Our Promoters are not Fugitive Economic Offenders.

Our Promoters and members of the Promoter Group have not been prohibited from accessing the capital markets under any order or direction passed by SEBI.

Our Promoters are not, and have not been in the past, promoters or directors of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI.

None of our promoters has been refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad.

No violations of securities laws have been committed by our Promoters in the past or are currently pending against them.

## INFORMATION OF OUR GROUP COMPANIES

For details related to our group companies please refer "Our Group Companies" on page no. 266 of this Red Herring Prospectus.

## OUR PROMOTER GROUP

In addition to our Promoters, the individuals and entities that form a part of the Promoter Group of our Company in terms of Regulation 2(1) (pp) of the SEBI ICDR Regulations are set out below:

The following natural persons being the immediate relatives of our Promoters in terms of the SEBI (ICDR) Regulations 2018 form part of our Promoter Group:

*Natural persons who are part of the Promoter Group*

| S. No. | Promoters | Nandigala Venkata Sai Harish |
|---|---|---|
| 1. | Father | Rama subba Reddy Nandigala |
| 2. | Mother | Venkata Nandigala Lakshmi |
| 3. | Spouse | Samitha Reddy Tera |
| 4. | Brother | Nandigala Venkata Sai Kiran |
| 5. | Spouse Father | Joji Reddy Tera |
| 6. | Spouse Mother | Madhavi Tera |
| 7. | Spouse Sister | Tera Harshita Reddy |

| S. No. | Promoters | Nandigala Venkata Sai Kiran |
|---|---|---|
| 1. | Father | Rama subba Reddy Nandigala |
| 2. | Mother | Venkata Nandigala Lakshmi |
| 3. | Spouse | Rishwii Reddy |
| 4. | Brother | Nandigala Venkata Sai Harish |
| 5. | Spouse Father | Reddy Harsha |
| 6. | Spouse Mother | V Moulika Reddy |
| 7. | Spouse Brother | Ridhiv Venkat Reddy |

| S. No. | Promoters | Samhitha Reddy Tera |
|---|---|---|
| 1. | Father | Joji Reddy Tera |
| 2. | Mother | Madhavi Tera |
| 3. | Spouse | Nandigala Venkata Sai Harish |
| 4. | Sister | Tera Harshita Reddy |
| 5. | Spouse Father | Rama subba Reddy Nandigala |
| 6. | Spouse Mother | Venkata Nandigala Lakshmi |
| 7. | Spouse Brother | Nandigala Venkata Sai Kiran |

## COMPANIES, PARTNERSHIP AND PROPRIETORSHIP FIRMS FORMING PART OF OUR PROMOTER GROUP ARE AS FOLLOWS:

| Particulars | Entity |
|---|---|
| Anybody corporate in which 20% or more of the share capital is held by the promoters or an immediate relative of the promoters or a firm or HUF in which the promoters or any one or more of his immediate relatives is a member. | Vestro Labs Private Limited<br>Vestro Chemical Corporation Private Limited<br>Vedant Logitech Private Limited<br>Vedant Agri Foods Private Limited<br>Vedant Petrochem Private Limited<br>Magnus Life Sciences Private Limited<br>Vestro Solvents Private Limited |
| Any company in which a company (mentioned above) holds 20% of the total holding | Vestro Containers Pvt Ltd |

| | |
|---|---|
| Any HUF or firm in which the aggregate share of the promoters and his relatives is equal to or more than 20% of the total holding | Rama Subba Reddy HUF<br>Vedant Crop Sciences (Sole Proprietorship)<br>TCR Chemical Industries<br>Sree Sai Srinivasa Chemicals |

***Remainder of this page has been left blank intentionally***

## OUR GROUP COMPANIES

In terms of the SEBI ICDR Regulations for the purposes of identification of group companies, our Company has considered companies with which there were related party transactions, during the period for which the Restated Financial Statements has been included in this Red Herring Prospectus i.e. for the financial year ended March 31, 2025, March 31, 2024 and March 31, 2023 and such other companies as considered material, in accordance with the Materiality Policy. In terms of the Materiality Policy, a company shall be considered material and disclosed as a Group Company if it:

(i) all such companies with which our company had related party transactions during the periods covered in the Restated Financial Statements, as covered under the applicable accounting standards, and

(ii) such companies with which there were transactions in the most recent financial year, which, exceed 5% of the total restated revenue of Company ("material"), as per the Restated Financial Statements shall be considered as Group Companies in terms of the SEBI ICDR Regulations.

The Group Company of our Company is as follows:

1. Vestro Solvents Private Limited
2. Vestro Chemical Corporation Private Limited
3. Vestro Labs Private Limited
4. Vestro Containers Private Limited
5. Vedant Petrochem Private Limited
6. Magnus Life Science Private Limited

## DETAILS OF GROUP COMPANY

### 1. Vestro Solvents Private Limited

**Corporate Information**

Vestro Solvents Private Limited was incorporated under the Companies Act, 1956 on December 06, 2001 having CIN U24231TG2001PTC038165. The Registered Office of the company is situated at Plot No.290, 291 & 292, SY No.170/ Part, Dhoolapally Adjacent to IDA, Jeedimetla, Quthbullapur, Mandal, R.R. Dist., Hyderabad, Telangana, India- 500055

**Main Object**

1. *To carry on the business of manufacture, trade, buy, sell, import, export and generally deal in all types of solvents, acids, gases, chemicals, pharmaceuticals, drugs, and intermediaries.*

2. *To carry on the business of manufacture, trade, buy, sell, import, export and generally deal in all types of surgicals, medicals, pharmaceuticals, scientific equipment, appliances and accessories.*

3. *To carry on the business of manufacture and deal in all types of dyestuffs including azocil, like acid orange, vatdyes and reactive dyes used in textiles, paper, food drugs, pigments, inorganic and organic like pathalocyanine blue, hansa yellow and intermediate compounds.*

4. *To carry on the business of manufacture, buy, sell, import, export and generally deal in all types of drugs and Intermediarios, related chemicals both organic and inorganic.*

5. *To act as transport carriers for carrying bulk drug, chemicals, acids and dye intermediates and goods either by own vehicles or through hired vehicles.*

**Board of Directors**

The Directors of Vestro Solvents Private Limited as on the date of this Red Herring Prospectus are as follows:

| Name | Designation |
|---|---|
| Nandigala Venkata Sai Kiran | Director |
| Nandigala Venkata Sai Harish | Director |
| Nandigala Rama Subba Reddy | Managing Director |
| Venkata Lakshmi Nandigala | Whole-Time Director |

**Shareholding Pattern**

The Shareholding Pattern of Vestro Solvents Private Limited as on the date March 31, 2025 is as follows:

| Shareholders name | No. of shares | % of total holding |
|---|---|---|
| Nandigala Rama Subba Reddy | 60,80,000 | 64% |
| Nandigala Venkata Sai Harish | 11,40,000 | 12% |
| Nandigala Venkata Sai Kiran | 11,40,000 | 12% |
| Venkata Lakshmi Nandigala | 11,40,000 | 12% |
| **Total** | **95,00,000** | **100.** |

**Financial Performance**

Certain details of the audited financials of Vestro Solvents Private Limited are set forth below:

(in lakhs except EPS)

| Particulars | FY 2023-2024 | FY 2022-2023 | FY 2021-22 |
|---|---|---|---|
| Total Income | 31946.48 | 35872.94 | 36434.44 |
| Profit After Tax | 666.41 | 693.92 | 904.98 |
| Equity Capital | 950.00 | 950.00 | 500.00 |
| Reserves & Surplus (excluding revaluation reserve) | 4171.20 | 3505.79 | 3262.87 |
| Net Worth | 5121.20 | 4455.79 | 3762.87 |
| NAV per share | 53.90 | 46.90 | 75.25 |
| Earnings per share (EPS) (Basic & Diluted) | 7.01 | 7.30 | 9.53* |
| No. of Equity Shares of Rs. 10/- each | 95 | 95 | 50 |

*it is calculated based on weighted average no. of shares as per AS-20 EPS.

## 2. Vestro Chemical Corporation Private Limited

**Corporate Information**

Vestro Chemical Corporation Private Limited was incorporated under the Companies Act, 2013 on October 22, 2021 having CIN U24290TG2021PTC156217. The Registered Office of the company is situated at Plot No 290 to 292, Phase-V, Dhoolapally Road, Syno-170, Part Adj to Ida, Jeedimetla, Rangareddi, Hyderabad, Telangana, India, 500055

**Main Object**

1. *To carry on the business of manufacture, trade, buy, sell, import, export, bulk storage of raw materials, products and generally deal in all types of solvents, acids, gases, chemicals, pharmaceuticals, drugs, and intermediaries.*

2. *To carry on the business of manufacture, trade, buy, sell, import, export, and generally deal in all types of surgical, medicals, pharmaceuticals, scientific equipment, appliances and accessories.*

3. *To carry on the business of manufacture, buy, sell, import, export and generally deal in all types of drugs and intermediaries, related chemicals both organic and inorganic.*

4. *To act as transport carriers for carrying bulk drugs, chemicals, acids and dyes intermediates and goods either by own vehicles or through hired vehicles*

**Board of Directors**

The Directors of Vestro Chemical Corporation Private Limited as on the date of this Red Herring Prospectus are as follows:

| Name | Designation |
|---|---|
| Nandigala Venkata Sai Harish | Director |
| Nandigala Rama Subba Reddy | Director |

**Shareholding Pattern**

The Shareholding Pattern of Vestro Chemical Corporation Private Limited as on the date March 31, 2025 is as follows:

| Shareholders name | No. of shares | % of total holding |
|---|---|---|
| Nandigala Venkata Sai Harish | 40,000 | 40% |
| Nandigala Rama Subba Reddy | 60,000 | 60% |
| **Total** | **1,00,000** | **100.00** |

**Financial Performance**

Certain details of the audited financials of Vestro Chemical Corporations Private Limited are set forth below:

(in hundred except EPS)

| Particulars | FY 2023-2024 | FY 2022-2023 | For the period of 22nd October 2021 to 31st March 2022 * |
|---|---|---|---|
| Total Income | 1,97,064.37 | 1,24,085.16 | - |
| Profit After Tax | 7,741.94 | 287.02 | (3,412.42) |
| Equity Capital | 10,000.00 | 10,000.00 | 10,000.00 |
| Reserves & Surplus (excluding revaluation reserve) | 4,616.54 | (3,125.40) | (3,412.42) |
| Net Worth | 14,616.54 | 6,874.60 | 6,587.58 |
| NAV per share | 14.616 | 6.874 | 6.587 |
| Earnings per share (EPS) (Basic & Diluted) | 7.74 | (0.29 | (0.08) |
| No. of Equity Shares of Rs. 10/- each | 1000 | 1000 | 1000 |

*Company was incorporated on 22/10/2021.

3. **Vestro Labs Private Limited**

**Corporate Information**

Vestro Labs Private Limited was incorporated under the Companies Act, 2013 on May 08, 2023 having CIN U21001TS2023PTC172788. The Registered Office of the company is situated at Plot No.290, 291&292, SY No.170/ Part, Dhoolapally Adjacent to IDA, Jeedimetla, Kutbullapur, Hyderabad, Telangana, India- 500055

**Main Object**

1. *To carry on the business of manufacture, trade, buy, sell, import, export, bulk storage of raw materials, products and generally deal in all types of solvents, acids, gases, chemicals, pharmaceuticals, drugs, and intermediaries.*

2. *To carry on the business of manufacture, trade, buy, sell, import, export, and generally deal in all types of surgical, medicals, pharmaceuticals, scientific equipment, appliances and accessories.*

3. *To carry on the business of manufactures and deal in all types of dyestuffs including azocil, like acids orange, vatdyes and reactive dyes used in textiles, paper, food drugs, pigments, inorganic and organic like pathalocyanine blue, hansa yellow and intermediate compounds.*

4. *To carry on the business of manufacture, buy, sell, import, export and generally deal in all types of drugs and intermediaries, related Chemicals and Fine Chemicals, both organic and inorganic Chemicals.*

5. *To act as transport carriers for carrying bulk drugs, chemicals, acid and dyes intermediates and goods either by own vehicles or through hired vehicles.*

**Board of Directors**

The Directors of Vestro Labs Private Limited as on the date of this Red Herring Prospectus are as follows:

| Name | Designation |
|---|---|
| Nandigala Venkata Sai Kiran | Director |
| Nandigala Venkata Sai Harish | Director |

**Shareholding Pattern**

The Shareholding Pattern of Vestro Labs Private Limited as on the date March 31, 2025 is as follows:

| Shareholders name | No. of shares | % of total holding |
|---|---|---|
| Nandigala Venkata Sai Kiran | 75,000 | 50% |
| Nandigala Venkata Sai Harish | 75,000 | 50% |
| **Total** | **1,50,000** | **100** |

**Financial Performance**

Certain details of the audited financials of Vestro Labs Private Limited are set forth below:

(in hundreds except EPS)

| Particulars | FY 2023-2024 |
|---|---|
| Total Income | 170.89 |
| Profit After Tax | (7073.21) |
| Equity Capital | 15000.00 |
| Reserves & Surplus (excluding revaluation reserve) | (7073.21) |
| Net Worth | 7926.79 |
| NAV per share | 5.28 |
| Earnings per share (EPS) (Basic & Diluted) | (0.71) |
| No. of Equity Shares of Rs. 10/- each | 1500 |

Note: Vestro Labs Private Limited was incorporated on May 08, 2023; hence, we have provided the financial data for a period of 1 years only.

**4. <u>Vestro Containers Private Limited</u>**

**Corporate Information**

Vestro Containers Private Limited was incorporated under the Companies Act, 2013 on February 18, 2021 having CIN U25209TG2021PTC148803. The Registered Office of the company is situated at Plot No 290 to 292, Phase-V, Dhoolapally Road, Syno-170, Part Adj to Ida, Jeedimetla, Rangareddi, Hyderabad, Telangana, India, 500055

**Main Object**

1. *To carry on the business of manufacturing trading, buy, sell, re-sell, supply, Import, export, transport, store, forward, distribute, dispose, develop, handle, manipulate, market, supply or otherwise to deal in all types of HDPE and MS barrels, carbuoys, cans, pails, and containers.*

2. *To carry on in India or elsewhere the business to manufacture, produce, process, convert, commercialize, design, develop, display, discover, mould, remould, blow, extrude, draw, dye, equip, fit up, fabricate, manipulate, prepare, promote, remodel, service, supervise, supply, import, export, buy, sell.*

3. *Turn to account and to act as agent, broker, concessionaire, consultant, collaborator, consignor, jobworker, export house or otherwise to deal in all shapes, sizes, varieties, colours, capacities, modalities, specifications, bottle, caps and seals, jars, pipes, furnitures, baggages, etc. used in industries, trade, commerce, utilities, hospitals, transport, aviation, defence, entertainment, hotels, houses, stores, agricultures, packing, electricals & electronics and other allied fields whether made of plastics, plastic scrap, HDPE PVC, LDPE, LLDPE, polymers, co-polymers, monomers, elastomers, resins, polysters and other allied materials with or without combinations of other ferrous or non-ferrous materials*

4. *To do all incidental acts and necessary for the attainment of the above objects.*

**Board of Directors**

The Directors of Vestro Containers Private Limited as on the date of this Red Herring Prospectus are as follows:

| Name | Designation |
|---|---|
| Nandigala Venkata Sai Kiran | Director |
| Nandigala Rama Subba Reddy | Director |

**Shareholding Pattern**

The Shareholding Pattern of Vestro Containers Private Limited as on the date March 31, 2025 is as follows:

| Shareholders name | No. of shares | % of total holding |
|---|---|---|
| Nandigala Venkata Sai Kiran | 1 | Negligible |
| Vestro Solvents Private Limited | 4,99,999 | 100% |
| **Total** | **5,00,000** | **100.00** |

**Financial Performance**

Certain details of the audited financials of Vestro Containers Private Limited are set forth below:

(in Hundreds except EPS)

| Particulars | FY 2023-2024 | FY 2022-2023 | FY 2021-22 |
|---|---|---|---|
| Total Income | 24,88,979.85 | 20,08,928.25 | 4,27,396.60 |
| Profit After Tax | 110925.50 | (24,102.66) | (56,465.99) |
| Equity Capital | 50,000.00 | 50,000.00 | 50000.00 |
| Reserves & Surplus (excluding revaluation reserve) | 28294.18 | (82,631.32) | (58,528.67) |
| Net Worth | 78294.18 | (32631.32) | (8,528.67) |
| NAV per share | 15.65 | (6.52) | (1.705) |
| Earnings per share (EPS) (Basic & Diluted) | 22.19 | (4.82 | (0.11) |
| No. of Equity Shares of Rs. 10/- each | 5000 | 5000 | 5000 |

## 5. Vedant Petrochem Private Limited

### Corporate Information

Vedant Petrochem Private Limited was incorporated under the Companies Act, 2013 on July 01, 2022 having CIN U24100TG2022PTC164369. The Registered Office of the company is situated at Door No. 8-2-293/82/A/756/1/III/2, Circle No. 18, Jubilee Hills, Hyderabad, Shaikpet, Telangana, India, 500033

### Main Object

1. *To carry on the business of Trading, Manufacturing, Whole Sale of All Types Chemical, Solvents, Lubricants, Dyes, Oils, Industrial Inputs, Scrap.*

2. *To manufacture, produce, refine, process, formulate, mix or prepare, mine or otherwise acquire, invest in, own, hold, use mortgage, pledge, buy, sell, exchange, distribute, assign, transfer or otherwise dispose of, trade, deal in and deal with, imp any and all classes and kinds of fertilisers, organic fertilisers, inorganic fertilisers, agricultural chemicals, manures, their mix formulations and any and all classes and kinds of chemicals, source materials, ingredients, mixtures derivatives and compounds thereof.*

3. *To deal in sale and purchase of fertilizers, chemicals and other allied items.*

4. *To float companies, firms to carry on business of manufacturing fertilizers and chemicals and other allied items.*

5. *To acquire and erect factories for manufacturing of fertilizers and chemicals of all kinds and description required for agricultural and other allied industries.*

### Board of Directors

The Directors of Vedant Petrochem Private Limited as on the date of this Red Herring Prospectus are as follows:

| Name | Designation |
|---|---|
| Nandigala Venkata Sai Kiran | Director |
| Nandigala Venkata Sai Harish | Director |

### Shareholding Pattern

The Shareholding Pattern of Vedant Petrochem Private Limited as on the date March 31, 2025 is as follows:

| Shareholders name | No. of shares | % of total holding |
|---|---|---|
| Nandigala Venkata Sai Kiran | 5,00,000 | 50% |
| Nandigala Venkata Sai Harish | 5,00,000 | 50% |
| **Total** | **10,00,000** | **100.00** |

**Financial Performance**

Certain details of the audited financials of Vedant Petrochem Private Limited are set forth below:

(in lakhs except EPS)

| Particulars | FY 2023-2024 | FY 2022-2023 |
|---|---|---|
| Total Income | 3629.17 | 2520.61 |
| Profit After Tax | 44.96 | 60.20 |
| Equity Capital | 100.00 | 100.00 |
| Reserves & Surplus (excluding revaluation reserve) | 105.17 | 60.20 |
| Net Worth | 205.17 | 160.20 |
| NAV per share | 20.517 | 16.02 |
| Earnings per share (EPS) (Basic & Diluted) | 4.50 | 6.02 |
| No. of Equity Shares of Rs. 10/- each | 10 | 10 |

Note: Vedant Petrochem Private Limited was converted into Company on July 01, 2022; hence, we have provided the financial data for a period of 2 years only.

**6. Magnus Life Sciences Private Limited**

**Corporate Information**

Magnus Life Sciences Private Limited was incorporated under the Companies Act, 2013 on October 25, 2021 having CIN U24230TG2021PTC156325. The Registered Office of the company is situated at Plot No.124, Income Tax Housing Colony, Sri Ramakrishna Puram, Sarror Nagar Village, Saroornagar, K.V. Rangareddy, Saroornagar, Telangana, India, 500035

**Main Object**

*1. To manufacture, formulate, process, develop, refine, import, export, wholesale and/or retail trade all kinds of pharmaceuticals, antibiotics, drugs, medicines, biological, neutraceuticals, healthcare, ayurvedic and dietary supplement products, medicinal preparations, vaccines, chemicals, chemical products, dry salters, and also to deal in medicinal goods such as surgical instruments, contraceptives, photographic goods, patent medicines, soaps, artificial limbs, hospital requisites, proprietary medicines, veterinary medicines and tinctures extracts and to carry on the business of vialling, bottling, repacking, processing of tablets, capsules, syrups, injections, ointments, etc. and also to carry on the business of chemists, druggists, buyers, sellers, agents, distributors and stockiest of all kinds of pharmaceuticals and allied products.*

**Board of Directors**

The Directors of Magnus Life Sciences Private Limited as on the date of this Red Herring Prospectus are as follows:

| Name | Designation |
|---|---|
| Tera Joji Reddy | Director |
| Peddi Rahul Reddi | Director |

**Shareholding Pattern**

The Shareholding Pattern of Magnus Life Sciences Private Limited as on the date March 31, 2025 is as follows:

| Shareholders name | No. of shares | % of total holding |
|---|---|---|
| Tera Joji Reddy | 63,00,000 | 90% |
| Peddi Rahul Reddi | 7,00,000 | 10% |
| **Total** | **70,00,000** | **100.00** |

**Financial Performance**

Certain details of the audited financials of Magnus Life Sciences Private Limited are set forth below:

(in hundred except EPS)

| Particulars | FY 2023-2024 | FY 2022-2023 | FY 2021-22* |
|---|---|---|---|
| Total Income | 13,50,281.85 | 28,197.40 | - |
| Profit After Tax | 62,855.81 | 957.54 | (1014.57) |
| Equity Capital | 7,00,000.00 | 7,00,000.00 | 1000.00 |
| Reserves & Surplus (excluding revaluation reserve) | 62,798.78 | (57.03) | (1014.57) |
| Net Worth | 7,62,798.78 | 6,99,942.97 | (14.57) |
| NAV per share* | 10.897 | 9.99 | (0.0014) |
| Earnings per share (EPS) (Basic & Diluted) | 0.90 | 0.01 | (10.15) |
| No. of Equity Shares of Rs. 10/- each | 70,000 | 70,000 | 10,000 |

*Magnus Life Science Private Limited are incorporated on 25/10/2021.

## LITIGATIONS

For details on litigations and disputes pending against our Promoter Group and Group Companies please refer to the section titled — Outstanding Litigations and Material Developments on page no. 338 of the Red Herring Prospectus.

## DEFUNCT GROUP COMPANIES

There is no defunct Group Company of our Company as on the date of this Red Herring Prospectus.

## COMMON PURSUITS

There are common business pursuits between our Company and our Group Company, Magnus Life Science Private Limited, as well as TCR Chemicals Industries, a proprietorship firm engaged in similar activities. While there may be instances of competition in certain business processes, we believe there is no conflict of interest between our Group Company and our Company. Our Company will implement necessary procedures and practices, as permitted by law and regulatory guidelines, to address any potential conflict situations if and when they arise. While we cannot assure that conflicts of interest will never occur if these entities choose to expand or alter their business activities in the future, our Company remains committed to taking appropriate measures to manage and resolve any such situations in compliance with applicable laws and regulations. For risks related to conflicts of interest, please refer to “Risk Factors point 5 on page 42.

## NATURE AND EXTENT OF INTEREST OF GROUP COMPANY

**In the promotion of our Company**

None of our Group Company has any interest in the promotion of our Company or any business interest or other interests in our Company, except to the extent identified chapter titled — Financial Information Annexure XXXIII Related Party Transaction on page no. 309 of this Red Herring Prospectus.

**In the properties acquired by our Company in the past 2 years before filing the Red Herring Prospectus with Stock Exchange**

Our Group Companies do not have any interest in the properties acquired by our Company in the past 2 years before filing this Red Herring Prospectus with Stock Exchange.

**In transactions for acquisition of land, construction of building and supply of machinery**

As on date of filing the Red Herring Prospectus, Company has not undertaken any transaction with Group Company with respect to acquisition of land, construction of building and supply of machinery.

## PAYMENT OR BENEFIT TO OUR GROUP ENTITIES

Except as stated in the "Related Party Transactions" under section "Restated Financial Statements" on page 309, there has been no payment of benefits to our Group Entity during the two years prior to the filing of this Red Herring Prospectus.

## RELATED BUSINESS TRANSACTIONS WITHIN THE GROUP AND SIGNIFICANCE ON THE FINANCIAL PERFORMANCE OF OUR COMPANY

Other than the transactions disclosed in the section "Related Party Transactions" on page 277, there are no other business transactions between our Company and Group Companies which are significant to the financial performance of our Company.

## HOLDING COMPANY OF OUR COMPANY

Our Company does not have any holding company as on the date of filing of this Red Herring Prospectus.

## UNDERTAKING / CONFIRMATION BY OUR GROUP COMPANY

**None of our Promoters or Promoter Group or Group Company or person in control of our Company has been:**

i. Prohibited from accessing or operating in the capital market or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authority; or
ii. Refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad.

None of our Promoters, person in control of our Company have ever been a Promoter, Director or person in control of any other Company which is debarred from accessing the capital markets under any order or direction passed by the SEBI or any other authority.

Further, neither our Promoters, the relatives of our individual Promoters (as defined under the Companies Act) nor our Group companies/Promoter Group entities have been declared as a willful defaulter or economic offender by the RBI or any other government authority and there are no violations of securities laws committed by them or any entities they are connected with in the past and no proceedings for violation of securities laws are pending against them.

***Remainder of this page has been left blank intentionally***

## RELATED PARTY TRANSACTIONS

**Details of Party Wise Transactions**

*(Amt. in lakhs)*

| S. no | Name of the Party | As at 31st March, 2025 | % of revenue from operations | As at 31st March, 2024 | % of revenue from operations | As at 31st March, 2023 | % of revenue from operations | As at 04th July, 2022 | % of revenue from operations |
|---|---|---|---|---|---|---|---|---|---|
| 1 | Sri Nandigala Ramasubba Reddy | 3.60 | 0.14% | 3.60 | 0.15% | 0.90 | 0.07% | - | - |
| 2 | Sri Nandigala Ramasubba Reddy (HUF) | 15.00 | 0.57% | - | - | - | - | - | - |
| 3 | Sri Nandigala Venkata Lakshmi | 86.79 | 3.31% | 5.47 | 0.23% | 19.43 | 1.42% | 121.35 | 18.81% |
| 4 | Sri Nandigala Venkata Sai Harish | 359.30 | 13.70% | 110.54 | 4.65% | 25.67 | 1.88% | 214.15 | 33.20% |
| 5 | Sri Nandigala Venkata Sai Kiran | 15.63 | 0.60% | 93.96 | 3.95% | 78.72 | 5.77% | 195.89 | 30.37% |
| 6 | Kushbu Kachhawa | 0.33 | 0.01% | - | - | - | - | - | - |
| 7 | Gurprit Kaur | 0.25 | 0.01% | - | - | - | - | - | - |
| 8 | B Sharath Chandra | 8.00 | 0.31% | - | - | - | | - | |
| 9 | Poonam Jain | 0.71 | 0.03% | - | - | - | - | - | - |
| 10 | Vestro Solvents Private Limited | 348.18 | 13.28% | 509.49 | 21.48% | 145.72 | 10.67% | 173.32 | 26.87% |
| 11 | Vestro Chemical Corporation Private Limited | - | - | 32.62 | 1.33% | - | - | - | |
| 12 | Vestro Labs Private Limited | 23.54 | 0.90% | 1.66 | 0.07% | - | - | - | - |
| 13 | Vestro Containers Private Limited | 34.02 | 1.30% | 54.02 | 2.28% | 29.43 | 2.16% | 9.91 | 1.54% |
| 14 | Vedant Petrochem Private Limited | 288.52 | 11.00% | 768.59 | 32.42% | 578.79 | 42.40% | - | - |
| 15 | Vedant Chemicals | - | - | - | - | 297.42 | 21.79% | - | - |
| 16 | TCR Chemical Industries | 194.17 | 7.42% | 14.32 | 0.60% | 49.12 | 3.60% | - | - |
| 17 | Sree Sai Srinivasa Chemicals | 60.98 | 2.33% | - | | - | - | - | - |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| 18 | Magnus Life Sciences Private limited | 24.17 | 0.92% | - | - | - | | - | |

**Details of Nature of Related Party Transactions**

***(Amt in lakhs)***

| S.no | Nature | As at 31st March, 2025 | % of revenue from opratio ns | As at 31st March , 2024 | % of revenu e from oprati ons | As at 31st March , 2023 | % of revenu e from oprati ons | As at 04th July, 2022 | % of revenu e from opratio ns |
|---|---|---|---|---|---|---|---|---|---|
| 1 | **Sales** | 541.18 | 20.64% | 977.21 | 41.20% | 902.63 | 66.12% | 101.67 | 15.76% |
| 2 | **Purchases** | 322.00 | 12.28% | 403.49 | 17.01% | 197.85 | 14.49% | 62.97 | 9.76% |
| 3 | **Loan Availed** | 156.47 | 5.97% | - | | 16.43 | 1.20% | 440.66 | 68.32% |
| 4 | **Loan Repaid** | 302.47 | 11.53% | 209.97 | 8.85% | 51.39 | 3.76% | 81.72 | 12.67% |
| 5 | **Salary** | 26.48 | 1.01% | - | | 56.00 | 4.10% | 9.00 | 1.40% |
| 6 | **Rent** | 4.80 | 0.18% | 3.60 | 0.15% | 0.90 | 0.07% | - | |
| 7 | **Services** | 109.18 | 4.16% | - | | - | | 18.59 | 2.88% |
| 8. | **Sitting fees** | 0.58 | 0.02% | - | - | - | - | - | - |

**Rationale of Related Party Transaction with respect to Sales and purchases.**

**Sales to Vestro Solvents Private Limited:**

| **Particulars** | **31st March 2025** | **31st March, 2024** | **31st March 2023** |
|---|---|---|---|
| **Sales (₹ in lakhs)** | 25.75 | 307.94 | 204.08 |
| **% from Total Revenue from operations** | 0.98% | 12.98% | 10.15% |

Vestro Solvents has an extensive customer base and large storage facilities in both Telangana and Andhra Pradesh. Due to space constraints and the hazardous nature of the products, Snehaa is unable to store large quantities on their premises. Additionally, handling small quantities for various customers is not feasible by Snehaa. To mitigate the risks associated with storing large hazardous quantities and to avoid dealing with multiple small customers, we intend to sell material in bulk (tankers) to Vestro Solvents. Vestro is well-equipped to handle these issues, allowing Snehaa to manage the supply chain more efficiently. It is also to be noted that even if the Snehaa doesn't sell these to its group company, it will sell in the market at similar rates.

**Purchases from Vestro Solvents Private Limited:**

| Particulars | 31st March 2025 | 31st March, 2024 | 31st March 2023 |
|---|---|---|---|
| **Purchases (₹ in lakhs)** | 212.11 | 201.54 | 96.38 |
| **% from Total Purchases** | 8.09% | 17.96% | 9.83% |

Snehaa Organics business has always been centered on satisfying customer needs and demands. Due to increased production requirements from customers, they received additional spent solvents for distillation on a job work basis. However, due to capacity constraints they were unable to distill the product on time. To remain committed to fulfilling their obligations to customers and maintain strong long-term relationships, they purchased the pure product from Vestro Solvents and provided the same to job work orders and distilled the job work material received at their own speed and sold the same in open market.

**Sales to Vedant Petrochem Private Limited (Previously known as Vedant Chemicals):**

| Particulars | 31st March 2025 | 31st March, 2024 | 31st March 2023 |
|---|---|---|---|
| **Sales (₹ in lakhs)** | 245.99 | 624.58 | 785.99 |
| **% from Total Revenue from operations** | 9.38% | 26.33% | 39.10% |

Vedant Petrochem operates branches in Andhra Pradesh, West Bengal, and Telangana. Rather than dealing with numerous small customers across these states, Snehaa intends to sell material in bulk (tankers) to Vedant Petrochem. They will, in turn, sell it to their end customers. This approach allows them to streamline their distribution and manage customer relationships more effectively.

**Purchases from Vedant Petrochem Private Limited:**

| Particulars | 31st March 2025 | 31st March, 2024 | 31st March 2023 |
|---|---|---|---|
| **Purchases (₹ in lakhs)** | 42.53 | 144.01 | 90.22 |
| **% from Total Purchases** | 1.62% | 12.83% | 9.20% |

As previously mentioned, Snehaa Organics is focused on meeting the needs of its customers. With an anticipated increase in the production demands from our clients, we receive additional job material for distillation on a job work basis. Due to the capacity constraints at our factory, Snehaa is not able to process the product immediately. However, out of commitment to customer satisfaction and long-term relationships, they will not refuse the material. As part of our business strategy, they plan to purchase the processed material from Vedant Petrochem, who acts as a dealer, and will send it back to the customer in the agreed-upon percentages.

**Purchases from Vestro Containers Private Limited:**

| Particulars | 31st March 2025 | 31st March, 2024 | 31st March 2023 |
|---|---|---|---|
| **Purchases (₹ in lakhs)** | 34.02 | 48.38 | 39.35 |
| **% from Total Purchases** | 1.30% | 4.31% | 4.01% |

Vestro Containers Pvt. Ltd., based in Hyderabad, Telangana, is a manufacturer and supplier of high-quality HDPE drums. To store and sell our materials effectively, Snehaa purchases these drums from Vestro Containers, ensuring that their storage needs are met with reliable and safe packaging solutions.

**Sales to TCR Chemicals**:

| **Particulars** | **31st March 2025** | **31st March, 2024** | **31st March 2023** |
|---|---|---|---|
| **Sales (₹ in lakhs)** | 190.99 | 4.76 | 14.23 |
| **% from Total Revenue from operations** | 7.28% | 0.20% | 0.71% |

Snehaa Organics understands the importance of maintaining strong and collaborative relationships with business partners. TCR Chemicals, a key player in the distillation business, acts as a major job worker for a major player in the market. As with Snehaa, TCR Chemicals occasionally faces production constraints, which place pressure on them to close job work challans and meet their customer requirements in a timely manner.

In such instances, TCR Chemicals, in order to fulfill urgent customer needs and maintain a strong relationship with their clients, has reached out to us for material to be purchased from the open market. Given our excess stock, we have agreed to sell the required material to TCR at arm's length prices, just as we would in the open market.

This arrangement has enabled TCR to meet their production demands while allowing us to effectively manage our excess inventory. We believe this collaboration is beneficial for both parties, ensuring that customer requirements are met and business relationships are strengthened.

TCR chemicals, promoter group classified as related party under the applicable accounting and regulatory guidelines. Prior to February 2024, its reclassification resulted from its inclusion in the promoter group, following the partnership of Mr. Joji Reddy Tera, father of Mrs. Samhitha Reddy, who is the wife of Mr. Sri Nandigala Venkata Sai Harish, the company's promoter. Consequently, after their marriage, TCR Chemicals became part of the promoter group of Snehaa Organics Limited.

For details on related party transactions of our company, please refer to Annexure XXXIII beginning on page 309 of "restated financial information" under the section titled, 'Financial information' of this Red Herring Prospectus.

***Remainder of this page has been left blank intentionally***

## DIVIDEND POLICY

Under the Companies Act, 2013 our Company can pay dividends upon a recommendation by our Board of Directors and approval by a majority of the shareholders at the General Meeting and as per provisions of Articles of Association of our Company. The shareholders of the Company have the right to decrease but not to increase the amount of dividend recommended by the Board of Directors. The dividends may be paid out of profits of our Company in the year in which the dividend is declared or out of the undistributed profits or reserves of previous fiscal years or out of both. The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends. All Dividends upon recommendation by our Board of Directors and approved by the shareholders at the General Meeting will be paid to credit of registered shareholders by way of cheque or warrant or in any electronic mode.

Our Company does not have any formal dividend policy for the Equity Shares. The declaration and payment of dividend will be recommended by our Board of Directors and approved by the shareholders of our Company at their discretion and will depend on a number of factors, including the results of operations, earnings, capital requirements and surplus, general financial conditions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.

Our Company has not paid/ declared any dividend in last three years from date of this Red Herring Prospectus. Our Company's corporate actions pertaining to payment of dividends in the past are not to be taken as being indicative of the payment of dividends by our Company in the future.

***Remainder of this page has been left blank intentionally***

## SECTION VI – FINANCIAL INFORMATION

**Audit Report**

**FINANCIAL STATEMENTS AS RESTATED**
**Independent Auditor's Report on the Restated Financial Statements of**

**SNEHAA ORGANICS LIMITED**
**(Formerly known as SNEHAA ORGANICS PRIVATE LIMITED)**

**Auditor's Report on the Restated Statement of Assets and Liabilities as at 31st March, 2025, 31st March, 2024, 31st March, 2023 and 04th July 2022, Statement of Profit & Loss and Cash Flow for the period/year ending at 31st March, 2025, 31st March, 2024, 31st March, 2023 and 04th July 2022, of SNEHAA ORGANICS LIMITED**

To,
The Board of Directors,
**SNEHAA ORGANICS LIMITED**
**(Formerly known as SNEHAA ORGANICS PRIVATE LIMITED)**
Plot No 290 & 291, Dulapally, Adjacent to IDA Jeedemetla,
Qutbullapur, Ranagreddi, Hyderabad,
Telangana, India, 500055

Dear Sirs / Madam,

1) We have examined the attached Restated Summary Statements and Other Financial Information of **SNEHAA ORGANICS LIMITED** (Formerly known as '**SNEHAA ORGANICS PRIVATE LIMITED'**) (The "Company" or the "Issuer") for the period/year ended 31st March, 2025, 31st March, 2024, 31st March, 2023 and 04th July, 2022, (collectively referred to as the "**Restated Summary Statements**" or "**Restated Financial Statements**") as duly approved by the Board of Directors of the Company.

2) The said Restated Financial Statements and other Financial Information have been examined and prepared for the purpose of inclusion in the Red Herring Prospectus and Prospectus (collectively hereinafter referred to as "Offer Documents") in connection with the proposed Initial Public Offering (IPO) on SME Platform of National Stock Exchange of India Limited ("EMERGE IPO") of the company.

3) These restated financial statements have been prepared in accordance with the requirements of:

- Section 26 and 32 of Part I of Chapter III of the Companies Act, 2013 ("**the Act**") read with Companies (Prospectus and Allotment of Securities) Rules 2014, as amended from time to time;
- The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements Regulations), 2018 (the '**SEBI ICDR Regulations**'), as amended from time to time in pursuance of Section 11 of the Securities and Exchange Board of India Act,1992;
- The Guidance Note on Reports in Company Draft Prospectus / Prospectus (Revised) issued by the Institute of Chartered Accountants of India ("**ICAI**") ("Guidance Note");
- The applicable regulation of SEBI (ICDR) Regulations, 2018, as amended, and as per Schedule VI (Part A) (11) (II) of the said Regulations; and
- The terms of reference of our engagement letter with the company, dated 16th December, 2024, requesting us to carry out the assignment, in connection with the proposed Initial Public Offering of equity shares on EMERGE Platform ("IPO" or "EMERGE IPO") of National Stock Exchange of India Limited ("NSE").

4) These Restated Financial Information (included in **Annexure I to XXXIX**) have been extracted by the Management of the Company from:
The Company's Financial Statements for the period/year ended 31st March, 2025, 31st March, 2024, 31st March, 2023 and 04th July, 2022, which the Board has approved of Directors at their meetings, and books of accounts underlying those financial statements and other records of the Company, to the extent considered necessary for the preparation of the Restated Financial Statements, are the responsibility of the Company's Management. The Financial Statements of the Company for the period/year ended 31st March, 2024, 31st March, 2023 and 04th July, 2022 have been audited by M/s. Sumalatha & Associates, Chartered Accountants, had issued unqualified reports for these years. However, for the year ended 31st March, 2024, the Financial Statements have been re-audited by us (Phanindra & Associates) and for the year ended 31st March, 2025 have been audited by us, being the Statutory Auditors of the Company.

5) In accordance with the requirement of Sections 26 and 32 of the Companies Act, 2013 read with Companies (Prospectus and Allotment of Securities) Rules 2014, the SEBI Regulations, the Guidance Note, as amended from time to time and in terms of our engagement agreed with you, we further report that:

(a) The **Restated Statement of Assets and Liabilities** for the period/year ended 31st March, 2025, 31st March, 2024, 31st March, 2023 and 04th July, 2022, examined by us, as set out in **Annexure I** to this report, is prepared by the Company and approved by the Board of Directors. These Restated Summary statements of Assets and Liabilities have been arrived at after making such adjustments and regroupings of the financial statements, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in **Annexure IV to XXXIX** to this Report.

(b) The **Restated Statement of Profit and Loss** of the Company for the period /year ended 31st March, 2025, 31st March, 2024, 31st March, 2023 and 04th July, 2022, examined by us, as set out in **Annexure II** to this report, is prepared by the Company and approved by the Board of Directors, These Restated Summary statements of Profit and Loss, have been arrived at after making such adjustments and regroupings of the financial statements, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in **Annexure IV to XXXIX** to this Report,

(c) The **Restated Statement of Cash Flows** of the Company for the period /year ended 31st March, 2025, 31st March, 2024, 31st March, 2023 and 04th July, 2022, examined by us, as set out in **Annexure III** to this report, is prepared by the Company and approved by the Board of Directors, These Restated Summary Statement of Cash Flows, have been arrived at after making such adjustments and regroupings of the financial statements, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in **Annexure IV to XXXIX** to this Report.

**As a result of these adjustments, the amounts reported in the above-mentioned statements are not necessarily the same as those appearing in the audited financial statements of the Company for the relevant financial years.**

6) Based on the above, as per the reliance placed by us on the audited financial statements of the Company and report thereon given by the Statutory Auditor of the Company for the period/year ended 31st March, 2025, 31st March, 2024, 31st March, 2023 and 04th July, 2022, and to the best of our information and according to the explanation given to us, we are of the opinion that Restated Financial Statement :

a) have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per the changed accounting policies for all the reporting periods based on the significant accounting policies adopted by the Company as at 31st March, 2025, if any

b) have been made after incorporating adjustments for the prior period and other material amounts, if any, in the respective financial years to which they relate to;

c) do not contain any extraordinary items that need to be disclosed separately, other than those presented in the Restated Financial Statement, and do not contain any qualification requiring adjustments;

d) There were no qualifications in the Audit Reports issued by the Statutory Auditors for the period/year ended 31st March, 2025, 31st March, 2024, 31st March, 2023 and 04th July, 2022, which would require adjustments in these Restated Financial Statements of the Company;

e) Restated Summary Statement of Profits and Losses has been arrived at after charging all expenses, including depreciation, and after making such adjustments/ restatements and regroupings as, in our opinion, are appropriate and are to be read in accordance with the Significant Accounting Polices and Notes to Accounts as set out in **Annexure IV to XXXIX** to this report;

f) Adjustments in Restated Summary Statements have been made in accordance with the correct accounting policies,

g) There was no change in accounting policies, which need to be adjusted in the Restated Summary Statements.

h) There are no revaluation reserves, which need to be disclosed separately in the Restated Financial Statements.

i) The Company has not paid a dividend during the financial years under review.

j) As disclosed in Note-9 and Annexure XI of the restated financial statements, Snehaa Organics Limited has stated: "The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006. Consequently, disclosures regarding amounts unpaid as at the year-end, along with interest paid or payable as required under the said Act, have not been provided."
Due to the absence of supplier confirmations regarding MSME status, the Company has not accounted for interest provisions as mandated by the MSMED Act, 2006. Additionally, the Company has entered into agreements with certain creditors allowing a contractual credit period exceeding the stipulated period under the MSMED Act, 2006. However, the Company is required to obtain confirmation from the creditors on their MSME status and account for interest liabilities as per the provisions of the MSMED Act, 2006. The non-recognition of such interest provisions has resulted in an overstatement of reported profits by the amount of interest payable under the MSMED Act, 2006.

k) The Company has mentioned in **Note-29** of the restated financial statements that: "**The closing balances of Debtors and Creditors are subject to Ledger Confirmations from the parties.**"

"The management has represented that they do not expect any material differences to arise upon receipt of such confirmations. As the auditors, we are unable to independently verify or quantify any potential adjustments that may arise from these confirmations, and consequently, we are unable to comment further on the accuracy of the balances with these parties. Our opinion is not modified in respect of this matter".

7) We have also examined the following other Restated Financial Information as set out in the respective Annexure's to this report and forming part of the Restated Financial Statement, prepared by the management of the Company and approved by the Board of Directors of the company for the period/year ended 31st March, 2025, 31st March, 2024, 31st March, 2023 and 04th July, 2022 proposed to be included in the Red Hearing/Prospectus ("Offer Document") for the proposed IPO:

| ANNEXURE NO. | PARTICULARS |
|---|---|
| I | RESTATED STATEMENT OF ASSETS AND LIABILITIES |
| II | RESTATED STATEMENT OF PROFIT & LOSS |
| III | RESTATED CASH FLOW STATEMENT |
| IV | NOTES TO CORPORATE INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES |
| V | RESTATED STATEMENT OF SHARE CAPITAL |
| VI | RESTATED STATEMENT OF RESERVES AND SURPLUS |
| VII | RESTATED STATEMENT OF LONG - TERM BORROWINGS |
| VIII | RESTATED STATEMENT OF DEFERRED TAX LIABILITY |
| IX | RESTATED STATEMENT OF LONG - TERM PROVISIONS |
| X | RESTATED STATEMENT OF SHORT TERM BORROWINGS |
| XI | RESTATED STATEMENT OF TRADE PAYABLES |
| XII | RESTATED STATEMENT OF OTHER CURRENT LIABILITIES |
| XIII | RESTATED STATEMENT OF SHORT - TERM PROVISIONS |
| XIV | RESTATED STATEMENT OF PROPERTY PLANT AND EQUIPMENT & INTANGIBLE ASSETS |
| XV | RESTATED STATEMENT OF CAPITAL WORK IN PROGRESS |
| XVI | RESTATED STATEMENT OF OTHER NON-CURRENT ASSETS |
| XVII | RESTATED STATEMENT OF INVENTORY |
| XVIII | RESTATED STATEMENT OF TRADE RECEIVABLES |
| XIX | RESTATED STATEMENT OF CASH AND CASH EQUIVALENTS |
| XX | RESTATED STATEMENT OF SHORT TERM LOANS AND ADVANCES |
| XXI | REESTATED STATEEMNT OF OTHER CURRENT ASSETS |
| XXII | RESTATED STATEMENT OF REVENUE FROM OPERATIONS |
| XXIII | RESTATED STATEMENT OF OTHER INCOME |
| XXIV | RESTATED STATEMENT OF COST OF MATERIAL CONSUMED |
| XXV | RESTATED STATEMENT OF PURCHASE OF STOCK-IN-TRADE |
| XXVI | RESTATED STATEMENT OF CHANGE IN INVENTORY |
| XXVII | RESTATED STATEMENT OF EMPLOYEE BENEFITS EXPENSE |
| XXVIII | RESTATED STATEMENT OF FINANCE COST |
| XXIX | RESTATED STATEMENT OF OTHER EXPENSES |
| XXX | RESTATED STATEMENT OF DISCLOSURE IN RESPECT OF EPFO &ESIC |
| XXXI | RESTATED STATEMENT OF DISCLOSURE IN RESPECT OF GRATUITY LIABILITY |
| XXXII | RESTATED STATEMENT OF BASIC AND DILUTED EARNINGS PER SHARE |
| XXXIII | RESTATED STATEMENT OF RELATED PARTIES & TRANSACTIONS |
| XXXIV | RESTATED STATEMENT OF ACCOUNTING RATIOS |
| XXXV | RESTATED STATEMENT OF TAX SHELTER |
| XXXVI | RESTATED STATEMENT OF CAPITALISATION |
| XXXVII | RESTATED STATEMENT OF OTHER FINANCIAL INFORMATION |
| XXXVIII | RESTATED STATEMENT OF ADJUSTMENTS TO AUDITED FINANCIAL STATEMENTS |
| XXXIX | RESTATED STATEMENT OF CONTINGENT LIABILITIES |

8) We, Phanindra & Associates, Chartered Accountants, hold a valid peer review certificate issued by the "Peer Review Board" of the Institute of Chartered Accountants of India ("ICAI"), valid till 31st October, 2026.

9) The preparation and presentation of the Financial Statements referred to above are based on the audited financial statements of the Company and are with the provisions of the Act and ICDR Regulations. The Financial Statements and information referred to above are the responsibility of the management of the Company.

10) This report should not in any way be construed as a re-issuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as an opinion on any of the Consolidated Financial Information referred to herein.

11) We have no responsibility to update our report for events and circumstances occurring after the date of the report.

12) In our opinion, the above Restated Financial Statements contained in **Annexure I to XXXIX** to this report read along with the 'Significant Accounting Policies and Notes to the Financial Statements' appearing in **Annexure IV to XXXIX** after making adjustments and regrouping/reclassification as considered appropriate and have been prepared in accordance with the provisions of Section 26 and 32 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules 2014, to the extent applicable, the SEBI Regulations, the Guidance Note issued in this regard by the ICAI, as amended from time to time, and in terms of our engagement agreed with you.

13) Our report is intended solely for the use of the Management and for inclusion in the offer documents in connection with the proposed SME IPO of equity shares of the Company and is not to be used, referred to, or distributed for any other purpose except with our prior written consent.

**For Phanindra & Associates**
**Chartered Accountants**
**Firm Registration No. 013969S**
**Peer Review Certificate No. 015912**

Sd/-

**Srinivasulu T**
**Partner**
**Membership No. 222868**

**Date : 14th August, 2025**
**Place : Hyderabad**
**UDIN : 25222868BMIJTC4981**

**SNEHAA ORGANICS LIMITED**
**( Formerly known as Snehaa Organics Private Limited)**
**( Formerly known as Snehaa Pharma Chemicals)**
**CIN : U24290TG2022PLC164443**

**Annexure - I**

**RESTATED STATEMENT OF ASSETS AND LIABILITIES**

**Amount ( Rs. In Lakhs )**

| S.No | Particulars | Note No. | As at 31st March, 2025 | As at 31st March, 2024 | As at 31st March, 2023 | As at 04th July, 2022 |
|---|---|---|---|---|---|---|
| **I.** | **EQUITY AND LIABILITIES** | | | | | |
| 1 | **Shareholders' funds** | | | | | |
| | (a) Share capital/Partner's capital | 3 | 750.00 | 100.00 | 100.00 | 100.00 |
| | (b) Reserves and surplus | 4 | 727.63 | 643.81 | 277.83 | - |
| | | | 1,477.63 | 743.81 | 377.83 | 100.00 |
| 2 | **Non-current liabilities** | | | | | |
| | (a) Long-term borrowings | 5 | 520.32 | 319.19 | 355.98 | 390.93 |
| | (b) Deferred tax liabilities (Net) | 6 | 21.99 | 11.88 | 3.72 | - |
| | (c) Long-term provisions | 7 | 4.09 | 2.21 | 3.38 | 2.79 |
| | | | 546.40 | 333.28 | 363.08 | 393.73 |
| 3 | **Current liabilities** | | | | | |
| | (a) Short-term borrowings | 8 | 388.20 | 72.94 | 3.17 | 3.26 |
| | (b) Trade payables | | | | | |
| | (i) total outstanding dues of micro enterprises & small enterprises: and | | - | - | - | - |
| | (ii) total outstanding dues of creditors other than than micro and small enterprises | 9 | 275.02 | 378.61 | 185.87 | 240.06 |
| | (c) Other current liabilities | 10 | 51.41 | 38.73 | 36.11 | 184.57 |
| | (d) Short-term provisions | 11 | 266.89 | 142.81 | 113.65 | 139.70 |
| | | | 981.51 | 633.08 | 338.80 | 567.60 |
| | **TOTAL** | | **3,005.55** | **1,710.18** | **1,079.72** | **1,061.32** |
| **II.** | **ASSETS** | | | | | |
| 1 | **Non-current assets** | | | | | |
| | (a) Property, Plant and Equipment & Intangible Assets | | | | | |
| | (i) Property, Plant and Equipment | 12 | 1,398.14 | 802.67 | 418.58 | 364.13 |
| | (ii) Intangible assets | | - | 7.30 | 39.82 | 63.78 |
| | (iii) Capital work in progress | 12A | - | 46.94 | 4.21 | - |
| | (b) Non-current investments | | - | - | - | - |
| | (c) Other non-current assets | 13 | 30.98 | 30.94 | 10.66 | 10.42 |
| | | | 1,429.11 | 887.85 | 473.27 | 438.33 |
| 2 | **Current assets** | | | | | |
| | (a) Inventory | 14 | 366.51 | 39.04 | 98.27 | 97.20 |
| | (b) Trade receivables | 15 | 942.67 | 648.64 | 378.87 | 405.70 |
| | (c) Cash and cash equivalents | 16 | 19.22 | 16.87 | 13.56 | 14.41 |
| | (d) Short term loans and advances | 17 | 218.11 | 117.77 | 114.87 | 102.57 |
| | (e) Other current assets | 18 | 29.92 | - | 0.87 | 3.12 |
| | | | 1,576.43 | 822.33 | 606.45 | 622.99 |
| | **TOTAL** | | **3,005.55** | **1,710.18** | **1,079.72** | **1,061.32** |

*The accompanying significant accounting policies and explanatory notes on accounts 1 - 39 are integral part of financial statements*

**As per our report of even date attached**
**For Phanindra & Associates**
**Chartered Accountants**
**FRN: 013969S**
**Peer Review Certificate No : 015912**

**For & on behalf of Board of Directors of Snehaa Organics Limited**
(Formerly known as Snehaa Organics Private Limited & Snehaa Pharma Chemicals)

Sd/-
**Srinivasulu T**
**Partner**
**M.No : 222868**

Sd/-
**N. Venkata Sai Kiran**
**Managing Director**
**DIN: 07986570**

Sd/-
**N. Venkata Sai Harish**
**Whole-time Director**
**DIN: 07967075**

Sd/-
**B. Sarath Chandra**
**CFO**

Sd/-
**Poonam Jain**
**Company Secretary**
**Mem. No : A44093**

**Date : 14th August, 2025**
**Place : Hyderabad**
**UDIN : 25222868BMIJTC4981**

**SNEHAA ORGANICS LIMITED**
**( Formerly known as Snehaa Organics Private Limited)**
**( Formerly known as Snehaa Pharma Chemicals)**
**CIN : U24290TG2022PLC164443**

**Annexure - II**

**RESTATED STATEMENT OF PROFIT & LOSS**

**Amount ( Rs. In Lakhs )**

| | Particulars | Note No. | For the period ended 31st March, 2025 | For the period ended 31st March, 2024 | For the period from 05th July, 2022 to 31st March, 2023 | For the period from 01st April, 2022 to |
|---|---|---|---|---|---|---|
| **I.** | Revenue from operations | 19 | 2,622.33 | 2,371.79 | 1,365.23 | 645.02 |
| **II.** | Other income | 20 | 7.12 | 8.53 | 6.87 | 24.30 |
| **III.** | **Total Income (I +II)** | | **2,629.45** | **2,380.31** | **1,372.09** | **669.32** |
| **IV.** | **Expenses** | | | | | |
| | (i) Cost of material consumed | 21 | 731.24 | 805.42 | 422.74 | 415.57 |
| | (ii) Purchase of Stock-in-Trade | 22 | 491.02 | 320.11 | 122.97 | 19.56 |
| | (iii) Changes in inventories | 23 | (309.23) | 56.08 | (5.29) | (5.60) |
| | (iv) Employee benefits expense | 24 | 214.48 | 149.88 | 133.43 | 38.86 |
| | (v) Finance costs | 25 | 53.34 | 9.27 | - | 18.57 |
| | (vi) Depreciation and amortization expense | 12 | 121.44 | 80.04 | 44.05 | 23.01 |
| | (vii) Other expenses | 26 | 345.87 | 457.20 | 274.40 | 82.75 |
| | **Total expenses** | | **1,648.16** | **1,878.00** | **992.31** | **592.71** |
| **V.** | **Profit before exceptional and extraordinary items & tax (III- IV)** | | 981.29 | 502.32 | 379.78 | 76.61 |
| **VI.** | **Exceptional items - Prior Period** | | - | - | - | - |
| **VII.** | **Profit before extraordinary items and tax (V-VI)** | | **981.29** | **502.32** | **379.78** | **76.61** |
| **VIII.** | **Extraordinary items** | | - | - | - | - |
| **IX.** | **Profit before tax (VII - VIII)** | | **981.29** | **502.32** | **379.78** | **76.61** |
| **X.** | Tax expense | | | | | |
| | (i) Current tax | | 237.36 | 128.18 | 98.23 | 29.78 |
| | (ii) Deferred tax | | 10.11 | 8.16 | 3.72 | - |
| **XI.** | **Profit (Loss) for the period from continuing operations (IX -X)** | | **733.82** | **365.98** | **277.83** | **46.83** |
| **XII.** | Profit/(Loss) from discontinuing operations | | - | - | - | - |
| **XIII.** | Tax expense of discontinuing operations | | - | - | - | - |
| **XIV.** | Profit/(Loss) from discontinuing operations (after tax) (XII - XIII) | | - | - | - | - |
| **XV.** | **Profit/(Loss) for the period (XI + XIV)** | | **733.82** | **365.98** | **277.83** | **46.83** |
| **XVI.** | **Earnings per equity share:** | | | | | |
| | (1) Basic earnings per share | | **9.78** | **4.88** | **4.76** | **-** |
| | (2) Diluted earnings per share | | **9.78** | **4.88** | **4.76** | **-** |

*The accompanying significant accounting policies and explanatory notes on accounts 1 - 39 are integral part of financial statements*

**As per our report of even date attached**
**For Phanindra & Associates**
**Chartered Accountants**
**FRN: 013969S**
**Peer Review Certificate No : 015912**

**For & on behalf of Board of Directors of Snehaa Organics Limited**
(Formerly known as Snehaa Organics Private Limited & Snehaa Pharma Chemicals)

Sd/-
**Srinivasulu T**
**Partner**
**M.No : 222868**

Sd/-
**N. Venkata Sai Kiran**
**Managing Director**
**DIN: 07986570**

Sd/-
**N. Venkata Sai Harish**
**Whole-time Director**
**DIN: 07967075**

Sd/-
**B. Sarath Chandra**
**CFO**

Sd/-
**Poonam Jain**
**Company Secretary**
**Mem. No : A44093**

**Date : 14th August, 2025**
**Place : Hyderabad**
**UDIN : 25222868BMIJTC4981**

**SNEHAA ORGANICS LIMITED**
**( Formerly known as Snehaa Organics Private Limited)**
**( Formerly known as Snehaa Pharma Chemicals)**
**CIN : U24290TG2022PLC164443**

**Annexure - III**

**RESTATED CASH FLOW STATEMENT**

**Amount ( Rs. In Lakhs )**

| S.No | Particulars | For the period ended 31st March, 2025 | For the period ended 31st March, 2024 | For the period from 05th July, 2022 to 31st March, 2023 | For the period from 01st April, 2022 to 04th July, 2022 |
|---|---|---|---|---|---|
| A. | **CASH FLOWS FROM OPERATING ACTIVITIES** | | | | |
| | **Profit Before Tax as per Profit & Loss A/c** | **981.29** | **502.32** | **379.78** | **76.61** |
| | **Adjustments for :** | | | | |
| | Depreciation | 121.44 | 80.04 | 44.05 | 23.01 |
| | Gratuity | 1.81 | (1.20) | 0.69 | - |
| | Interest on Fixed Deposit | (0.29) | (0.41) | (0.33) | (0.14) |
| | Interest Charges/Finance Cost | 53.34 | 9.27 | - | 18.57 |
| | **Operating profit before working capital changes** | **1,157.59** | **590.02** | **424.19** | **118.05** |
| | **Adjustments for:** | | | | |
| | (Increase)/Decrease in Trade Receivables | (294.03) | (269.77) | 26.82 | (45.05) |
| | (Increase)/Decrease in Other current assets | (29.92) | 0.87 | 2.25 | (3.12) |
| | (Increase)/Decrease in Other Non current assets | (0.04) | (20.28) | (0.23) | (0.99) |
| | Increase / (Decrease) in Trade Payables | (103.59) | 192.74 | (54.19) | 142.58 |
| | Increase / (Decrease) in Other Current Liabilities | 12.68 | 2.62 | (148.46) | 164.96 |
| | Increase / (Decrease) in Short term Provisions | 124.15 | 29.18 | (26.15) | 7.17 |
| | Increase / (Decrease) in Long term Provisions | 10.11 | 8.16 | 3.72 | - |
| | (Increase) / Decrease in Inventory | (327.46) | 59.23 | (1.08) | (9.72) |
| | **Cash generated from operations** | **549.48** | **592.76** | **226.87** | **373.88** |
| | Net Income Tax (Paid)/Refund | (247.47) | (136.34) | (101.95) | (29.78) |
| | **Net Cash from Operating Activities (A)** | **302.01** | **456.42** | **124.92** | **344.10** |
| B. | **CASH FLOWS FROM INVESTING ACTIVITIES** | | | | |
| | Purchase of Fixed Assets | (709.60) | (431.61) | (74.55) | (2.31) |
| | Change in CWIP | 46.94 | (42.73) | (4.21) | - |
| | Increase in Long/Short Term Loans & Advances | (100.34) | (2.90) | (12.30) | (25.37) |
| | Interest on Fixed Deposit | 0.29 | 0.41 | 0.33 | 0.14 |
| | **Net Cash from / (used) in Investing Activities (B)** | **(762.71)** | **(476.84)** | **(90.72)** | **(27.55)** |
| C. | **CASH FLOWS FROM FINANCING ACTIVITIES** | | | | |
| | Interest Charges/Finance Cost | (53.34) | (9.27) | - | (18.57) |
| | Change in Partners capital | - | - | - | (347.03) |
| | Increase/(Decrease) in Secured/Unsecured Loans | 516.39 | 32.98 | (35.05) | 28.48 |
| | **Net Cash from/(used in) Financing Activities ( C)** | **463.05** | **23.72** | **(35.05)** | **(337.12)** |
| | **Net Increase in Cash and Cash equivalents during the year (A+B+C)** | 2.35 | 3.30 | (0.84) | (20.57) |
| | **Cash and Cash equivalents at the beginning of the year** | 16.87 | 13.56 | 14.41 | 34.97 |
| | **Cash and Cash equivalents at the end of the year** | **19.22** | **16.87** | **13.56** | **14.41** |

**Note:**

1. Components of Cash & Cash Equivalents

| Particulars | For the period ended 31st March, 2025 | For the period ended 31st March, 2024 | For the period from 05th July, 2022 to 31st March, 2023 | For the period from 01st April, 2022 to 04th July, 2022 |
|---|---|---|---|---|
| Balances with Banks in Current Accounts | 19.21 | 16.86 | 13.56 | 14.40 |
| Cash on Hand | 0.01 | 0.01 | 0.01 | 0.01 |
| Fixed deposit | - | - | - | - |
| **Total** | **19.22** | **16.87** | **13.56** | **14.41** |

2. The above cash flow statement has been prepared under the indirect method set out in AS-3 issued by the Institute of Chartered Accountants of India.
3. Figures in Brackets represents outflow.

***The accompanying significant accounting policies and explanatory notes on accounts 1 - 39 are integral part of financial statements***

**As per our report of even date attached**
**For Phanindra & Associates**
**Chartered Accountants**
**FRN: 013969S**
**Peer Review Certificate No : 015912**

**For & on behalf of Board of Directors of Snehaa Organics Limited**
(Formerly known as Snehaa Organics Private Limited & Snehaa Pharma Chemicals)

Sd/-
**Srinivasulu T**
**Partner**
**M.No : 222868**

Sd/-
**N. Venkata Sai Kiran**
**Managing Director**
**DIN: 07986570**

Sd/-
**N. Venkata Sai Harish**
**Whole-time Director**
**DIN: 07967075**

Sd/-
**B. Sarath Chandra**
**CFO**

Sd/-
**Poonam Jain**
**Company Secretary**
**Mem. No : A44093**

**Date : 14th August, 2025**
**Place : Hyderabad**
**UDIN : 25222868BMIJTC4981**

**Annexure - IV**

## NOTES TO CORPORATE INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

**1 CORPORATE INFORMATION:**

Snehaa Organics Limited was originally incorporated as a Snehaa Pharma Chemicals (Partnership firm) had been converted into a Snehaa Organics Private Limited(U24290TG2022PTC164443) company vide fresh certificate of incorporation dated 05th July, 2022 issued by registrar of companies. Subsequently, the Company was converted into a Public Limited Company and consequently the name of the Company was changed from "Snehaa Organics Private Limited" to "Snehaa Organics Limited"(U24290TG2022PLC164443) vide a fresh certificate of incorporation consequent upon conversion to public company dated January 07, 2025, issued by the Registrar of Companies. Company was incorporated with an objective to carry on the business of distillation of solvents and manufacture of pharma chemicals and job works in pharma chemicals and to manufacture, produce, refine, process, formulate, mix or prepare, mine or otherwise acquire, invest in, own, hold, use, lease, mortgage, pledge, buy, sell, exchange, distribute, assign, transfer or otherwise dispose of, trade, deal in and deal with, import and export any and all classes and kinds of fertilizers, organic fertilizers, inorganic fertilisers, agricultural chemicals, manures, their mixtures and formulations any and all classes and kinds of chemicals, source materials, ingredients, mixtures derivatives and compounds thereof.

These restated financial statements are presented in Indian Rupees ('Rupees' or 'Rs.' or 'INR') and are rounded off to the nearest Lakhs, except per share data and unless stated otherwise

**2 SIGNIFICANT ACCOUNTING POLICIES:**

**2.1 Basis of preparation of restated financial statements**

The restated financial statements of the company comprise financial statements for the period/year ended 31st March, 2025, 31st March, 2024, 31st March, 2023 and 04th July, 2022 that had been previously prepared and audited as per the requirements of Companies Act, 2013 and now restated as per the requirements of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the SEBI ICDR Regulations) issued by the Securities and Exchange Board of India (SEBI) on September 11, 2018 as amended from time to time in pursuance of the Securities and Exchange Board of India Act, 1992 and Guidance note on reports in Company Prospectus (Revised 2019) (Guidance Note) issued by the Institute of Chartered Accountants of India (ICAI). The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India (GAAP) and comply with the mandatory Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 (''the Act'') read with rule 7 of Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified), other pronouncements of the Institute of Chartered Accountants of India (ICAI) to the extent applicable, on the historical cost convention and on the accrual basis, following the going concern assumption. The management has assessed the Company's ability to continue as a going concern and, based on the current circumstances, believes that the Company will be able to realise its assets and discharge its liabilities in the normal course of business.

These Statements have been prepared by the Management for the purpose of inclusion in the Red Herring Prospectus ('RHP')/ Prospectus in connection with its proposed initial public offering of equity shares.

The Restated Financial Information have been compiled by the Management from:

The Audited Financial Statements of the Company as at and for the period/year ended 31st March, 2025, 31st March, 2024, 31st March, 2023 and 04th July, 2022 prepared in accordance with the IGAAP which has been approved by the Board of Directors.

**The Restated Financial Information have been prepared to contain information/disclosures and incorporating adjustments set out below in accordance with the ICDR Regulations:**

i) Adjustments to the profits or losses of the earlier years for the changes in accounting policies if any to reflect what the profits or losses of those years would have been if a uniform accounting policy was followed in each of these years and of material errors, if any;

ii) Adjustments for reclassification/regroupings of the corresponding items of income, expenses, assets and liabilities retrospectively for the period/year ended 31st March, 2025, 31st March, 2024, 31st March, 2023 and 04th July, 2022 in order to bring them in line with the groupings as per the Restated Financial Information of the Company for the period ended 31st March, 2024 and the requirements of the SEBI Regulations, if any; and

iii) The resultant impact of tax due to the aforesaid adjustments, if any.

**2.2 Use Of Estimates:**

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure relating to contingent assets and contingent liabilities as on the date of the financial statements and the reported amounts of income and expense during the period. Actual results could differ from the estimates. Examples of estimates include provision for doubtful debt, future obligation under employees retirement benefit plans, income taxes, useful life of fixed assets, etc., Any revision to accounting estimates is recognized prospectively in current and future periods.

**2.3 Cash and Cash Equivalents**

Cash and cash equivalents for the purposes of financial statements comprise cash with banks and cash in hand. These are highly convertible in cash and are subject to insignificant risk of changes in value.

**2.4 Cash Flow Statements:**

Cash flows are reported using the indirect method, where by the net profit before tax is adjusted for the effects of transactions of a non cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated and presented separately.

**Annexure - IV**

## NOTES TO CORPORATE INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

### 2.5 Property, Plant & Equipment and Intangible Assets & Depreciation:

i) Property, Plant & Equipment are shown at Cost of acquisition. Cost of acquisition is inclusive of freight, duties, levies and all incidentals directly or indirectly attributable to bringing the asset to its working condition for its intended use. The cost of fixed assets include cost of initial warranty / insurance spares purchased along with the capital asset, which are grouped as single item under respective assets.

ii) Depreciation is computed based on the rates specified in Income tax act, 1961 up to the date of conversion i.e. 05th July, 2022. after the conversion of Snehaa pharma chemicals (Partnership firm) into Snehaa organics private limited Depreciation is calculated based on a Straight line method, based on estimated useful life of the assets as mentioned below.

| S.No | Particulars | Useful life (in years) | |
|---|---|---|---|
| | | As per schedule II | Estimated by management |
| 1 | Building | 30 | 10 |
| 2 | Plant and machinery | 25 | 10 |
| 3 | Furniture and fixtures | 10 | 10 |
| 4 | Computers | 3 | 3 |
| 5 | Electrical equipment's | 10 | 5 |
| 6 | New Vehicles | 8 | 8 |
| 7 | Old Vehicles | 8 | 3 |

iii) Capital work in progress comprises outstanding advances paid to acquire assets and the cost of fixed asset (including expenditure during construction) that are not yet ready for their intended use before the balance sheet date.

iv) **Intangible Assets**: Intangible assets refer to non-physical assets that provide future economic benefits to the company. These assets do not have physical substance but are identifiable and controlled by the company. Common examples include goodwill, trademarks, copyrights, patents, and software.

v) **Amortization/Depreciation**: The amortization of intangible assets is carried out over the useful life of the asset, reflecting the pattern in which the economic benefits are expected to be consumed by the company. The company assumes that the economic benefits will flow over a period of 5 years and accordingly calculated amortization and charged it to the profit and loss a/c.

vi) **Impairment –** The company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists the company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as impairment loss and is recognized in the profit and loss account. For an asset that does not generate independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs. If at the balance sheet there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciation historical cost.

### 2.6 Inventory

Inventories comprising raw materials, consumables, purchase of a stock in trade, finished goods produced by the company, and finished goods relating to job work.
Raw materials, consumables and purchase of stock in trade are valued at cost or net realisable value, whichever is lower.
Finished goods produced by the company are valued at net realisable value.
Finished goods relating to job work are valued at the job work charge rate.

### 2.7 Revenue Recognition:

i) The Company recognises revenue from the distillation of solvents and manufacture of pharma chemicals to the extent that the economic benefits will probably flow to the Company and the revenue can be reliably measured, regardless of when the payment is made.
ii) The Company recognises revenue from the distillation of solvents and manufacture of pharma chemicals on a job work basis, and the sale of direct trade products is recognised upon the completion of the service when
a) The job work is completed, and the processed solvents are delivered to the customer.
b) The direct trade products are delivered to customers.
c) The significant risks and rewards of ownership of the processed solvents are transferred to the customer.
iii) Interest income is recognised on a time-proportionate basis, taking into account the amount of outstanding and the rate applicable.

**Annexure - IV**

**NOTES TO CORPORATE INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES**

**2.8 Employee Retirement Benefits:**

**Provident Fund**

Eligible employees receive benefits from a provident fund, which is a defined contribution scheme. Both the employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee salary. The contribution made by the Company is charged to the Profit and Loss Account.

**Employee State Insurance**

Contributions to the Employee State Insurance (ESI) scheme, as per the Employees' State Insurance Act, 1948, are recognized as part of employee benefits expense in the period the related services are rendered. The Company's obligation is limited to the contributions made to the ESI scheme.

**Gratuity**

Post-employment defined benefit plan. Short-term and long-term liability recognized in the Balance Sheet represents the present value of the defined benefit obligation at the reporting date less the fair value of plan assets.

Gratuity is provided for on the basis of an actuarial valuation at the end of each financial year. Actuarial gains and losses are recognized in full in the statement of profit and loss for the period in which they occur.

**Compensated absences**

The Company does not follow any Leave Encashment policy for its employees.

**2.9 Earnings Per Share**

(i) Basic earnings per share are computed by dividing the net profit or loss after tax attributable to equity shareholders for the period by the weighted average number of equity shares outstanding during the period.

(ii) For the purpose of calculating diluted earnings per share, net profit or loss after tax attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as at the beginning of the period, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

**2.10 Provisions And Contingent Liabilities:**

The Company recognizes a provision when there is a present obligation as a result of past obligating event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

**2.11 Taxes On Income**

Income tax expense/(income ) comprises of current tax, deferred tax.

***Current Tax***

Current tax is determined as the amount of tax payable in respect of taxable income for the year as per the provisions of the Income Tax Act, 1961.

***Deferred Tax***

Deferred tax reflects the tax effects of the timing differences between accounting income and taxable income for the period. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the rates that have been enacted or substantially enacted by the Balance Sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in the future; however, where there is unabsorbed depreciation or carry forward of loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets.

Deferred tax assets are reviewed at each balance sheet date and written down or written up to reflect the amount that is reasonably/virtually certain(as the case may be) to be realized.

The break up of the deferred tax assets and liabilities as at the Balance Sheet date has been arrived at after setting off deferred tax assets and liabilities where the company has a legally enforceable right and an intention to set off deferred tax assets against liabilities and where such assets and liabilities relate to taxes on income levied by the same governing taxation laws.

**SNEHAA ORGANICS LIMITED**
**( Formerly known as Snehaa Organics Private Limited)**
**( Formerly known as Snehaa Pharma Chemicals)**
**CIN : U24290TG2022PLC164443**

**NOTES TO RESTATED FINANCIAL INFORMATION**

**Amount ( Rs. In Lakhs )**

**NOTE 3**

**RESTATED STATEMENT OF SHARE CAPITAL** **Annexure-V**

| S.No | Particulars | As at 31st March, 2025 | As at 31st March, 2024 | As at 31st March, 2023 | As at 04th July, 2022 |
|---|---|---|---|---|---|
| 1 | **Partner's capital account** | | | | |
| | Opening balance | - | - | 100.00 | 478.05 |
| | Add: Additions during the year | - | - | - | 9.00 |
| | Add: Profit for the year | - | - | - | 39.57 |
| | Less: Drawings for the year | - | - | - | 57.94 |
| | **Closing balance** | - | - | **100.00** | **468.68** |
| | Less/Add: Restatement adjustment | - | - | - | 7.26 |
| | Less: Capital converted into share capital during the period | - | - | 100.00 | - |
| | Less: Amount transferred to Unsecured loans | - | - | - | 375.93 |
| | **Total Capital Restated** | - | - | (0.00) | **100.00** |
| 1 | **Authorised capital** | | | | |
| | 1,10,00,000 Equity shares of Rs.10/- each {Refer note 3[b(iii)]} below<br>(P.Y 10,00,000 Equity shares of Rs.10/- each) | 1,100.00 | 100.00 | 100.00 | - |
| | | **1,100.00** | **100.00** | **100.00** | **-** |
| 2 | **Issued, Subscribed & Paid up capital** | | | | |
| | 75,00,000 Equity shares of Rs.10/- each<br>(P.Y 10,00,000 Equity shares of Rs.10/- each) | 750.00 | 100.00 | 100.00 | - |
| | **Total** | **750.00** | **100.00** | **100.00** | **-** |

**a) Rights, Preference & restrictions attached to shares**

**Equity shares**

*The company has only one class of equity shares having a par value of Rs. 10/- per share.*

*Each shareholder is eligible for one vote per share.*

*In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company, after distribution of all preferential amounts, in proportion of their shareholding.*

**b) Reconciliation of number of shares outstanding and amount at the beginning and at the end of the reporting period**

| S.No. | Particulars | Number of shares | | | |
|---|---|---|---|---|---|
| | | As at 31st March, 2025 | As at 31st March, 2024 | As at 31st March, 2023 | As at 04th July, 2022 |
| 1 | Shares outstanding at the beginning of the year | 10,00,000 | 10,00,000 | - | - |
| 2 | Buy back of Equity shares | - | - | - | - |
| 3 | Shares issued during the year {Refer note 3[b(ii)&(v)]} below | 65,00,000 | - | 10,00,000 | - |
| 4 | Shares outstanding at the end of the year | **75,00,000** | **10,00,000** | **10,00,000** | **-** |

**Notes:**

i. The Authorized Share capital of the company was increased from 5,00,000( Five lakh) Equity Shares of Rs.10/- each to 10,00,000 (Ten lakhs) Equity shares of Rs. 10/- each vide resolution passed in EGM dated 5th September, 2022.

ii. During the Financial Year 2022-23 company has allotted 5,00,00(Five lakhs) equity shares of Rs. 10/- each to the promoters against conversion of unsecured loan pursuant to the provisions of Section 62 and other applicable provisions, if any of the companies act 2013.

iii. The Authorized Share capital of the company was increased from 10,00,000( Ten lakhs) Equity Shares of Rs.10/- each to 1,10,00,000 (One crore Ten lakhs) Equity shares of Rs. 10/- each vide resolution passed in EGM dated 22nd November, 2024.

iv. During Financial Year 2024-25, two lakh shares of the past shareholder, (viz., Mrs Venkata Lakshmi Nandigala) were transferred as a gift to the existing shareholders, (viz., Mr Venkata Sai Kiran Nandigala and Mr Venkata Sai Harish Nandigala) with one lakh shares each, on 1st April 2024. The transfer was approved by the board through a resolution dated 1st April, 2024.

v. The company issued 65,00,000 equity shares of Rs. 10/- each as bonus shares in the ratio of 65:10(i.e. 65 (Sixty five) Fully paid Bonus Shares of Rs.10/- each will be allotted against the holding of 10 (Ten) equity shares of the Company vide EGM resolution passed on 07th December, 2024 and allotted on 7th December, 2024. The effect of bonus shares are considered for calculation of EPS.

vi. During the Financial Year 2024-25 Five equity shares of Rs 10/- each, were transferred from the Existing share holder (viz., Mr. Venkata Sai Kiran Nandigala) to five new share holders (viz., Mr Dasari Srinivas Rao, Mr Nadagapu Kesava Rao, Mr Poorna Chandra Reddy P, Mr.Tirumalasetti Samba Siva Rao, Mrs.Padigapati Vijaya Lakshmi) with each receiving on share on 13th December, 2024 & approved by the board through Resolution dated 13th December, 2024.

**c) Details of shareholders holding more than 5% equity shares in the company**

| S.No. | Name of the shareholder | As at 31st March, 2025 | | As at 31st March, 2024 | | As at 31st March, 2023 | | As at 04th July, 2022 | |
|---|---|---|---|---|---|---|---|---|---|
| | | No. of shares held | % Holding | No. of shares held | % Holding | No. of shares held | % Holding | No. of shares held | % Holding |
| 1 | Venkata Sai Harish Nandigala | 37,50,000 | 50.0000% | 4,00,000 | 40.00% | 4,00,000 | 40.00% | - | 0.00% |
| 2 | Venkata Sai Kiran Nandigala | 37,49,995 | 49.9999% | 4,00,000 | 40.00% | 4,00,000 | 40.00% | - | 0.00% |
| 3 | Venkata Lakshmi Nandigala | - | 0.0000% | 2,00,000 | 20.00% | 2,00,000 | 20.00% | - | 0.00% |
| | **Total** | **74,99,995** | **99.9999%** | **10,00,000** | **100.00%** | **10,00,000** | **100.00%** | **-** | **0.00%** |

**d) Details of shareholding held by promoters**

| S.No. | Name of the Shareholder | As at 31st March, 2025 | | % of Change | As at 31st March, 2024 | | As at 31st March, 2023 | | As at 04th July, 2022 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | No. of Shares held | % of Total shares | | No. of Shares held | % of Total shares | No. of Shares held | % of Total shares | No. of Shares held | % of Total shares |
| 1 | Venkata Sai Harish Nandigala | 37,50,000 | 50.0000% | 10.0000% | 4,00,000 | 40.00% | 4,00,000 | 40.00% | - | 0.00% |
| 2 | Venkata Sai Kiran Nandigala | 37,49,995 | 49.9999% | 9.9999% | 4,00,000 | 40.00% | 4,00,000 | 40.00% | - | 0.00% |
| 3 | Venkata Lakshmi Nandigala | - | 0.0000% | -20.0000% | 2,00,000 | 20.00% | 2,00,000 | 20.00% | - | 0.00% |
| | **Total** | **74,99,995** | **99.9999%** | | **10,00,000** | 100.00% | **10,00,000** | **100.00%** | **-** | 0.00% |

*Percentage of change in share holding is applicable for Financial Year 2024-25 only

**e) Shares reserved for the issue under options**

No shares to be issued under the employee stock option plan

**f)For the period of five years immediately preceding the date as at which the Balance Sheet is prepared (from date of formation of Company i.e. 05-07-2022) :**

i) The Company has not issued any shares without consideration / payment in cash in pursuance of a contract.

ii) The Company has not bought back any shares.

iii) Aggregate number of Equity shares allotted as fully paid up Bonus shares - For 31st March,2025, is 65,00,000 Equity shares of face value of ₹ 10/- and for 31st March, 2024, 31st March, 2023 and as on 04th July, 2022 - Nill.

iv) The company has not forfeited any shares.

**SNEHAA ORGANICS LIMITED**
**( Formerly known as Snehaa Organics Private Limited)**
**( Formerly known as Snehaa Pharma Chemicals)**
**CIN : U24290TG2022PLC164443**

**NOTES TO RESTATED FINANCIAL INFORMATION**

**Amount ( Rs. In Lakhs )**

**NOTE 4**
**RESTATED STATEMENT OF RESERVES AND SURPLUS** **Annexure-VI**

| S.No. | Particulars | As at 31st March, 2025 | As at 31st March, 2024 | As at 31st March, 2023 | As at 04th July, 2022 |
|---|---|---|---|---|---|
| 1 | **Surplus / (Deficit) in Statement of Profit & Loss** | | | | |
| | Opening Balance | 643.81 | 277.83 | - | - |
| | **Add**: Profit for the year | 733.82 | 350.34 | 305.13 | - |
| | **Add/Less**: Restatement adjustment | - | 15.63 | (27.30) | - |
| | **Less**: Utilised for Bonus issue [Refer note 3b(v)] | (650.00) | - | - | - |
| | **Total** | **727.63** | **643.81** | **277.83** | **-** |

**NOTE 5**
**RESTATED STATEMENT OF LONG - TERM BORROWINGS** **Annexure-VII**

| S.No. | Particulars | As at 31st March, 2025 | As at 31st March, 2024 | As at 31st March, 2023 | As at 04th July, 2022 |
|---|---|---|---|---|---|
| 1 | **Secured loans** | | | | |
| | (a) Car loan [Refer note 5a(iv) below] | 93.84 | 173.19 | - | - |
| | (b) Commercial Vehicle Loan [Refer note 5a(i,ii,iii) below] | 74.47 | - | - | - |
| | (c) Term Loan [Refer note 5a(v, vi) below] | 352.01 | - | - | - |
| 2 | **Unsecured loans** | | | | |
| | (a) Loan from directors | - | 131.00 | 340.98 | 375.93 |
| | (b) Loan from others | - | 15.00 | 15.00 | 15.00 |
| | **Total** | **520.32** | **319.19** | **355.98** | **390.93** |

**a. Principal terms of Secured loans and Assets charged as Security**

| S.No | Type of Loan | Sanctioned amount | Nature of security | Rate of interest | EMI amount | No.of |
|---|---|---|---|---|---|---|
| i | Commercial Vehicle Loan - 800791618 | 39.50 | Movable property (Motor vehicle) | 8.75% P.A | 1.23 | 37.00 |
| ii | Commercial Vehicle Loan - 800829972 | 39.50 | Movable property (Motor vehicle) | 8.75% P.A | 1.23 | 37.00 |
| iii | Commercial Vehicle Loan - 800830020 | 39.50 | Movable property (Motor vehicle) | 8.75% P.A | 1.23 | 37.00 |
| iv | Car loan | 257.70 | Movable property (Motor vehicle) | 8.45% P.A | 7.58 | 39.00 |
| v | Term Loan - 800973871 | 150.00 | Hypothecation on stock & receivables | 9.1%P.A | 2.42 | 84.00 |
| vi | Term Loan - 801097434 | 250.00 | Hypothecation on stock & receivables | 9.1%P.A | 4.03 | 84.00 |

**NOTE 6**
**RESTATED STATEMENT OF DEFERRED TAX LIABILITY** **Annexure-VIII**

| S.No. | Particulars | As at 31st March, 2025 | As at 31st March, 2024 | As at 31st March, 2023 | As at 04th July, 2022 |
|---|---|---|---|---|---|
| 1 | Opening deferred tax liability/(Asset) [Refer note 6a] | 11.88 | 3.72 | - | - |
| | Add: Deferred tax expense | 10.11 | 8.16 | 3.72 | - |
| | **Total** | **21.99** | **11.88** | **3.72** | **-** |

a. During the period from 1st April 2022 to 4th July 2022, deferred tax was not recognized as the entity is a partnership firm followed the depreciation method prescribed under the Income Tax Act, 1961. Consequently, no temporary differences arose during these periods.

**NOTE 7**
**RESTATED STATEMENT OF LONG - TERM PROVISIONS** **Annexure-IX**

| S.No. | Particulars | As at 31st March, 2025 | As at 31st March, 2024 | As at 31st March, 2023 | As at 04th July, 2022 |
|---|---|---|---|---|---|
| 1 | Provision for Employee benefits - Gratuity [Refer note 27(II)] | 4.09 | 2.21 | 3.38 | 2.79 |
| | **Total** | **4.09** | **2.21** | **3.38** | **2.79** |

**SNEHAA ORGANICS LIMITED**
**( Formerly known as Snehaa Organics Private Limited)**
**( Formerly known as Snehaa Pharma Chemicals)**
**CIN : U24290TG2022PLC164443**

**NOTES TO RESTATED FINANCIAL INFORMATION**

**NOTE 8**
**RESTATED STATEMENT OF SHORT TERM BORROWINGS** **Annexure-X**

| S.No. | Particulars | As at 31st March, 2025 | As at 31st March, 2024 | As at 31st March, 2023 | As at 04th July, 2022 |
|---|---|---|---|---|---|
| 1 | **Secured loans** | | | | |
| | (a) Car loan- Current maturity [Refer note 5a(iv) above] | 79.35 | 72.94 | - | - |
| | (b) Commercial Vehicle Loan [Refer note 5a(i,ii,iii) above] | 35.63 | - | - | - |
| | (c) Term loan from banks [Refer note 8(a) below] | 43.28 | - | - | - |
| | (d ) Cash Credit [Refer note 8(b) below] | 229.65 | - | - | - |
| 2 | **Unsecured loans** | | | | |
| | (a) Credit card | 0.30 | - | 3.17 | 3.26 |
| | **Total** | **388.20** | **72.94** | **3.17** | **3.26** |

(a) During the Financial year 2022-23, theterm loan from Aadharsh cooperative urban bank limited had been pre closed as on 25th July,2022.
(b) Principal terms of Cash credit

| S.No | Name of the Bank | Sanctioned Limit | Interest rate | Primary security | Collateral Security |
|---|---|---|---|---|---|
| i | HDFC Bank | 500 | 9.10% | Hypothecation of Stock and Receivables | Hypothecation on Plant and machinery |

**NOTE 9**
**RESTATED STATEMENT OF TRADE PAYABLES** **Annexure-XI**

| S.No. | Particulars | As at 31st March, 2025 | As at 31st March, 2024 | As at 31st March, 2023 | As at 04th July, 2022 |
|---|---|---|---|---|---|
| 1 | Outstanding dues of Micro Enterprises and Small Companies | - | - | - | - |
| 2 | Outstanding dues of creditors other than Micro Enterprises and Small Companies * | | | | |
| | -For Purchases | 198.86 | 264.47 | 58.95 | 202.16 |
| | -For Others | 68.27 | 65.10 | 34.31 | 16.77 |
| | -For Expenses | 7.89 | 49.04 | 92.61 | 21.13 |
| | **Total** | **275.02** | **378.61** | **185.87** | **240.06** |

**Trade Payables ageing schedule for the year ended 31.03.2025**

| Particulars | Outstanding for following periods from due date of payment | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) MSME | - | - | - | - | **-** |
| (ii) Others | 239.86 | 35.16 | - | - | **275.02** |
| (iii) Disputed Dues- MSME | - | - | - | - | **-** |
| (iv) Disputed Dues - Others | - | - | - | - | **-** |
| **Total** | **239.86** | **35.16** | **-** | **-** | **275.02** |

**Trade Payables ageing schedule for the year ended 31.03.2024**

| Particulars | Outstanding for following periods from due date of payment | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) MSME | - | - | - | - | **-** |
| (ii) Others | 377.55 | 0.97 | 0.09 | - | **378.61** |
| (iii) Disputed Dues- MSME | - | - | - | - | **-** |
| (iv) Disputed Dues - Others | - | - | - | - | **-** |
| **Total** | **377.55** | **0.97** | **0.09** | **-** | **378.61** |

**Trade Payables ageing schedule for the year ended 31.03.2023**

| Particulars | Outstanding for following periods from due date of payment | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) MSME | - | - | - | - | **-** |
| (ii) Others | 178.81 | 2.49 | - | 4.57 | **185.87** |
| (iii) Disputed Dues- MSME | - | - | - | - | **-** |
| (iv) Disputed Dues - Others | - | - | - | - | **-** |
| **Total** | **178.81** | **2.49** | **-** | **4.57** | **185.87** |

**Trade Payables ageing schedule for the period ended 04.07.2022**

| Particulars | Outstanding for following periods from due date of payment | | | | |
|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) MSME | - | - | - | - | **-** |
| (ii) Others | 226.11 | 8.89 | - | 5.07 | **240.06** |
| (iii) Disputed Dues- MSME | - | - | - | - | **-** |
| (iv) Disputed Dues - Others | - | - | - | - | **-** |
| **Total** | **226.11** | **8.89** | **-** | **5.07** | **240.06** |

* The Company has not received any intimation from suppliers regarding their status under Micro, Small and Medium Enterprises Development Act, 2006 and hence required disclosures such as amounts unpaid as at the year end together with interest paid/payable as required under the said Act have not been given.
The company has not accounted for interest provisions as per MSMED Act, 2006 as the company does not have the MSME bifurcation of creditors.

**SNEHAA ORGANICS LIMITED**
**( Formerly known as Snehaa Organics Private Limited)**
**( Formerly known as Snehaa Pharma Chemicals)**
**CIN : U24290TG2022PLC164443**

**NOTES TO RESTATED FINANCIAL INFORMATION**

**NOTE 10**

**RESTATED STATEMENT OF OTHER CURRENT LIABILITIES** **Annexure-XII**

| S.No. | Particulars | As at 31st March, 2025 | As at 31st March, 2024 | As at 31st March, 2023 | As at 04th July, 2022 |
|---|---|---|---|---|---|
| 1 | Statutory liabilities | 4.86 | 20.32 | 1.12 | 1.13 |
| 2 | Salaries payable | 19.31 | 9.66 | 8.04 | 7.12 |
| 3 | Electricity charges payable | 3.29 | 2.54 | 2.82 | 2.64 |
| 4 | Advance from customers | 0.0002 | 1.18 | 10.44 | 172.20 |
| 5 | Audit fee payable | 3.38 | 0.30 | 0.30 | 0.60 |
| 6 | Remuneration payable | 13.52 | 3.00 | 13.40 | - |
| 7 | Other current liabilities | 7.04 | 1.73 | - | 0.88 |
| | **Total** | **51.41** | **38.73** | **36.11** | **184.57** |

**NOTE 11**

**RESTATED STATEMENT OF SHORT - TERM PROVISIONS** **Annexure-XIII**

| S.No. | Particulars | As at 31st March, 2025 | As at 31st March, 2024 | As at 31st March, 2023 | As at 04th July, 2022 |
|---|---|---|---|---|---|
| 1 | Provision for Employee benefits - Gratuity [Refer note 27(II)] | 0.01 | 0.08 | 0.10 | 0.01 |
| 2 | Provision for Income tax | 266.88 | 142.73 | 113.55 | 139.70 |
| | **Total** | **266.89** | **142.81** | **113.65** | **139.70** |

**NOTE 12**

**RESTATED STATEMENT OF PROPERTY PLANT AND EQUIPMENT & INTANGIBLE ASSETS** **Annexure-XIV**

| S.No. | Particulars | As at 31st March, 2025 | As at 31st March, 2024 | As at 31st March, 2023 | As at 04th July, 2022 |
|---|---|---|---|---|---|
| 1 | Property, Plant And Equipment | 1,398.14 | 802.67 | 418.58 | 364.13 |
| 2 | Intangible Assets | - | 7.30 | 39.82 | 63.78 |
| | **Total** | **1,398.14** | **809.97** | **458.40** | **427.91** |

**NOTE 12A**

**RESTATED STATEMENT OF CAPITAL WORK IN PROGRESS** **Annexure-XV**

| S.No. | Particulars | As at 31st March, 2025 | As at 31st March, 2024 | As at 31st March, 2023 | As at 04th July, 2022 |
|---|---|---|---|---|---|
| 1 | Capital work in progress | - | 46.94 | 4.21 | - |

**Ageing schedule as on 31st March, 2025**

| S.No. | Particulars | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---|---|---|---|---|---|---|
| 1 | Capital work in progress | - | - | - | - | - |
| | **Total** | **-** | **-** | **-** | **-** | **-** |

**Ageing schedule as on 31st March, 2024**

| S.No. | Particulars | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---|---|---|---|---|---|---|
| 1 | Capital work in progress | 42.73 | 4.21 | - | - | 46.94 |
| | **Total** | **42.73** | **4.21** | **-** | **-** | **46.94** |

**Ageing schedule as on 31st March, 2023**

| S.No. | Particulars | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---|---|---|---|---|---|---|
| 1 | Capital work in progress | 4.21 | - | - | - | 4.21 |
| | **Total** | **4.21** | **-** | **-** | **-** | **4.21** |

**Ageing schedule as on 05th July, 2022**

| S.No. | Particulars | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
|---|---|---|---|---|---|---|
| 1 | Capital work in progress | - | - | - | - | - |
| | **Total** | **-** | **-** | **-** | **-** | **-** |

**NOTE 13**

**RESTATED STATEMENT OF OTHER NON-CURRENT ASSETS** **Annexure-XVI**

| S.No. | Particulars | As at 31st March, 2025 | As at 31st March, 2024 | As at 31st March, 2023 | As at 04th July, 2022 |
|---|---|---|---|---|---|
| 1 | **Deposits** | | | | |
| | i. Electricity deposits | 4.87 | 4.87 | 4.87 | 4.87 |
| | ii. Coal deposits | - | 0.30 | 0.30 | 0.30 |
| | iii. Other deposits | 26.11 | 25.77 | 5.49 | 5.26 |
| | **Total** | **30.98** | **30.94** | **10.66** | **10.42** |

**SNEHAA ORGANICS LIMITED**
**( Formerly known as Snehaa Organics Private Limited)**
**( Formerly known as Snehaa Pharma Chemicals)**
**CIN : U24290TG2022PLC164443**

**NOTES TO RESTATED FINANCIAL INFORMATION**

**NOTE 14**
**RESTATED STATEMENT OF INVENTORY** **Annexure-XVII**

| S.No. | Particulars | As at 31st March, 2025 | As at 31st March, 2024 | As at 31st March, 2023 | As at 04th July, 2022 |
|---|---|---|---|---|---|
| 1 | Raw materials and consumables | 24.08 | 5.84 | 8.99 | 13.21 |
| 2 | Work-in-progress | - | - | - | - |
| 3 | Finished goods | 342.43 | 33.20 | 89.28 | 83.99 |
| | **Total** | **366.51** | **39.04** | **98.27** | **97.20** |

**NOTE 15**
**RESTATED STATEMENT OF TRADE RECEIVABLES** **Annexure-XVIII**

| S.No. | Particulars | As at 31st March, 2025 | As at 31st March, 2024 | As at 31st March, 2023 | As at 04th July, 2022 |
|---|---|---|---|---|---|
| 1 | Unsecured and considered good * | 942.67 | 648.64 | 378.87 | 405.70 |
| 2 | Secured, considered good | - | - | - | - |
| 3 | Doubtful | - | - | - | - |
| 4 | Less: Provision for doubtful debts | - | - | - | - |
| | **Total** | **942.67** | **648.64** | **378.87** | **405.70** |

**Trade Receivable Ageing Schedule for the year ended 31.03.2025**

| Particulars | Outstanding for following periods from due date of payment | | | | | |
|---|---|---|---|---|---|---|
| | Less than 6 Months | 6 Months - 1 Year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) Undisputed Trade Receivables – considered good | 897.36 | 1.02 | 44.30 | - | - | 942.67 |
| (ii) Undisputed Trade Receivables – considered doubtful | - | - | - | - | - | - |
| (iii) Disputed Trade Receivables considered good | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables considered doubtful | - | - | - | - | - | - |
| **Total** | **897.36** | **1.02** | **44.30** | **-** | **-** | **942.67** |

**Trade Receivable Ageing Schedule for the year ended 31.03.2024**

| Particulars | Outstanding for following periods from due date of payment | | | | | |
|---|---|---|---|---|---|---|
| | Less than 6 Months | 6 Months - 1 Year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) Undisputed Trade Receivables – considered good | 622.04 | 24.04 | 2.49 | 0.08 | - | 648.64 |
| (ii) Undisputed Trade Receivables – considered doubtful | - | - | - | - | - | - |
| (iii) Disputed Trade Receivables considered good | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables considered doubtful | - | - | - | - | - | - |
| **Total** | **622.04** | **24.04** | **2.49** | **0.08** | **-** | **648.64** |

**Trade Receivable Ageing Schedule for the year ended 31.03.2023**

| Particulars | Outstanding for following periods from due date of payment | | | | | |
|---|---|---|---|---|---|---|
| | Less than 6 Months | 6 Months - 1 Year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) Undisputed Trade Receivables – considered good | 376.97 | 0.30 | 1.61 | - | - | 378.87 |
| (ii) Undisputed Trade Receivables – considered doubtful | - | - | - | - | - | - |
| (iii) Disputed Trade Receivables considered good | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables considered doubtful | - | - | - | - | - | - |
| **Total** | **376.97** | **0.30** | **1.61** | **-** | **-** | **378.87** |

**Trade Receivable Ageing Schedule for the period ended 04.07.2022**

| Particulars | Outstanding for following periods from due date of payment | | | | | |
|---|---|---|---|---|---|---|
| | Less than 6 Months | 6 Months - 1 Year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) Undisputed Trade Receivables – considered good | 404.35 | 1.34 | - | - | - | 405.70 |
| (ii) Undisputed Trade Receivables – considered doubtful | - | - | - | - | - | - |
| (iii) Disputed Trade Receivables considered good | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables considered doubtful | - | - | - | - | - | - |
| **Total** | **404.35** | **1.34** | **-** | **-** | **-** | **405.70** |

**SNEHAA ORGANICS LIMITED**
**( Formerly known as Snehaa Organics Private Limited)**
**( Formerly known as Snehaa Pharma Chemicals)**
**CIN : U24290TG2022PLC164443**

**NOTES TO RESTATED FINANCIAL INFORMATION**

**NOTE 16**
**RESTATED STATEMENT OF CASH AND CASH EQUIVALENTS** **Annexure-XIX**

| S.No. | Particulars | As at 31st March, 2025 | As at 31st March, 2024 | As at 31st March, 2023 | As at 04th July, 2022 |
|---|---|---|---|---|---|
| 1 | Balances with Banks in Current Accounts | 19.21 | 16.86 | 13.56 | 14.40 |
| 2 | Cash on Hand | 0.01 | 0.01 | 0.01 | 0.01 |
| 3 | Balances with Banks in deposit Accounts | - | - | - | - |
| | **Total** | **19.22** | **16.87** | **13.56** | **14.41** |

**NOTE 17**
**RESTATED STATEMENT OF SHORT TERM LOANS AND ADVANCES** **Annexure-XX**

| S.No. | Particulars | As at 31st March, 2025 | As at 31st March, 2024 | As at 31st March, 2023 | As at 04th July, 2022 |
|---|---|---|---|---|---|
| 1 | Advance income tax | 120.00 | 85.00 | 80.00 | 36.00 |
| 2 | Loans and advances * | 52.29 | 0.26 | 1.00 | 0.80 |
| 3 | Employee advances | 3.56 | 6.25 | 1.17 | 0.30 |
| 4 | Advance to suppliers | 15.07 | 3.72 | 18.24 | 49.02 |
| 5 | TDS/TCS receivables | 27.20 | 22.55 | 14.46 | 16.46 |
| | **Total** | **218.11** | **117.77** | **114.87** | **102.57** |

* Loans and advances as at 31st March, 2025, consist of expenses relating to IPO.

**NOTE 18**
**RESTATED STATEEMNT OF OTHER CURRENT ASSETS** **Annexure-XXI**

| S.No. | Particulars | As at 31st March, 2025 | As at 31st March, 2024 | As at 31st March, 2023 | As at 04th July, 2022 |
|---|---|---|---|---|---|
| 1 | Prepaid Expenses | 5.00 | - | 0.87 | 0.56 |
| 2 | Statutory dues receivables * | 24.92 | - | - | 2.56 |
| | **Total** | **29.92** | **-** | **0.87** | **3.12** |

*The statutory dues receivables comprise the net balance of output GST and input tax credit available.

**THIS SPACE IS LEFT INTENTIONALLY BLANK**

**SNEHAA ORGANICS LIMITED**
**( Formerly known as Snehaa Organics Private Limited)**
**( Formerly known as Snehaa Pharma Chemicals)**
**CIN : U24290TG2022PLC164443**

**NOTES TO RESTATED FINANCIAL INFORMATION**

**Amount ( Rs. In Lakhs )**

**NOTE 19**
**RESTATED STATEMENT OF REVENUE FROM OPERATIONS** **Annexure - XXII**

| S.No | Particulars | For the period ended 31st March, 2025 | For the period ended 31st March, 2024 | For the period from 05th July, 2022 to 31st March, 2023 | For the period from 01st April, 2022 to 04th July, 2022 |
|---|---|---|---|---|---|
| 1 | Sale of products | | | | |
| | (i) Direct trade products | 505.97 | 350.12 | 126.16 | 21.79 |
| | (ii) Distilled products | 1,198.38 | 1,264.78 | 744.75 | 471.55 |
| 2 | Job work charges | 917.97 | 756.88 | 494.32 | 151.68 |
| | **Total** | **2,622.33** | **2,371.79** | **1,365.23** | **645.02** |

* Total sales reported for the specified periods are exclusively domestic, with no exports reported during these periods.

**NOTE 20**
**RESTATED STATEMENT OF OTHER INCOME** **Annexure - XXIII**

| S.No. | Particulars | For the period ended 31st March, 2025 | For the period ended 31st March, 2024 | For the period from 05th July, 2022 to 31st March, 2023 | For the period from 01st April, 2022 to 04th July, 2022 |
|---|---|---|---|---|---|
| 1 | Interest received | 0.29 | 0.41 | 0.33 | 0.14 |
| 2 | Discount received | 0.18 | 0.81 | - | - |
| 3 | Interest on income tax refund | - | - | - | - |
| 4 | Other income | 0.49 | - | - | - |
| 5 | Liabilities written off | 3.24 | - | 2.53 | 24.16 |
| 6 | Reversal of Gratuity provision | - | 1.20 | - | - |
| 7 | Sale of Scrap | 2.92 | 6.11 | 4.00 | - |
| | **Total** | **7.12** | **8.53** | **6.87** | **24.30** |

**NOTE 21**
**RESTATED STATEMENT OF COST OF MATERIAL CONSUMED** **Annexure - XXIV**

| S.No. | Particulars | For the period ended 31st March, 2025 | For the period ended 31st March, 2024 | For the period from 05th July, 2022 to 31st March, 2023 | For the period from 01st April, 2022 to 04th July, 2022 |
|---|---|---|---|---|---|
| | **Stores and consumables for Distillation** | | | | |
| 1 | Opening stock | 5.84 | 8.99 | 13.21 | 9.08 |
| | Add: Purchases | 749.48 | 802.27 | 418.53 | 419.69 |
| | Less: Closing stock | 24.08 | 5.84 | 8.99 | 13.21 |
| | **Total** | **731.24** | **805.42** | **422.74** | **415.57** |

**NOTE 22**
**RESTATED STATEMENT OF PURCHASE OF STOCK-IN-TRADE** **Annexure - XXV**

| S.No. | Particulars | For the period ended 31st March, 2025 | For the period ended 31st March, 2024 | For the period from 05th July, 2022 to 31st March, 2023 | For the period from 01st April, 2022 to 04th July, 2022 |
|---|---|---|---|---|---|
| 1 | Purchase of stock-in-trade | 491.02 | 320.11 | 122.97 | 19.56 |
| | **Total** | **491.02** | **320.11** | **122.97** | **19.56** |

**SNEHAA ORGANICS LIMITED**
**( Formerly known as Snehaa Organics Private Limited)**
**( Formerly known as Snehaa Pharma Chemicals)**
**CIN : U24290TG2022PLC164443**

**NOTES TO RESTATED FINANCIAL INFORMATION**

**Amount ( Rs. In Lakhs )**

**NOTE 23**
**RESTATED STATEMENT OF CHANGE IN INVENTORY** **Annexure - XXVI**

| S.No. | Particulars | For the period ended 31st March, 2025 | For the period ended 31st March, 2024 | For the period from 05th July, 2022 to 31st March, 2023 | For the period from 01st April, 2022 to 04th July, 2022 |
|---|---|---|---|---|---|
| 1 | **Finished Goods** | | | | |
| | Opening stock | 33.20 | 89.28 | 83.99 | 78.39 |
| | Less: Closing stock | 342.43 | 33.20 | 89.28 | 83.99 |
| | | **(309.23)** | **56.08** | **(5.29)** | **(5.60)** |
| 2 | **Work-in-progress** | | | | |
| | Opening stock | - | - | - | - |
| | Less: Closing stock | - | - | - | - |
| | | - | - | | |
| | **Total** | **(309.23)** | **56.08** | **(5.29)** | **(5.60)** |

**NOTE 24**
**RESTATED STATEMENT OF EMPLOYEE BENEFITS EXPENSE** **Annexure - XXVII**

| S.No | Particulars | For the period ended 31st March, 2025 | For the period ended 31st March, 2024 | For the period from 05th July, 2022 to 31st March, 2023 | For the period from 01st April, 2022 to 04th July, 2022 |
|---|---|---|---|---|---|
| 1 | Salaries, wages and bonus | 178.99 | 138.95 | 70.05 | 27.52 |
| 2 | Directors remuneration | 18.36 | - | 56.00 | 9.00 |
| 3 | ESI employer contribution | 1.56 | 1.06 | 0.83 | 0.31 |
| 4 | PF employer contribution | 6.35 | 5.70 | 2.86 | 1.24 |
| 5 | Gratuity | 1.81 | - | 0.69 | - |
| 6 | Leave encashment | 1.46 | 0.91 | 0.81 | - |
| 7 | Staff welfare | 5.96 | 3.27 | 2.20 | 0.79 |
| 8 | Recruitment expenses | - | - | - | - |
| | **Total** | **214.48** | **149.88** | **133.43** | **38.86** |

**NOTE 25**
**RESTATED STATEMENT OF FINANCE COST** **Annexure - XXVIII**

| S.No | Particulars | For the period ended 31st March, 2025 | For the period ended 31st March, 2024 | For the period from 05th July, 2022 to 31st March, 2023 | For the period from 01st April, 2022 to 04th July, 2022 |
|---|---|---|---|---|---|
| 1 | Processing charges | 7.70 | 0.06 | - | - |
| 2 | Interest on loan | 43.85 | 5.32 | - | 8.28 |
| 3 | Interest on Income tax | 1.79 | 3.89 | - | 10.30 |
| | **Total** | **53.34** | **9.27** | **-** | **18.57** |

**SNEHAA ORGANICS LIMITED**
**( Formerly known as Snehaa Organics Private Limited)**
**( Formerly known as Snehaa Pharma Chemicals)**
**CIN : U24290TG2022PLC164443**

**NOTES TO RESTATED FINANCIAL INFORMATION**

**Amount ( Rs. In Lakhs )**

**NOTE 26**
**RESTATED STATEMENT OF OTHER EXPENSES** **Annexure - XXIX**

| S.No. | Particulars | For the period ended 31st March, 2025 | For the period ended 31st March, 2024 | For the period from 05th July, 2022 to 31st March, 2023 | For the period from 01st April, 2022 to 04th July, 2022 |
|---|---|---|---|---|---|
| | **Direct expenses** | | | | |
| 1 | Freight inward | 164.09 | 157.97 | 82.07 | 35.90 |
| 2 | Loading and unloading charges | 1.02 | 6.46 | 10.08 | 6.04 |
| 3 | Factory repairs and maintenance | 35.52 | 48.86 | 75.83 | 6.02 |
| 4 | Power & fuel charges | 37.89 | 35.28 | 24.50 | 15.06 |
| 5 | Disposal charges | 28.06 | 40.98 | 21.10 | 10.26 |
| 6 | Weighbridge charges | 0.03 | 0.04 | 0.003 | 0.005 |
| 7 | Security charges | - | - | - | 0.52 |
| 8 | Water charges | 26.08 | 25.47 | 17.48 | 0.82 |
| 9 | Waiting charges | 0.03 | - | - | 0.12 |
| | **Administrative expenses** | | | | |
| 10 | Rents | 4.80 | 3.60 | 0.90 | - |
| 11 | COD analysis charges | 0.12 | 0.07 | 0.05 | 0.03 |
| 12 | Repairs and maintenance- Others | 11.96 | 0.003 | 0.08 | 0.04 |
| 13 | Fuel Charges -Vehicles | 14.99 | - | - | - |
| 14 | Audit Fees [Refer note 26(a) below] | 3.38 | 0.30 | 0.30 | 0.30 |
| 15 | Business development expenses | 1.90 | 2.91 | 1.86 | 0.40 |
| 16 | Corporate Hospitality Expenses | - | 104.70 | - | - |
| 17 | PF admin charges | 0.53 | 0.45 | 0.15 | 0.10 |
| 18 | Bank charges | 0.04 | 0.12 | 0.10 | 0.03 |
| 19 | Internet & Telephone charges | 0.99 | 0.65 | 0.33 | 0.17 |
| 20 | Insurance | 3.41 | 7.92 | 1.39 | 0.01 |
| 21 | Donations | - | 3.00 | - | - |
| 22 | Professional and Consulting fee | 4.00 | 9.28 | 11.99 | 3.92 |
| 23 | License, Membership & Renewals | 0.23 | 1.30 | 0.36 | - |
| 24 | AMC charges | 0.71 | 0.68 | - | 0.15 |
| 25 | Miscellaneous Expenses | - | 0.03 | 0.01 | - |
| 26 | Office maintenance | 1.55 | 2.52 | 2.16 | 1.15 |
| 27 | Printing and stationary | 0.65 | 0.26 | 0.51 | 0.18 |
| 28 | Rates and Taxes | 2.43 | 1.63 | 2.26 | 1.07 |
| 29 | Interest on TDS | 0.07 | 0.01 | - | - |
| 30 | Travelling & conveyance | 1.39 | 0.81 | 0.94 | 0.40 |
| 31 | Sales commission | - | - | 15.13 | 0.08 |
| 32 | Bad debts written off | - | 1.88 | 4.83 | - |
| | **Total** | **345.87** | **457.20** | **274.40** | **82.75** |

**Notes :**

**a. Audit Fees :**

| S.No. | Particulars | For the period ended 31st March, 2025 | For the period ended 31st March, 2024 | For the period from 05th July, 2022 to 31st March, 2023 | For the period from 01st April, 2022 to 04th July, 2022 |
|---|---|---|---|---|---|
| i. | Statutory Audit fees | 2.70 | 0.20 | 0.20 | 0.20 |
| ii. | Tax Audit fees | 0.68 | 0.10 | 0.10 | 0.10 |
| | Total | 3.38 | 0.30 | 0.30 | 0.30 |

**SNEHAA ORGANICS LIMITED**
**( Formerly known as Snehaa Organics Private Limited)**
**( Formerly known as Snehaa Pharma Chemicals)**
**CIN : U24290TG2022PLC164443**

**Amount ( Rs. In Lakhs )**

**Significant Accounting policies and Notes to accounts for the period ended 31st March, 2025**

**Note : 12 Property, Plant and Equipment & Intangible Assets** — **As per Companies act**

| Particulars | GROSS BLOCK | | | | DEPRECIATION & AMORTISATION | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Opening as on 01-04-2024 | Additions | Deletions | Closing as on 31-03-2025 | As on 01.04.2024 | For the year | Deletions | As on 31.03.2025 | As at 31.03.2025 | As at 31.03.2024 |
| **A. Tangible Assets** | | | | | | | | | | |
| Land | 78.35 | - | - | 78.35 | - | - | - | - | 78.35 | 78.35 |
| Buildings | 43.16 | 133.68 | - | 176.84 | 11.49 | 7.86 | - | 19.35 | 157.49 | 31.67 |
| Plant & Machinery | 486.95 | 331.55 | - | 818.50 | 101.47 | 56.47 | - | 157.93 | 660.56 | 385.48 |
| Furniture & Fixture | 1.54 | 5.73 | - | 7.27 | 0.40 | 0.59 | - | 0.98 | 6.28 | 1.14 |
| Computers | 1.05 | 0.97 | - | 2.01 | 0.68 | 0.29 | - | 0.97 | 1.04 | 0.36 |
| Electrical equipment | 6.27 | 0.37 | - | 6.64 | 1.40 | 1.19 | - | 2.59 | 4.05 | 4.87 |
| Vehicles | 310.50 | 237.30 | - | 547.80 | 9.70 | 47.75 | - | 57.45 | 490.35 | 300.80 |
| **Total (A)** | **927.81** | **709.60** | **-** | **1,637.41** | **125.14** | **114.13** | **-** | **239.28** | **1,398.14** | **802.67** |
| **B. Intangible Asset** | | | | | | | | | | |
| Goodwill | 162.56 | - | - | 162.56 | 155.26 | 7.30 | - | 162.56 | - | 162.56 |
| **Total (B)** | **162.56** | **-** | **-** | **162.56** | **155.26** | **7.30** | **-** | **162.56** | **-** | **162.56** |
| **Total (A+B)** | **1,090.37** | **709.60** | **-** | **1,799.97** | **280.40** | **121.44** | **-** | **401.84** | **1,398.14** | **965.23** |

* All immovable properties are held in the name of the company.

**As per our report of even date attached**
**For Phanindra & Associates**
**Chartered Accountants**
**FRN: 013969S**
**Peer Review Certificate No : 015912**

**For & on behalf of Board of Directors of Snehaa Organics Limited**
**(Formerly known as Snehaa Organics Private Limited & Snehaa Pharma Chemicals)**

Sd/-
**Srinivasulu T**
**Partner**
**M.No : 222868**

Sd/-
**N. Venkata Sai Kiran**
**Managing Director**
**DIN: 07986570**

Sd/-
**N. Venkata Sai Harish**
**Whole-time Director**
**DIN: 07967075**

Sd/-
**B. Sarath Chandra**
**CFO**

Sd/-
**Poonam Jain**
**Company Secretary**
**Mem. No : A44093**

**Date : 14th August, 2025**
**Place : Hyderabad**
**UDIN : 25222868BMIJTC4981**

**SNEHAA ORGANICS LIMITED**
**( Formerly known as Snehaa Organics Private Limited)**
**( Formerly known as Snehaa Pharma Chemicals)**
**CIN : U24290TG2022PLC164443**

**Amount ( Rs. In Lakhs )**

**Significant Accounting policies and Notes to accounts for the year ended 31st March, 2024**

**Note : 12 Property, Plant and Equipment & Intangible Assets**

| Particulars | GROSS BLOCK | | | | DEPRECIATION & AMORTISATION | | | | As per Companies act NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Opening as on 01-04-2023 | Additions | Deletions | Closing as on 31-03-2024 | As on 01.04.2023 | For the year | Deletions | As on 31.3.2024 | As at 31.3.2024 | As at 31.03.2023 |
| **A. Tangible Assets** | | | | | | | | | | |
| Land | 78.35 | - | - | 78.35 | - | - | - | - | 78.35 | 78.35 |
| Buildings | 43.16 | - | - | 43.16 | 7.91 | 3.58 | - | 11.49 | 31.67 | 35.25 |
| Plant & Machinery | 368.50 | 118.45 | - | 486.95 | 68.63 | 32.84 | - | 101.47 | 385.48 | 299.87 |
| Furniture & Fixture | 1.54 | - | - | 1.54 | 0.27 | 0.13 | - | 0.40 | 1.14 | 1.27 |
| Computers | 1.05 | - | - | 1.05 | 0.44 | 0.24 | - | 0.68 | 0.36 | 0.61 |
| Electrical equipment | 3.61 | 2.67 | - | 6.27 | 0.37 | 1.03 | - | 1.40 | 4.87 | 3.24 |
| Vehicles | - | 310.50 | - | 310.50 | - | 9.70 | - | 9.70 | 300.80 | - |
| **Total (A)** | **496.20** | **431.61** | **-** | **927.81** | **77.61** | **47.53** | **-** | **125.14** | **802.67** | **418.58** |
| **B. Intangible Asset** | | | | | | | | | | |
| Goodwill | 162.56 | - | - | 162.56 | 65.02 | 32.51 | - | 97.54 | 7.30 | 39.82 |
| **Total (B)** | **162.56** | **-** | **-** | **162.56** | **65.02** | **32.51** | **-** | **97.54** | **7.30** | **39.82** |
| **Total (A+B)** | **658.76** | **431.61** | **-** | **1,090.37** | **142.64** | **80.04** | **-** | **222.68** | **809.97** | **458.40** |

* All immovable properties are held in the name of the company.

**As per our report of even date attached**
**For Phanindra & Associates**
**Chartered Accountants**
**FRN: 013969S**
**Peer Review Certificate No : 015912**

**For & on behalf of Board of Directors of Snehaa Organics Limited**
(Formerly known as Snehaa Organics Private Limited & Snehaa Pharma Chemicals)

Sd/-
**Srinivasulu T**
**Partner**
**M.No : 222868**

Sd/-
**N. Venkata Sai Kiran**
**Managing Director**
**DIN: 07986570**

Sd/-
**N. Venkata Sai Harish**
**Whole-time Director**
**DIN: 07967075**

Sd/-
**B. Sarath Chandra**
**CFO**

Sd/-
**Poonam Jain**
**Company Secretary**
**Mem. No : A44093**

**Date : 14th August, 2025**
**Place : Hyderabad**
**UDIN : 25222868BMIJTC4981**

**SNEHAA ORGANICS LIMITED**
**( Formerly known as Snehaa Organics Private Limited)**
**( Formerly known as Snehaa Pharma Chemicals)**
**CIN : U24290TG2022PLC164443**

**Amount ( Rs. In Lakhs )**

**Significant Accounting policies and Notes to accounts for the year ended 31st March, 2023**

**Note : 12 Property, Plant and Equipment & Intangible Assets** — **As per Companies act**

| Particulars | GROSS BLOCK | | | | DEPRECIATION & AMORTISATION | | | | NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Opening as on 01-04-2022 | Additions | Deletions | Closing as on 31-03-2023 | As on 01.04.2022 | For the year | Deletions | As on 31.3.2023 | As at 31.3.2023 | As at 31.03.2022 |
| **A. Tangible Assets** | | | | | | | | | | |
| Land | 78.35 | - | - | 78.35 | - | - | - | - | 78.35 | 78.35 |
| Buildings | 43.16 | - | - | 43.16 | 5.53 | 2.38 | - | 7.91 | 35.25 | 37.63 |
| Plant & Machinery | 296.41 | 72.08 | - | 368.50 | 51.39 | 17.23 | - | 68.63 | 299.87 | 245.02 |
| Furniture & Fixture | 1.46 | 0.08 | - | 1.54 | 0.18 | 0.09 | - | 0.27 | 1.27 | 1.27 |
| Computers | 1.05 | - | - | 1.05 | 0.28 | 0.16 | - | 0.44 | 0.61 | 0.77 |
| Electrical equipment | 1.23 | 2.38 | - | 3.61 | 0.14 | 0.23 | - | 0.37 | 3.24 | 1.09 |
| **Total (A)** | **421.65** | **74.55** | **-** | **496.20** | **57.52** | **20.09** | **-** | **77.61** | **418.58** | **364.13** |
| **B. Intangible Asset** | | | | | | | | | | |
| Goodwill | 162.56 | - | - | 162.56 | 41.06 | 23.96 | - | 65.02 | 39.82 | 63.78 |
| **Total (B)** | **162.56** | **-** | **-** | **162.56** | **41.06** | **23.96** | **-** | 65.02 | **39.82** | **63.78** |
| **Total (A+B)** | **584.21** | **74.55** | **-** | **658.76** | **98.58** | **44.05** | **-** | **142.64** | **458.40** | **427.91** |

* All immovable properties are held in the name of the company.

**As per our report of even date attached**
**For Phanindra & Associates**
**Chartered Accountants**
**FRN: 013969S**
**Peer Review Certificate No : 015912**

**For & on behalf of Board of Directors of Snehaa Organics Limited**
**(Formerly known as Snehaa Organics Private Limited & Snehaa Pharma Chemicals)**

Sd/-
**Srinivasulu T**
**Partner**
**M.No : 222868**

Sd/-
**N. Venkata Sai Kiran**
**Managing Director**
**DIN: 07986570**

Sd/-
**N. Venkata Sai Harish**
**Whole-time Director**
**DIN: 07967075**

Sd/-
**B. Sarath Chandra**
**CFO**

Sd/-
**Poonam Jain**
**Company Secretary**
**Mem. No : A44093**

**Date : 14th August, 2025**
**Place : Hyderabad**
**UDIN : 25222868BMIJTC4981**

**SNEHAA ORGANICS LIMITED**
**( Formerly known as Snehaa Organics Private Limited)**
**( Formerly known as Snehaa Pharma Chemicals)**
**CIN : U24290TG2022PLC164443**

**Amount ( Rs. In Lakhs )**

**Significant Accounting policies and Notes to accounts for the period ended 04th July, 2022**

**Note : 12 Property, Plant and Equipment & Intangible Assets**

| Particulars | GROSS BLOCK | | | | DEPRECIATION & AMORTISATION | | | | As per IT act NET BLOCK | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Opening as on 01-04-2022 | Additions | Deletions | Closing as on 31-03-2023 | As on 01.04.2022 | For the year | Deletions | As on 31.3.2023 | As at 31.3.2023 | As at 31.03.2022 |
| **A. Tangible Assets** | | | | | | | | | | |
| Land | 78.35 | - | - | 78.35 | - | - | - | - | 78.35 | 78.35 |
| Buildings | 43.16 | - | - | 43.16 | 4.23 | 1.30 | - | 5.53 | 37.63 | 38.93 |
| Plant & Machinery | 295.09 | 1.32 | - | 296.41 | 38.46 | 12.93 | - | 51.39 | 245.02 | 256.63 |
| Furniture & Fixture | 1.46 | - | - | 1.46 | 0.14 | 0.04 | - | 0.18 | 1.27 | 1.32 |
| Computers | 0.75 | 0.29 | - | 1.05 | 0.16 | 0.12 | - | 0.28 | 0.77 | 0.59 |
| Electrical equipment | 0.54 | 0.69 | - | 1.23 | 0.08 | 0.06 | - | 0.14 | 1.09 | 0.46 |
| **Total (A)** | **419.35** | **2.31** | **-** | **421.65** | **43.07** | **14.45** | **-** | **57.52** | **364.13** | **376.28** |
| **B. Intangible Asset** | | | | | | | | | | |
| Goodwill | 162.56 | - | - | 162.56 | 32.51 | 8.55 | - | 41.06 | 63.78 | 72.33 |
| **Total (B)** | **162.56** | **-** | **-** | **162.56** | **32.51** | **8.55** | **-** | **41.06** | **63.78** | **72.33** |
| **Total (A+B)** | **581.91** | **2.31** | **-** | **584.21** | **75.58** | **23.01** | **-** | **98.58** | **427.91** | **448.61** |

* All immovable properties are held in the name of the company.

**As per our report of even date attached**
**For Phanindra & Associates**
**Chartered Accountants**
**FRN: 013969S**
**Peer Review Certificate No : 015912**

**For & on behalf of Board of Directors of Snehaa Organics Limited**
(Formerly known as Snehaa Organics Private Limited & Snehaa Pharma Chemicals)

Sd/-
**Srinivasulu T**
**Partner**
**M.No : 222868**

Sd/-
**N. Venkata Sai Kiran**
**Managing Director**
**DIN: 07986570**

Sd/-
**N. Venkata Sai Harish**
**Whole-time Director**
**DIN: 07967075**

Sd/-
**B. Sarath Chandra**
**CFO**

Sd/-
**Poonam Jain**
**Company Secretary**
**Mem. No : A44093**

**Date : 14th August, 2025**
**Place : Hyderabad**
**UDIN : 25222868BMIJTC4981**

**Amount ( Rs. In Lakhs )**

**NOTE 27**

**EMPLOYEE BENEFITS**

I. **Defined contribution plans**

The Company has classified the various benefits provided to employees as under:

a. **Employee State Insurance Fund**

Contributions to the Employee State Insurance (ESI) scheme, as per the Employees' State Insurance Act, 1948, are recognized as part of employee benefits expense in the period the related services are rendered. The Company's obligation is limited to the contributions made to the ESI scheme.

b. **Employee Provident Fund**

Eligible employees receive benefits from a provident fund, which is a defined contribution scheme. Both the employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee salary. The contribution made by the Company is charged to the Profit and Loss Account.

The expense recognised during the period towards defined contribution plan -

**Annexure - XXX**

**RESTATED STATEMENT OF DISCLOSURE IN RESPECT OF EPFO &ESIC**

| Particulars | For the period ended 31st March, 2025 | For the period ended 31st March, 2024 | For the period from 05th July, 2022 to 31st March, 2023 | For the period from 01st April, 2022 to 04th July, 2022 |
|---|---|---|---|---|
| Employers Contribution to EPFO & ESIC | 7.91 | 6.75 | 3.69 | 1.55 |

II. **Defined benefit plans**

Gratuity

The Company should provide for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service.

Based on the actuarial valuation obtained in this respect, the following table sets out the details of the employee benefit obligation as at balance sheet date:

**Annexure - XXXI**

**RESTATED STATEMENT OF DISCLOSURE IN RESPECT OF GRATUITY LIABILITY**

| | Particulars | For the period ended 31st March, 2025 | For the period ended 31st March, 2024 | For the period from 05th July, 2022 to 31st March, 2023 | For the period from 01st April, 2022 to 04th July, 2022 |
|---|---|---|---|---|---|
| I | **Expenses recognised in statement of profit and loss during the year:** | | | | |
| | Current service cost | 2.08 | 1.98 | 1.09 | 2.80 |
| | Past service cost | - | - | - | - |
| | Expected return on plan assets | - | - | - | - |
| | Net interest cost / (income) on the net defined benefit liability / (asset) | 0.20 | 0.26 | 0.13 | - |
| | Immediate Recognition of (Gain)/Losses | (0.46) | (3.44) | 1.50 | - |
| | Loss (gain) on curtailments | - | - | - | - |
| | Total expenses included in Employee benefit expenses - P&L | 1.81 | (1.20) | 2.72 | 2.80 |
| | Total expenses included in Employee benefit expenses - Prior Period Expense | - | - | - | - |
| | **Total expenses included in Employee benefit expenses for the year** | **1.81** | **(1.20)** | **2.72** | **2.80** |
| | **Discount Rate as per para 78 of AS 15 R (2005)** | **6.85%** | **7.22%** | **7.22%** | **7.48%** |
| II | **Net asset /(liability) recognised as at balance sheet date:** | | | | |
| | Present value of defined benefit obligation | - | - | - | - |
| | Fair value of plan assets | - | - | - | - |
| | Present value of Unfunded obligation (120d) | 4.10 | 2.29 | 3.48 | 2.80 |
| | **Funded status [surplus/(deficit)]** | **(4.10)** | **(2.29)** | **(3.48)** | **(2.80)** |
| | Unrecognised Past Service Costs | **-** | **-** | | |
| | Amount not Recognised as an Asset (limit in Para 59 (b)) | **-** | **-** | | |
| | **Net Asset /Net liability** | **(4.10)** | **(2.29)** | **(3.48)** | **(2.80)** |
| | **Net asset/(liability)recognised as at balance sheet date:** | (4.10) | (2.29) | (3.48) | (2.80) |
| III | **Movements in present value of defined benefit obligation** | | | | |
| | Present value of defined benefit obligation at the beginning of the year | 2.29 | 3.48 | 2.80 | - |
| | Current service cost | 2.08 | 1.98 | 1.09 | 2.80 |
| | Past service cost | - | - | - | - |
| | Interest cost | 0.20 | 0.26 | 0.13 | - |
| | Actuarial (gains) / loss | (0.46) | (3.44) | 1.50 | - |
| | Benefits paid | - | - | (2.03) | - |
| | **Present value of defined benefit obligation at the end of the year** | **4.10** | **2.29** | **3.48** | **2.80** |
| | **Classification** | | | | |
| | Current liability | 0.01 | 0.08 | 0.10 | 0.01 |
| | Non-current liability | 4.09 | 2.21 | 3.38 | 2.79 |

**Amount ( Rs. In Lakhs )**

IV **Actuarial assumptions:**

| Particulars | For the period ended 31st March, 2025 | For the period ended 31st March, 2024 | For the period from 05th July, 2022 to 31st March, 2023 | For the period from 01st April, 2022 to 04th July, 2022 |
|---|---|---|---|---|
| Expected Return on Plan Assets | 0 | 0 | 0 | 0 |
| Discount rate | 6.85% | 7.22% | 7.22% | 7.48% |
| Expected rate of salary increase | 7% | 7% | 7% | 7% |
| Mortality Rate During Employment | IALM (2012-014) | IALM (2012-014) | IALM (2012-014) | IALM(2012-014) |
| Retirement age | 58 | 58 | 58 | 58 |

Notes:

a. The rate used to discount post-employment benefit obligations is determined by reference to market yields at the end of the reporting period on government bonds.

b. The estimates of future salary increases considered in the actuarial valuation take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

**THIS SPACE IS LEFT INTENTIONALLY BLANK**

**SNEHAA ORGANICS LIMITED**
**( Formerly known as Snehaa Organics Private Limited)**
**( Formerly known as Snehaa Pharma Chemicals)**
**CIN : U24290TG2022PLC164443**

**ADDITIONAL NOTES TO RESTATED FINANCIAL INFORMATION**

**Amount ( Rs. In Lakhs )**

**NOTE - 28** **Annexure - XXXII**

**RESTATED STATEMENT OF BASIC AND DILUTED EARNINGS PER SHARE**

| Particulars | Particulars | For the period ended 31st March, 2025 | For the period ended 31st March, 2024 | For the period from 05th July, 2022 to 31st March, 2023 | For the period from 01st April, 2022 to 04th July, 2022 |
|---|---|---|---|---|---|
| Profit after Tax | Rs. | 733.82 | 365.98 | 277.83 | 46.83 |
| Present No. of Equity Shares | Nos. | 75,00,000 | 10,00,000 | 10,00,000 | - |
| Weighted Average number of Equity Shares* | Nos. | 75,00,000 | 75,00,000 | 58,33,333 | - |
| Basic Earnings per Share | Rupees | 9.78 | 4.88 | 4.76 | - |
| Diluted Earning per Share | Rupees | 9.78 | 4.88 | 4.76 | - |

* The company issued 65,00,000 equity shares of Rs. 10/- each as bonus shares in the ratio of 65:10(i.e. 65 (Sixty five) Fully paid Bonus Shares of Rs.10/- each will be allotted against the holding of 10 (Ten) equity shares of the Company) vide EGM resolution passed on 07th December, 2024 and allotted on 7th December, 2024. The effect of bonus shares are considered for calculation of EPS.

**NOTE - 29**

**CONFIRMATION FROM DEBTORS AND CREDITORS**

The closing balances of Debtors and Creditors are subject to Ledger Confirmations from the parties.

**NOTE - 30**

**No transactions to report against the following disclosure requirements as notified by MCA pursuant to amended**

a) Crypto Currency or Virtual Currency
b) Benami Property held under Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder
c) Registration of charges or satisfaction with Registrar of Companies
d) Relating to borrowed funds
i) Wilful defaulter
ii) Utilisation of borrowed funds & share premium
iii) Borrowings obtained on the basis of security of current assets
iv) Discrepancy in utilisation of borrowings
v) Current maturity of long term borrowings

**NOTE - 31**

**DISCLOSURE OF TRANSACTIONS WITH STRUCK OFF COMPANIES**

The Company did not have any material transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the financial year.

**As per our report of even date attached**
**For Phanindra & Associates**
**Chartered Accountants**
**FRN: 013969S**
**Peer Review Certificate No : 015912**

**For & on behalf of Board of Directors of Snehaa Organics Limited**
(Formerly known as Snehaa Organics Private Limited & Snehaa Pharma Chemicals)

Sd/-
**Srinivasulu T**
**Partner**
**M.No : 222868**

Sd/-
**N. Venkata Sai Kiran**
**Managing Director**
**DIN: 07986570**

Sd/-
**N. Venkata Sai Harish**
**Whole-time Director**
**DIN: 07967075**

Sd/-
**B. Sarath Chandra**
**CFO**

Sd/-
**Poonam Jain**
**Company Secretary**
**Mem. No : A44093**

**Date : 14th August, 2025**
**Place : Hyderabad**
**UDIN : 25222868BMIJTC4981**

**SNEHAA ORGANICS LIMITED**
**( Formerly known as Snehaa Organics Private Limited)**
**( Formerly known as Snehaa Pharma Chemicals)**
**CIN : U24290TG2022PLC164443**

**Annexure - XXXIII**

**RESTATED STATEMENT OF RELATED PARTIES & TRANSACTIONS**

**NOTE 33** **Amount ( Rs. In Lakhs )**

**As required under Accounting Standard 18 "Related Party Disclosures" as notified pursuant to Company (Accounting Standard) Rules 2006, following are details of transactions during the year with related parties of the company as defined in AS 18.**

**A. List of Related Parties and Nature of Relationship :**

| S No. | Name of the Related Party | Nature of Relationship |
|---|---|---|
| 1 | Sri Nandigala Venkata Sai Kiran | Managing Director |
| 2 | Sri Nandigala Venkata Sai Harish | Whole time Director |
| 3 | Sri Nandigala Venkata Lakshmi | Director (till 01-04-2024) |
| 4 | Khushbu Kachhawa | Independent Director |
| 5 | Gurprit Kaur | Independent Director |
| 6 | Samhitha Reddy Tera | Non-Executive Director |
| 7 | B Sharath Chandra | Chief Financial Officer |
| 8 | Poonam Jain | Company Secretary |
| 9 | Sri Nandigala Ramasubba Reddy | Partner (till the year ended 31-03-2022) & Relative of directors |
| 10 | Sri Nandigala Ramasubba Reddy(HUF) | Partner (till the year ended 31-03-2022) |
| 11 | Vestro Solvents Private Limited | Group company |
| 12 | Vestro Chemical Corporation Private Limited | Group company |
| 13 | Vestro Labs Private Limited | Group company |
| 14 | Vestro Containers Private Limited | Group company |
| 15 | Vedant Petrochem Private Limited | Group company |
| 16 | Vedant Agri Foods Private Limited | Group company |
| 17 | Vedant Logitech Private Limited | Group company |
| 18 | Vedant Chemicals | Group enterprise |
| 19 | N Ramasubbareddy HUF | Group enterprise |
| 20 | Vedant Crop Sciences | Group enterprise |
| 21 | TCR Chemical Industries | Promoters group relative Partnership firm |
| 22 | Sree Sai Sinivasa Chemicals | Promoters group relative Partnership firm |
| 23 | Magnus Life Sciences Pvt Ltd | Promoters group relative company |

**B. Summary of the transactions with the above related parties:**

| S.no | Name of the Party | Nature of Transaction | As at 31st March, 2025 | As at 31st March, 2024 | As at 31st March, 2023 | As at 04th July, 2022 |
|---|---|---|---|---|---|---|
| 1 | Sri Nandigala Ramasubba Reddy | Loan Availed | - | - | - | - |
| | | Loan Repaid | - | - | - | - |
| | | Rent | 3.60 | 3.60 | 0.90 | - |
| 2 | Sri Nandigala Ramasubba Reddy (HUF) | Loan Availed | - | - | - | - |
| | | Loan Repaid | 15.00 | - | - | - |
| 3 | Sri Nandigala Venkata Lakshmi | Loan Availed | - | - | 16.43 | 87.09 |
| | | Loan Repaid | 86.79 | 5.47 | 3.00 | 25.25 |
| | | Partners remuneration | - | - | - | 9.00 |
| 4 | Sri Nandigala Venkata Sai Harish | Loan Availed | 156.47 | - | - | 185.91 |
| | | Loan Repaid | 193.94 | 110.54 | 9.67 | 28.24 |
| | | Directors remuneration | 8.89 | - | 16.00 | - |
| 5 | Sri Nandigala Venkata Sai Kiran | Loan Availed | - | - | - | 167.65 |
| | | Loan Repaid | 6.74 | 93.96 | 38.72 | 28.24 |
| | | Directors remuneration | 8.89 | - | 40.00 | - |
| 6 | Kushbu Kachhawa | Sitting Fees | 0.33 | - | - | - |
| 7 | Gurprit Kaur | Sitting Fees | 0.25 | - | - | - |
| 8 | B Sharath Chandra | Salary | 8.00 | - | - | - |
| 9 | Poonam Jain | Salary | 0.71 | - | - | - |
| 10 | Vestro Solvents Private Limited | Sales | 25.75 | 307.94 | 102.40 | 101.67 |
| | | Purchases | 212.11 | 201.54 | 43.31 | 53.06 |
| | | Services | 109.12 | - | - | 18.59 |
| | | Rent | 1.20 | - | - | - |
| 11 | Vestro Chemical Corporation Private Limited | Sales | - | 32.62 | - | - |
| 12 | Vestro Labs Private Limited | Sales | 6.45 | 1.66 | - | - |
| | | Purchases | 17.02 | - | - | - |
| | | Services | 0.06 | | | |

**SNEHAA ORGANICS LIMITED**
**( Formerly known as Snehaa Organics Private Limited)**
**( Formerly known as Snehaa Pharma Chemicals)**
**CIN : U24290TG2022PLC164443**

**Annexure - XXXIII**

**RESTATED STATEMENT OF RELATED PARTIES & TRANSACTIONS**

| | | | | | | |
|---|---|---|---|---|---|---|
| 13 | Vestro Containers Private Limited | Sales | - | 5.64 | - | - |
| | | Purchases | 34.02 | 48.38 | 29.43 | 9.91 |
| 14 | Vedant Petrochem Private Limited | Sales | 245.99 | 624.58 | 542.19 | - |
| | | Purchases | 42.53 | 144.01 | 36.61 | - |
| 15 | Vedant Chemicals | Sales | - | - | 243.81 | - |
| | | Purchases | - | - | 53.61 | - |
| | | Services | - | - | - | - |
| 16 | TCR Chemical Industries | Sales | 190.99 | 4.76 | 14.23 | - |
| | | Purchases | 3.17 | 9.56 | 34.89 | - |
| 17 | Sree Sai Srinivasa Chemicals | Sales | 60.98 | - | - | - |
| 18 | Magnus Life Sciences Private limited | Sales | 11.02 | - | - | - |
| | | Purchases | 13.15 | - | - | - |

**C. Summary of the Outstanding balances with the above related parties:**

| S.no | Name of the Party | Nature of Transaction | As at 31st March, 2025 | As at 31st March, 2024 | As at 31st March, 2023 | As at 04th July, 2022 |
|---|---|---|---|---|---|---|
| 1 | Sri Nandigala Ramasubba Reddy | Rent Payable | 7.38 | - | - | - |
| 2 | Sri Nandigala Venkata Lakshmi | Loan Payable | - | 86.79 | 92.27 | 78.84 |
| | | Directors remuneration Payable | - | - | - | - |
| 3 | Sri Nandigala Venkata Sai Harish | Loan Payable | - | 37.47 | 148.01 | 157.68 |
| | | Directors remuneration Payable | 2.00 | - | 5.90 | - |
| 4 | Sri Nandigala Ramasubba Reddy(HUF) | Loan Payable | - | 15.00 | 15.00 | 15.00 |
| 5 | Sri Nandigala Venkata Sai Kiran | Loan Payable | - | 6.74 | 100.70 | 139.42 |
| | | Directors remuneration Payable | 11.00 | 3.00 | 7.50 | - |
| 6 | Kushbu Kachhawa | Sitting Fees Payable | 0.30 | - | - | - |
| 7 | Gurprit Kaur | Sitting Fees Payable | 0.23 | - | - | - |
| 8 | B. Sharath Chandra | Salary Payable | 2.00 | - | - | - |
| 9 | Poonam Jain | Salary Payable | 0.30 | - | - | - |
| 10 | Vestro Solvents Private Limited | Creditors | 112.37 | 220.86 | 14.61 | 144.19 |
| | | Creditors(transport) | - | 37.73 | 26.43 | - |
| | | Debtors | 107.24 | 284.68 | 8.67 | (168.19) |
| | | Rent Payable | 1.42 | - | - | - |
| 11 | Vestro Chemical Corporation Private Limited | Debtors | - | - | (0.47) | - |
| 12 | Vestro Labs Private Limited | Debtors | 1.56 | 0.10 | - | - |
| | | Creditors | 0.01 | - | - | - |
| 13 | Vestro Containers Private Limited | Creditors | 6.12 | 0.79 | - | - |
| 14 | Vedant Petrochem Private Limited | Debtors | 11.08 | 23.44 | 99.61 | - |
| | | Creditors | - | 1.10 | - | - |
| 15 | TCR Chemical Industries | Debtors | 221.48 | (0.17) | (0.17) | - |
| | | Creditors | 3.55 | - | - | - |
| 16 | Vedant Chemicals | Debtors | - | 1.62 | 1.62 | 179.64 |
| 17 | Magnus Life Sciences Private limited | Creditors | 2.52 | - | - | - |
| 18 | Sree Sai Srinivasa chemicals | Debtors | 71.97 | - | - | - |

**THIS SPACE IS LEFT INTENTIONALLY BLANK**

**SNEHAA ORGANICS LIMITED**
**( Formerly known as Snehaa Organics Private Limited)**
**( Formerly known as Snehaa Pharma Chemicals)**
**CIN : U24290TG2022PLC164443**

**Annexure - XXXIV**

**RESTATED STATEMENT OF ACCOUNTING RATIOS**

**NOTE 34** **Amount ( Rs. In Lakhs )**

| S.No | Particulars | As at 31st March, 2025 | As at 31st March, 2024 | As at 31st March, 2023 | As at 04th July, 2022 |
|---|---|---|---|---|---|
| 1 | Net profit as Restated | 733.82 | 365.98 | 277.83 | 46.83 |
| | Add: Depreciation | 121.44 | 80.04 | 44.05 | 23.01 |
| | Add: Interest | 45.64 | 9.21 | - | 18.57 |
| | Add: Income tax | 247.47 | 136.34 | 101.95 | 29.78 |
| | Less: Other Income | (7.12) | (8.53) | (6.87) | (24.30) |
| | Add: Exceptional item | - | - | - | - |
| | **EBITDA [A]** | **1,141.24** | **583.04** | **416.97** | **93.89** |
| | Net Sales [B] | 2,622.33 | 2,371.79 | 1,365.23 | 645.02 |
| | **EBITDA MARGIN (%)[A/B]** | 44% | 25% | 31% | 15% |
| | **Percentage of Change** | **77%** | **-20%** | **110%** | **-29%** |
| 2 | Current Assets [A] | 1,576.43 | 822.33 | 606.45 | 622.99 |
| | Current Liabilities [B] | 981.51 | 633.08 | 338.80 | 567.60 |
| | **CURRENT RATIO [A/B]** | **1.61** | **1.30** | **1.79** | **1.10** |
| | **Percentage of Change** | **24%** | **-27%** | **63%** | **14%** |
| 3 | Debt [A] | 908.52 | 392.13 | 359.15 | 394.20 |
| | Equity [B] | 1,477.63 | 743.81 | 377.83 | 100.00 |
| | **DEBT EQUITY RATIO [A/B]** | **0.61** | **0.53** | **0.95** | **3.94** |
| | **Percentage of Change** | **17%** | **-45%** | **-76%** | **331%** |
| 4 | EBITDA [A] | 1,141.24 | 583.04 | 416.97 | 93.89 |
| | Interest Expenses [B] | 43.85 | 5.32 | - | 8.28 |
| | **INTEREST - SERVICE COVERAGE RATIO [A / B]** | **26.03** | **109.56** | **NA** | **11.34** |
| | **Percentage of Change** | **-76%** | **NA** | **NA** | **-9%** |
| 5 | Net Profit after Tax [A] | 733.82 | 365.98 | 277.83 | 46.83 |
| | Shareholder's Equity [B] | 1,477.63 | 743.81 | 377.83 | 100.00 |
| | **RETURN ON EQUITY (%) [A / B]** | **49.66%** | **49.20%** | **73.53%** | **46.83%** |
| | **Percentage of Change** | **1%** | **-33%** | **57%** | **22%** |
| 6 | Net Sales [A] | 2,622.33 | 2,371.79 | 1,365.23 | 645.02 |
| | Trade Receivables [B] | 942.67 | 648.64 | 378.87 | 405.70 |
| | **TRADE RECIEVABLES TURNOVER RATIO [A / B]** | **2.78** | **3.66** | **3.60** | **1.59** |
| | **Percentage of Change** | **-24%** | **1%** | **127%** | **-74%** |
| 7 | Net Purchase [A] | 1,240.50 | 1,122.38 | 541.50 | 439.25 |
| | Trade Payables [B] | 275.02 | 378.61 | 185.87 | 240.06 |
| | **TRADE PAYABLES TURNOVER RATIO [A / B]** | **4.51** | **2.96** | **2.91** | **1.83** |
| | **Percentage of Change** | **52%** | **2%** | **59%** | **-88%** |
| 8 | Net Sales [A] | 2,622.33 | 2,371.79 | 1,365.23 | 645.02 |
| | Current Assets | 1,576.43 | 822.33 | 606.45 | 622.99 |
| | Current Liabilities | 981.51 | 633.08 | 338.80 | 567.60 |
| | Working Capital [B] | 594.92 | 189.24 | 267.65 | 55.39 |
| | **WORKING CAPITAL TURNOVER RATIO [A / B]** | **4.41** | **12.53** | **5.10** | **11.64** |
| | **Percentage of Change** | **-65%** | **146%** | **-56%** | **-112%** |
| 9 | Net Profit [A] | 733.82 | 365.98 | 277.83 | 46.83 |
| | Net Sales [B] | 2,622.33 | 2,371.79 | 1,365.23 | 645.02 |
| | **NET PROFIT RATIO (%) [A / B]** | **28%** | **15%** | **20%** | **7%** |
| | **Percentage of Change** | **81%** | **-24%** | **180%** | **3%** |
| 10 | Earning Before Interest and Taxes [A] | 1,019.81 | 503.00 | 372.92 | 70.88 |
| | Capital Employed* [B] | 2,024.03 | 1,077.09 | 740.92 | 493.73 |
| | **RETURN ON CAPITAL EMPLOYED (%) [A / B]** | **0.50** | **0.47** | **0.50** | **0.14** |
| | **Percentage of Change** | **8%** | **-7%** | **251%** | **-83%** |

**SNEHAA ORGANICS LIMITED**
**( Formerly known as Snehaa Organics Private Limited)**
**( Formerly known as Snehaa Pharma Chemicals)**
**CIN : U24290TG2022PLC164443**

**Annexure - XXXIV**

**RESTATED STATEMENT OF ACCOUNTING RATIOS**

| | | | | | |
|---|---|---|---|---|---|
| **11** | Cost of goods sold [A] | 913.03 | 1,181.61 | 540.43 | 429.53 |
| | Average Inventory [B] | 202.77 | 68.66 | 97.73 | 92.33 |
| | **INVENTORY TURNOVER RATIO [A / B]** | **4.50** | **17.21** | **5.53** | **4.65** |
| | **Percentage of Change** | **-74%** | **211%** | **19%** | **-85%** |
| **12** | EBITDA [A] | 1,141.24 | 583.04 | 416.97 | 93.89 |
| | Debt [B] | 908.52 | 392.13 | 359.15 | 394.20 |
| | **DEBT - SERVICE COVERAGE RATIO [A / B ]** | **1.26** | **1.49** | **1.16** | **0.24** |
| | **Percentage of Change** | **-16%** | **28%** | **387%** | **-81%** |
| **13** | Net Profit [A] | 733.82 | 365.98 | 277.83 | 46.83 |
| | Total Assets [B] | 3,005.55 | 1,710.18 | 1,079.72 | 1,061.32 |
| | **RETURN ON ASSETS [A / B ]** | **0.24** | **0.21** | **0.26** | **0.04** |
| | **Percentage of Change** | **14%** | **-17%** | **483%** | **-71%** |

**Notes :**

**Reasons for change in ratios more than 25% [Refer S.No for respective reasons]**

2. Below are the reasons for change in the Current Ratio :

i. The current ratio in FY 2023-24 has decreased by 27%, primarily due to an increase in current liabilities (specifically, the current portion of short-term borrowings related to vehicle loans), which outpaced the growth in current asset.

ii. As of 31st March 2023, the current ratio has increased by 63% compared to 4th July 2022, primarily due to a reduction in amounts payable to creditors.

3. Below are the reasons for change in the Debt Equity Ratio :

i. The debt-equity ratio for FY 2023-24 has decreased by 45% compared to the period ending 31st March 2023, primarily due to the increase in reserves and surplus. This increase is attributed to the fact that the reserves and surplus for the previous year were calculated for only eight months.

ii. As of 31st March 2023, the transfer of partners' capital to unsecured loans led to a change in the Debt to Equity ratio for that period.

iii. The pre-payment of the Adarsh Bank loan for the period ended 04th July 2022, along with the inclusion of restated profits, resulted in a change in the Debt to Equity ratio.

4. Below are the reasons for change in the Interest Service Coverage Ratio :

i. The increase in loans for the year ended 31st March, 2025 has resulted in a decrease in the interest service coverage ratio when compared to the FY 2024-25.

5. Below are the reasons for change in the Return on Equity :

i. The transfer of partners' capital to unsecured loans has resulted in an increase in the return on equity for the financial year ended 31st March 2023.

ii. The debt-equity ratio for FY 2023-24 has decreased by 33% compared to the period ending 31st March 2023, primarily due to the increase in reserves and surplus. This increase is attributed to the fact that the reserves and surplus for the previous year were calculated for only eight months.

6. Below are the reasons for change in the Trade Receivables Turnover Ratio :

i. A significant increase in turnover during FY 2022-23 led to an improvement in the trade receivables turnover ratio.

ii. As of 4th July 2022, the decrease in the trade receivables turnover ratio is attributable to the fact that sales for the period consisted of only four months, compared to FY 2021-22.

7. Below are the reasons for change in the Trade Payables Turnover Ratio :

i. Due to restatement adjustments in FY 2024-25 there is change in the Trade payables turnover ratio .

ii. The changes in net purchases and trade payables as of 31st March 2023 have resulted in alterations to the net trade payable turnover ratio when compared to the Period ended 04th July, 2023.

iii. As of 4th July 2022, the decrease in the trade payables turnover ratio is attributable to the fact that sales for the period consisted of only four months, compared to FY 2021-22.

8. Below are the reasons for change in the Working Capital Turnover Ratio :

i. Based on the audited figures and restated figures for the restatement period, changes in net sales in relation to current assets and current liabilities have led to a variation in the working capital turnover ratio.

ii. The significant increase in net sales for the financial year 2021-22, compared to the previous year, has led to a considerable increase in the working capital turnover ratio.

9. Below are the reasons for change in the Net Profit Ratio :

i. The significant increase in Net Profit for FY 2024-25 has positively impacted the Net Profit Ratio, reflecting improved performance after incorporating certain restated adjustments.

ii. The change in the Net Profit Ratio for the year ended 31st March 2023 is primarily due to the fact that the previous period of comparison covered only four months, ending on 4th July 2022.

10. *Capital Employed = Total Assets - Current liabilities

Below are the reasons for change in the Return on Capital Employed :

i. The changes in shareholders' funds for the financial year 2022-23, resulting from the conversion of the partnership firm to a company, have led to an increase in the return on capital employed.

11. Below are the reasons for change in the Inventory Turnover Ratio :

i. The significant increase in the finished goods inventory for the period ended 31st March, 2025 has led to a substantial decline in the inventory turnover ratio.

ii. The substantial increase in the Cost of Goods Sold from the year ended 31st March 2023 to 31st March 2024 has led to a significant improvement in the inventory turnover ratio.

iii. The decrease in the Cost of Goods Sold for the period ending 4th July 2022, which accounts for only 4 months, has resulted in an increase in the inventory turnover ratio.

12. Below are the reasons for change in the Debt-Service Coverage Ratio :

i. Increase in the Loans for FY 2024-25 lead into change in the Debt service coverage ratio.

ii. The significant increase in the debt service coverage ratio for the year ended 31st March 2023 is attributable to the fact that it includes EBITDA for 8 months, compared to the previous 4 months.

iii. The decrease in the debt service coverage ratio for the period ended 4th July 2022 is attributable to EBITDA being recognized for only four months.

13. Below are the reasons for change in the Return on Assets :

i. The significant increase in the return on assets ratio is attributable to the rise in net profit, as it reflects an eight-month period for the year ended 31st March 2023.

ii. The decrease in the return on assets ratio is attributable to the decline in profit, as it reflects only a four-month period for the period ended 4th July 2022.

**THIS SPACE IS LEFT INTENTIONALLY BLANK**

**SNEHAA ORGANICS LIMITED**
**( Formerly known as Snehaa Organics Private Limited)**
**( Formerly known as Snehaa Pharma Chemicals)**
**CIN : U24290TG2022PLC164443**

**Annexure - XXXV**

**RESTATED STATEMENT OF TAX SHELTER**

**NOTE 35** **Amount ( Rs. In Lakhs )**

| Particulars | As at 31st March, 2025 | As at 31st March, 2024 | As at 31st March, 2023 | As at 04th July, 2022 |
|---|---|---|---|---|
| **Net Profit/(Loss) before taxes (A)** | **981.29** | **502.32** | **379.78** | **76.61** |
| Tax Rate Applicable % | 25.168% | 25.168% | 25.168% | 31.200% |
| Minimum Alternate Taxes **(MAT)** | - | - | - | - |
| Adjustments | - | - | - | - |
| Add: Depreciation as per Companies act | 121.44 | 80.04 | 44.05 | 23.01 |
| **Add: Disallowance under Income Tax Act, 1961** | | | | |
| (i) Gratuity provision u/s 40A(7) | 1.81 | - | 0.69 | - |
| (ii) Total amount disallowable under section 36 | - | - | - | - |
| (iii) Amounts debited to the profit and loss account, to the extent disallowable under section 40 | - | - | - | - |
| (iv) Interest on TDS and income tax | 1.86 | 3.89 | - | 10.30 |
| (v) Amount disallowable under section 37 -Donations | - | 3.00 | - | - |
| (vi) Capital Expense - Increase in authorised capital disallowed u/s 37(1) | | - | 1.34 | - |
| **Less: Allowances under Income Tax Act, 1961** | | | | |
| (i) Depreciation as per Income Tax Act, 1961 | 163.41 | 79.95 | 35.58 | 14.45 |
| (ii) Income taxable under Other Sources | 0.18 | 0.41 | - | - |
| (iii) Deduction u/s 35/35CCC/35CCD | - | - | - | - |
| **Net Adjustments(B)** | **(38.49)** | **6.58** | **10.50** | **18.85** |
| **Income under the head Business or Profession (A+B)** | **942.80** | **508.89** | **390.28** | **95.46** |
| **Income from Capital Gains** | - | - | - | - |
| **Income from Other Sources (Interest Income)** | | | | |
| (i) Interest Income on Fixed Deposits | 0.29 | 0.41 | - | - |
| (ii) Interest on Income Tax Refund | - | - | - | - |
| **Gross Taxable Income** | **943.10** | **509.30** | **390.28** | **95.46** |
| Less: Deductions under Chapter VIA | - | - | - | - |
| **Net Taxable Income** | **943.10** | **509.30** | **390.28** | **95.46** |
| **Tax Payable as per Normal Rates** | **237.36** | **128.18** | **98.23** | **29.78** |
| Tax Payable as per Special Rates | - | - | - | - |
| Interest payable on above | - | - | - | - |
| **Tax payable as per Income Tax (C)** | **237.36** | **128.18** | **98.23** | **29.78** |
| **Current tax as per restated Statement of Profit & Loss** | **237.36** | **128.18** | **98.23** | **29.78** |

**THIS SPACE IS LEFT INTENIONALLY BLANK**

**SNEHAA ORGANICS LIMITED**
**( Formerly known as Snehaa Organics Private Limited)**
**( Formerly known as Snehaa Pharma Chemicals)**
**CIN : U24290TG2022PLC164443**

**Annexure - XXXVI**

**RESTATED STATEMENT OF CAPITALISATION**

**NOTE 36** **Amount ( Rs. In Lakhs )**

| S.No | Particulars | Pre offer | Post Offer |
|---|---|---|---|
| 1 | **Borrowings** | | |
| | - Short term debt | 229.95 | * |
| | - Long term debt | 678.57 | * |
| | **Total debt** | **908.52** | **-** |
| | | | |
| 2 | **Shareholders' funds** | | |
| | - Equity Share Capital | 750.00 | * |
| | - Reserves and Surplus - as restated | 727.63 | * |
| | **Total Shareholders' funds (Equity)** | **1,477.63** | - |
| | | | |
| | **Long term debt / shareholders' funds (in Rs.)** | **0.46** | * |
| | **Total debt / shareholders' funds (in Rs.)** | **0.61** | * |

*Notes:-*

1. Short term debts represent which are expected to be paid/payable within 12 months and exclude current maturity of long term debts repayable within 12 months.

2. Long term Debts represent debts other than short term debts as defined above including current maturity of long term debts repayable within 12 months grouped under short term borrowings.

3. The figures disclosed above are based on restated statement of Assets and Liabilities of the Company as at 31.03.2025.

* The post issue capitalization will be determined only after the completion of the allotment of Equity Shares.

**THIS SPACE IS LEFT INTENTIONALLY BLANK**

**SNEHAA ORGANICS LIMITED**
**( Formerly known as Snehaa Organics Private Limited)**
**( Formerly known as Snehaa Pharma Chemicals)**
**CIN : U24290TG2022PLC164443**

**Annexure - XXXVII**

**RESTATED STATEMENT OF OTHER FINANCIAL INFORMATION**

**NOTE 37** **Amount ( Rs. In Lakhs )**

| Particulars | As at 31st March, 2025 | As at 31st March, 2024 | As at 31st March, 2023 | As at 04th July, 2022 |
|---|---|---|---|---|
| **Net Worth (A)** | **1,477.63** | **743.81** | **377.83** | **100.00** |
| Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) | 1,141.24 | 583.04 | 416.97 | 93.89 |
| Restated Profit after tax | 733.82 | 365.98 | 277.83 | 46.83 |
| Add: Prior Period Item | - | - | - | - |
| **Adjusted Profit after Tax (B)** | **733.82** | **365.98** | **277.83** | **46.83** |
| **Number of Equity Share outstanding as on the End of Year/Period (C)** | **75,00,000** | **10,00,000** | **10,00,000** | **-** |
| **Weighted average no of Equity shares as on the end of the period year (D)** | | | | |
| - Pre Bonus (D(i)) | 10,00,000 | 10,00,000 | 7,77,778 | - |
| - Post Bonus (D(ii)) | 75,00,000 | 75,00,000 | 58,33,333 | - |
| Face Value per Share | 10.00 | 10.00 | 10.00 | - |
| **Restated Basic & Diluted Earnings Per Share (In Rs.) (B/D)** | | | | |
| - Pre Bonus (B/D(i)) | 73.38 | 36.60 | 35.72 | - |
| - Post Bonus (B/D(ii)) | 9.78 | 4.88 | 4.76 | - |
| Return on Net worth (%) **(B/A)** | **49.66%** | **49.20%** | **73.53%** | **46.83%** |
| **Net asset value per share (A/D(i)) (Pre Bonus) (In Rs.)** | **147.76** | **74.38** | **48.58** | **-** |
| **Net asset value per share (A/D(ii)) (Post Bonus) (In Rs.)** | **19.70** | **9.92** | **6.48** | **-** |

*Notes:*

1. The ratios have been Computed as per the following formulas

(i) Basic Earnings

$$\frac{\text{Restated Profit after Tax available to equity shareholders}}{\text{Weighted average number of equity shares outstanding at the end of the year / period}}$$

(ii) Net Asset Value (NAV) per Equity Share

$$\frac{\text{Restated Net Worth of Equity Share Holders}}{\text{Number of equity shares outstanding at the end of the year / period}}$$

(iii) Return on Net worth (%)

$$\frac{\text{Restated Profit after Tax available to equity shareholders}}{\text{Restated Net Worth of Equity Share Holders}}$$

2. EBITDA represents Earnings (or Profit/ (Loss)) before Finance Costs, Income Taxes, and Depreciation and Amortization Expenses. Extraordinary and Exceptional Items have been considered in the calculation of EBITDA as they were expense items.

3. Net Profit as restated, as appearing in the Statement of Profit and Losses, has been considered for the purpose of computing the above ratios. These ratios are computed on the basis of the Restated Financial Information of the Company.

4. Earnings per share calculations are done in accordance with Accounting Standard - 20 "Earning per Share", issued by the Institute of Chartered Accountants of India.

5. Weighted average number of Equity Shares is the number of Equity Shares outstanding at the beginning of the period adjusted by the number of Equity Shares issued during period multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period.

**SNEHAA ORGANICS LIMITED**
**( Formerly known as Snehaa Organics Private Limited)**
**( Formerly known as Snehaa Pharma Chemicals)**
**CIN : U24290TG2022PLC164443**

**Annexure - XXXVIII**

**RESTATED STATEMENT OF ADJUSTMENTS TO AUDITED FINANCIAL STATEMENTS**

**NOTE 38** **Amount ( Rs. In Lakhs )**

**(i) Reconciliation of Restated Profit:**

The reconciliation of Profit after tax as per audited financial statements and the Profit after tax as per Restated financial statements is presented below. This summarizes the results of restatements made in the audited accounts for the respective years/ period and its impact on the profit / loss of the company.

| Particulars | For the period ended 31st March, 2025 | For the period ended 31st March, 2024 | For the period from 05th July, 2022 to 31st March, 2023 | For the period from 01st April, 2022 to 04th July, 2022 |
|---|---|---|---|---|
| **Profit after tax as per audited/ re-audited financial statements** | **733.82** | **350.34** | **305.13** | **39.57** |
| **(i) Adjustments on account of change in accounting policies:** | **NA** | **NA** | **NA** | **NA** |
| **(ii) Other material adjustments:** | | | | |
| (a) Other Income/Liabilities written back | - | 1.48 | 2.77 | 24.16 |
| (b) Employee benefit expenses | - | (4.50) | (0.69) | - |
| (c ) Bad debts written off | - | (1.88) | (4.83) | - |
| (d) Amortisation of Intangible Assets | - | (32.51) | (23.96) | (8.55) |
| (e) Recognition of expenses | - | (4.87) | (1.42) | (1.18) |
| (f ) Recognition of Tangible assets | - | 73.80 | - | - |
| (g) Income tax adjustments | - | (14.97) | 0.78 | (7.17) |
| (h) Deferred tax adjustments | - | (0.91) | 0.06 | - |
| **(iii) Audit Qualifications:** | **NA** | **NA** | **NA** | **NA** |
| **Total** | **733.82** | **365.98** | **277.83** | **46.83** |
| **Restated profit after tax** | **733.82** | **365.98** | **277.83** | **46.83** |

Explanatory Notes to the above Reconciliation to restated profits made in the Independent Financial Statement of the company for the respective years:

**a. Other Income / Liabilities written back:** As part of the restatement of the financial statements, previously unreconciled creditor balances were written off following a thorough review. These balances no longer represent valid liabilities and are written back to the corresponding previous years.

**b. Employee benefit expenses:**

(i) As part of the restatement of the financial statements, previously wrongly accounted are now rectified in the statement of profit and loss to the corresponding previous years.

(ii) As part of the restatement of the financial statements, previously unrecognised gratuity provision had been accounted in the statement of profit and loss to the corresponding previous years.

**c. Bad debts:** As part of the restatement of the financial statements, previously unreconciled debtor balances were written off following a thorough review. These balances no longer represent valid receivables and hence these balances have been written off to the corresponding previous years.

**d. Amortization of Intangible asset:** As part of the restatement of the financial statements, previously unamortised Goodwill had been amortised had been accounted in the statement of profit and loss to the corresponding previous years.

**e. Recognition of Expenses:** As part of the restatement of the financial statements, previous year expenses that were wrongly accounted are now rectified in the statement of profit and loss to the corresponding previous years.

**f. Recognition of Tangible assets:**

The company has previously expensed the capital expenditure relating to Plant and machinery, and now capitalized to the corresponding previous years.

**g. Income Tax adjustments**: The taxable income for the corresponding years has been considered after taking into the impact of the above adjustments to the audited financial statements, the tax has been calculated taking into consideration the restated profit.

**h. Deferred tax adjustments:** The deferred tax for the respective years has been considered after taking into the impact of the above adjustments to the audited financial statements, the deferred tax has been calculated taking into consideration the timing differences and the restated expenses.

**(ii) Reconciliation of Share holders funds:**

The reconciliation of Shareholder's funds as per audited financial statements and Shareholder's funds as per Restated financial statements is presented below. This summarizes the results of restatements made in the audited accounts for the respective years/ period and its impact on Shareholder's funds of the company.

| Particulars | For the period ended 31st March, 2025 | For the period ended 31st March, 2024 | For the period from 05th July, 2022 to 31st March, 2023 | For the period from 01st April, 2022 to 04th July, 2022 |
|---|---|---|---|---|
| **Shareholder's funds as per Audited/ Re-audited financial statements** | **1,477.63** | **755.48** | **405.13** | **100.00** |
| (i) Adjustments on account of change in accounting policies | **NA** | **NA** | **NA** | **NA** |
| (ii) Differences carried over pertaining to changes in Profit/ Loss due to Restated Effect for the period covered in Restated Financials | - | (27.30) | - | - |
| (iii) Differences pertaining to changes in Profit/ Loss due to Restated Effect for the period covered in Restated Financials | - | 0.66 | (26.52) | - |
| (iv) Tax adjustment | - | 14.97 | (0.78) | - |
| (v) Other material adjustments | - | - | - | - |
| (vi) Audit Qualifications | **NA** | **NA** | **NA** | **NA** |
| **Total** | **1,477.63** | **743.81** | **377.83** | **100.00** |
| **Restated Shareholder's funds** | **1,477.63** | **743.81** | **377.83** | **100.00** |

**SNEHAA ORGANICS LIMITED**
**( Formerly known as Snehaa Organics Private Limited)**
**( Formerly known as Snehaa Pharma Chemicals)**
**CIN : U24290TG2022PLC164443**

**Annexure - XXXIX**

## RESTATED STATEMENT OF CONTINGENT LIABILITIES

**NOTE 39** **Amount ( Rs. In Lakhs )**

| Particulars | As at 31st March, 2025 | As at 31st March, 2024 | As at 31st March, 2023 | As at 04th July, 2022 |
|---|---|---|---|---|
| i. Claims against the company not acknowledged as debts | Unascertainable | Unascertainable | Unascertainable | Unascertainable |
| ii. Income Tax Demand | - | - | - | - |
| iii. TDS Demand | - | - | - | - |
| iv. GST Demand | 7.71 | - | - | - |
| **Total** | **7.71** | **-** | **-** | **-** |

The Company has received various GST notices from tax authorities in previous years, indicating potential discrepancies in GST reporting and payment. These cases are currently under review, and the Company is uncertain whether any actual liabilities will arise from these notices.

**THIS SPACE IS INTENTIONALLY LEFT BLANK**

## OTHER FINANCIAL INFORMATION

For details on other financial information please refer to Annexure-XXXVII "Restated Statement of other Financial Information as restated on page no. under the chapter titled "Financial Information" beginning on page no. 316 of this Red Herring Prospectus.

***Remainder of this page has been left blank intentionally***

## MANAGEMENTS DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

*The following discussion is intended to convey management's perspective on our financial condition and results of operations for the financial year ended March 31, 2025, March 31, 2024 and March 31, 2023. One should read the following discussion and analysis of our financial condition and results of operations in conjunction with our section titled "Financial Statements" and the chapter titled "Financial Information" on page 282 of the Red Herring Prospectus. This discussion contains forward-looking statements and reflects our current views with respect to future events and our financial performance and involves numerous risks and uncertainties, including, but not limited to, those described in the section entitled "Risk Factors" on page 37 of this Red Herring Prospectus. Actual results could differ materially from those contained in any forward-looking statements and for further details regarding forward-looking statements, kindly refer the chapter titled "Forward-Looking Statements" on page 24 of this Red Herring Prospectus. Unless otherwise stated, the financial information of our Company used in this section has been derived from the Restated Financial Information. Our financial year ends on March 31 of each year. Accordingly, unless otherwise stated, all references to a particular financial year are to the 12-month period ended March 31 of that year.*

*In this section, unless the context otherwise requires, any reference to "we", "us" or "our" refers to Snehaa Organics Limited, our Company. Unless otherwise indicated, financial information included herein are based on our Restated Financial Statements for Financial Years 2025, 2024 & 2023 included in this Red Herring Prospectus beginning on page 282 of this Red Herring Prospectus.*

## OVERVIEW

Snehaa Organics Limited was originally formed as partnership firm under the Indian Partnership Act, 1932 in the name and style of "M/s. Snehaa Pharma Chemicals", pursuant to a deed of partnership dated October 26, 2017. Our Promoter has made a strategic investment by acquiring M/s Snehaa Pharma Chemicals, with a vision to revolutionize the solvent recovery industry.

As part of this transition, a Partnership Deed for Reconstitution was executed on June 21, 2019, marking a significant change in ownership. Under this agreement, the existing partner retired, and the firm welcomed new partners Mr. Ramasubba Reddy Nandigala, Mrs. Venkata Lakshmi Nandigala, Mr. Nandigala Venkata Sai Harish & Rama Subba Reddy HUF.

Further, "M/s Snehaa Pharma Chemicals" was converted from partnership firm to a Private Limited Company in the name of "Snehaa Organics Private Limited" vide Certificate of Incorporation dated July 05, 2022 issued by Registrar of Companies, Central Registration Centre bearing CIN U24290TG2022PTC164443.

Thereafter, our Company was converted into a Public Limited Company in pursuance of a special resolution passed by the members of our Company at the Extra Ordinary General Meeting held on December 18, 2024. A fresh Certificate of Incorporation consequent to conversion was issued on January 07, 2025 by the Registrar of Companies, CPC Manesar Haryana and consequently the name of our Company was changed from "Snehaa Organics Private Limited" to "Snehaa Organics Limited". The Company's Corporate Identification Number is U24290TG2022PLC164443.

## KEY PERFORMANCE INDICATORS OF OUR COMPANY

*(In lakhs)*

| Key Financial Performance | March 31, 2025 | March 31, 2024 | March 31, 2023 |
|---|---|---|---|
| Revenue from operations [1] | 2,622.33 | 2,371.79 | 2,010.25 |
| EBITDA [2] | 1,141.24 | 583.04 | 510.86 |
| EBITDA Margin [3] | 43.52% | 24.58% | 25.41% |
| PAT [4] | 733.82 | 365.98 | 324.66 |
| PAT Margin [5] | 27.98% | 15.43% | 16.15% |
| Net Worth [6] | 1,477.63 | 743.81 | 377.83 |
| Return on Net Worth [7] | 49.66% | 49.20% | 85.93% |
| ROCE [8] | 50.38% | 46.70% | 59.90% |

***Notes:***

*(1) Revenue from operations is the revenue generated from operations by our Company.*

*(2) EBITDA is calculated as Profit before tax + Depreciation + Interest Expenses – Other Income.*

*(3) EBITDA Margin is calculated as EBITDA divided by Revenue from Operations*

*(4) PAT is mentioned as profit after tax for the period.*

*(5) PAT Margin is calculated as PAT for the period/year divided by revenue from operations.*

*(6) Net Worth means the aggregate value of the paid-up share capital and reserves and surplus of the company.*

*(7) ROE/RONW: Return on Equity is calculated as PAT divided by closing shareholders' equity*

*(8) ROCE: Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as total Assets minus current liabilities.*

## SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL YEAR

As per mutual discussion between the Board of the Company and Book Running Lead Manager, in the opinion of the Board of the Company there have not arisen any circumstances since the date of the last financial statements as disclosed in the Red Herring Prospectus and which materially and adversely affect or is likely to affect within the next twelve months except as follows:

- The board of directors in its meeting held on November 23, 2024 appointed Mr. Sarath Chandra Bhojanapalli as Chief Financial Officer of the Company.
- The shareholders of our Company appointed Mrs. Khushbu Kachhawa as Independent Director in the Extra-Ordinary General Meeting held on December 17, 2024.
- The shareholders of our Company appointed Mrs. Gurprit Kaur as Independent Director in the Extra-Ordinary General Meeting held on January 21, 2025.
- The board of directors in its meeting held on January 21, 2025 appointed Ms. Poonam Jain as Company Secretary & Compliance officer of the Company.
- The Board of Directors of our Company has approved and passed resolution on February 24, 2025 to authorize the Board of Directors to raise the funds by way of Initial Public Offering.
- The shareholder of our Company has approved and passed resolution on February 26, 2025 to authorize the Board of Directors to raise the funds by way of Initial Public Offering.

## SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business is subjected to various risks and uncertainties, including those discussed in the section titled "*Risk Factor"* beginning on page 37 of this Red Herring Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

- Changes, if any, in the regulations / regulatory framework / economic policies in India and / or in foreign countries, which affect national & international finance.
- Substantial portion of our revenues has been dependent upon few customers. The loss of any one or more of our major customers would have a material adverse effect on our business, cash flows, results of operations and financial condition.
- Dealing in hazardous material has significant risk and may cause some extraordinary losses.
- Failure to comply with regulations prescribed by authorities of the jurisdiction in pharmaceutical sector and chemical sector.
- We generally do business with our customers on purchase order basis and do not enter into long term contracts with them. Our inability to maintain relationships with our customers could have an adverse effect on our business, prospects, results of operations and financial condition.
- Failure to adapt to the changing needs of industry may adversely affect our business and financial condition;
- Inflation, deflation, unanticipated turbulence in interest rates and fluctuation in price.
- Our dependence on our key personnel, including our directors and senior management;
- Our ability to successfully implement our business strategy and plans;
- The occurrence of natural disasters or calamities;
- Other factors beyond our control.

## DISCUSSION ON RESULT OF OPERATION

***(Amount in Lakhs)***

| Particulars | For the year ended 31 March, 2025 | %age of Total Income | For the year ended 31 March, 2024 | %age of Total Income | For the year ended 31 March, 2023 | %age of Total Income |
|---|---|---|---|---|---|---|
| **Income** | | | | | | |
| Revenue from Operations | 2,622.33 | 99.73 | 2,371.79 | 99.64 | 2,010.25 | 98.47 |
| Other Income | 7.12 | 0.27 | 8.53 | 0.36 | 31.17 | 1.53 |
| **Total Income (I + II)** | **2,629.45** | **100** | **2,380.31** | **100** | **2,041.42** | **100** |
| | | | | | | |
| **Expenditure** | | | | | | |
| Purchases of Stock in Trade | 491.02 | 18.67 | 320.11 | 13.45 | 142.53 | 6.98 |
| Changes in inventories | -309.23 | -11.76 | 56.08 | 2.36 | -10.89 | -0.53 |
| Cost of Material Consumed | 731.24 | 27.81 | 805.42 | 33.84 | 838.31 | 41.07 |
| Employee benefits expenses | 214.48 | 8.16 | 149.88 | 6.30 | 172.29 | 8.44 |
| Financial Charges (Finance cost) | 53.34 | 2.03 | 9.27 | 0.39 | 18.57 | 0.91 |
| Depreciation & | 121.44 | 4.62 | 80.04 | 3.36 | 67.06 | 3.28 |

| | | | | | | |
|---|---|---|---|---|---|---|
| Amortization Expenses | | | | | | |
| Other expenses | 345.87 | 13.15 | 457.20 | 19.21 | 357.15 | 17.50 |
| **Total expenses** | **1,648.16** | **62.68** | **1,878.00** | **78.90** | **1,585.02** | **77.64** |
| | | | | | | |
| **Profit before Taxation & Exceptional Item** | **981.29** | **37.32** | **502.32** | **21.10** | **456.39** | **22.36** |
| Exceptional Items | - | - | - | - | - | - |
| **Profit Before Taxation** | **981.29** | **37.32** | **502.32** | **21.10** | **456.39** | **22.36** |
| | | | | | | |
| Current Tax | 237.36 | 9.03 | 128.18 | 5.39 | 128.01 | 6.27 |
| Deferred Tax | 10.11 | 0.38 | 8.16 | 0.34 | 3.72 | 0.18 |
| Earlier Years Tax Expense | - | - | - | - | - | - |
| **Total tax expense** | **247.47** | **9.41** | **136.34** | **5.73** | **131.73** | **6.45** |
| | | | | | | |
| **Profit After Tax but Before Extra-ordinary Items** | **733.82** | **27.91** | **365.98** | **15.38** | **324.66** | **15.90** |
| Extraordinary Items | - | - | - | - | - | - |
| Profit Attributable to Minority Shareholders | - | - | - | - | - | - |
| **Net Profit after adjustments** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Net Profit Transferred to Balance Sheet** | **733.82** | **27.91** | **365.98** | **15.38** | **324.66** | **15.90** |

## *Our Significant Accounting Policies*

For Significant accounting policies please refer Significant Accounting Policies, under Chapter titled "Financial Statements" beginning on page 282 of the Red Herring Prospectus.

## Reservations, Qualifications and Adverse Remarks

The Examination Report issued by our Statutory Auditors has no reservations, qualifications and adverse remarks.

## Revenue Recognition Method adopted by the company

i) The Company recognizes revenue from the distillation of solvents and manufacture of pharma chemicals to the extent that the economic benefits will probably flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made.
ii) The Company recognizes revenue from the distillation of solvents and manufacture of pharma chemicals on a job work basis is recognized upon the completion of the service when
a) The job work is completed and the processed solvents are delivered to the customer.
b) The significant risks and rewards of ownership of the processed solvents are transferred to the customer.
iii) Interest income is recognized on a time proportionate basis taking into account the amount of outstanding and the rate applicable.

## *Overview of Revenue & Expenditure*

The following discussion on results of operations should be read in conjunction with the Restated Financial statements for the Financial Year 2025, 2024 & 2023. Our revenue and expenses are reported in the following manner:

## *Revenue Bifurcation*

***Product wise bifurcation***

Product wise bifurcation is mentioned under chapter titled 'our business' on page 208 of this Red Herring Prospectus under the head 'Product wise revenue breakup'.

***Geographical bifurcation***

Geographical bifurcation is mentioned under chapter titled 'our business' on page 211 of this Red Herring Prospectus under the head 'Geographical wise revenue breakup'.

## Revenues

- **Revenue of operations**
  Our Company's revenue is primarily generated from the sale of distilled products either by way of trading or by selling the excess recycled product in the market and through the job work charged by company to distill the product.

- **Other Income**
  Other Income includes discount received, interest received and other such miscellaneous income.

## Expenditure

Our total expenditure primarily consists of purchase of stock in trade, cost of material consumed, Change in inventories, Employee benefit expenses, and Other Expenses. We also have incurred financial charges and depreciation as expenditure.

- **Cost of Material Consumed**
  It includes purchase of raw material such as mixed solvents, Toluene, Acetone etc. which are spent and is neutralized and distilled in its distilled plant. This includes stores and consumables for distillation.

- **Purchase of Stock in Trade**
  It includes trading of Acetone, MDC, Chloroform etc. which is then further sold in open market.

- **Change in Inventory**
  It means the difference between total of opening and closing inventories. This includes finished goods of inventory and work in progress.

- **Employment Benefit Expenses**
  Our employee benefits expense primarily comprises of Salaries and Wages, Staff welfare expenses and Gratuity and Other Benefits etc.

- **Finance Cost**
  It includes Interest Expense on Borrowings and other Financial Expenses.

- **Depreciation and Amortization Expenses**
  Depreciation includes depreciation on Buildings, Plant & Equipment, Furniture & Fixtures, Computers, etc.

- **Other Expenses**
  Other Expenses includes direct expenses such as freight inward, power and fuel charges, factory repair and maintenance expenses. It also includes administrative expenses such as rent, audit fees, office maintenance, legal charges etc.

## DETAILS OF FINANCIAL YEAR 2025 COMPARED TO FINANCIAL YEAR 2024 (BASED ON RESTATED FINANCIAL STATEMENTS)

### Revenues

- **Total Income**
  Total Income for the Financial Year 2024-25, stood at Rs. 2,629.45 Lakhs whereas in Financial Year 2023-24 it stood at Rs. 2,380.31 Lakhs, representing an increase of 10.47%. This is due to increase in revenue from operations.

  During this period, the company enhanced its installed capacity from 660 MT to 720 MT per month through the addition of new equipment such as a kettle and reactor, along with upgrades to existing machinery. These improvements, coupled with the commissioning of advanced quality check systems, significantly boosted operational precision and productivity. As a result, 7616 MT of solvents were successfully recycled by March 31, 2025, which is 88.15% utilization as compared to total 6,439 MT recycled i.e. 81.30% in FY 2023–24.

- **Revenue from operations**
  Total Revenue from Operations for the Financial Year 2024-25, stood at Rs. 2,622.33 Lakhs whereas in Financial Year 2023-24 it stood at Rs. 2,371.79 Lakhs, representing an increase of 10.56%. As company increased installed capacity from 660 MT per month to 720 MT per month. This growth is a result of both the addition of new equipment that is kettle and reactor, and targeted upgrades to existing machinery. Additionally, introduction of advanced machinery i.e. Quality check machinery has greatly enhanced the ability to analyze material with precision. This led to accurate calculation of return materials from vendors, ensuring greater accuracy in material handling and further boosting operational efficiency.

  As of March 31, 2025, company has successfully recycled 7,616 MT of solvents and in Financial Year 2023-24 it recycled 6,439 MT representing an increase of 18.28% of the total recycled quantity in full financial year 2023-24.

- **Other Income**
  Other Income for the Financial Year 2024-25, stood at Rs. 7.12 Lakhs whereas in Financial Year 2023-24 it stood at Rs. 8.53 Lakhs, representing a decrease of 16.53%. It comprises of interest and discount received from suppliers. It is lower due to lower amount lower scrap sale done in FY 2024-25.

### Expenditure

- **Total Expenses**
  Total Expenses for the Financial Year 2024-25, stood at Rs. 1,648.16 Lakh whereas in Financial Year 2023-24 it stood at Rs. 1,878.00 Lakh, representing a decrease of 12.34%, which is mainly due to increased levels of operations, resulted into better utilization of the resources.

- **Cost of Material Consumed**

  Total cost of Material consumed for the Financial Year 2024-25, stood at Rs. 731.24 Lakh whereas in Financial Year 2023-24 it stood at Rs. 805.42 Lakh, which represents 27.81% and 33.84% of the Total Income of corresponding periods respectively and also represents decrease of 9.21%. This lower cost of material consumed, despite higher production levels and an increase in recycled solvent volumes can be attributed to following factors:

  - **Operational Efficiency Improvements:** The enhancements made to installed capacity and the introduction of advanced quality control machinery have led to more efficient use of materials. As the same gave more negotiation power to company due to accurate calculations of material examined. These improvements have allowed company to maximize output without proportionally increasing the material consumption, thus reducing wastage and optimizing material usage.

  - **Increased Recycling Activity:** With a significant rise in solvent recycling (from 6,439 MT in FY 2023-24 to a 7,616 MT in FY 2024-25) with increase of 18.28% in solvent recycled in Financial Year 2024-25, reliance on raw materials had been reduced. By recycling a larger portion of solvents, company effectively lower the need for new materials, which in turn brings down the overall cost of materials consumed.

  - **Boiler Steam Efficiency Improvement:** The processing of higher-quality materials, made possible by the introduction of new machinery, has led to an improvement in boiler steam efficiency. With better-quality feedstock, the boiler system requires less energy to achieve optimal performance, resulting in lower energy consumption per unit of production. This reduction in energy costs further contributes to a decrease in the overall material costs**.**

  - **Process Optimization and Waste Reduction:** Our focus on precision, enabled by the advanced QC machinery, has minimized errors and material losses during production. As a result, company has been able to reduce scrap and waste, which further derived down the cost of materials used.

    **Conclusion:**

    First, operational efficiency improvements, such as enhanced installed capacity and the introduction of advanced quality control machinery, have optimized material usage by reducing wastage. This has allowed the company to maximize output without a proportional increase in material consumption. Additionally, increased recycling activity has played a key role, with the company recycling 18.28% more solvents in FY 2024–25 as compared to FY 2023-24, significantly lowering the reliance on raw materials.

    Further cost reductions were driven by boiler steam efficiency improvements, achieved through processing higher-quality materials, resulting in lower energy consumption. Finally, process optimization and waste reduction enabled by the advanced QC machinery have minimized scrap and material loss, directly contributing to reduced costs

- **Purchase of Stock in Trade**

  Purchase of Stock in Trade for the Financial Year 2024-25, stood at Rs. 491.02 Lakh whereas in Financial Year 2023-24 it stood at Rs. 320.11 Lakh representing an increase of 53.39%. This growth aligns with the significant increase in direct trade business as compared to previous year. As company procured more material to increase the customer base of the Company.

- **Change in Inventory**

  Total change in inventory for the Financial Year 2024-25, stood at Rs. (309.23) lakhs whereas in financial year 2023-24 it stood at Rs. 56.08 lakhs, which represents (11.76) % and 2.36% of the total income of corresponding

periods respectively. This is primarily due to closing stock of finished goods of ₹342.43 lakhs with the company. Considering the space constraint in factory, company has rented additional storage space in Jan'23 which was later modified in April 2024 with shed to use it as additional storage space which came into operational and fully utilized in FY 24-25.

During the FY 2024–25, the company undertook several strategic initiatives that led to a notable increase in raw material inventory. One key development was the commissioning of advanced quality check machinery, which significantly enhanced the precision in testing and analysing job work materials. This allowed the company to accept and retain a higher volume of raw materials that met its improved quality standards. Simultaneously, the company achieved improved capacity utilisation, rising from 81.30% in FY 2023–24 to 88.15% during the FY 2024-25. This increase in operational efficiency, supported by better machinery and production planning, necessitated a higher intake of raw materials to support growing output levels. In anticipation of continued production demand, the company strategically built-up inventory to ensure seamless operations. Furthermore, the addition of new rented storage facilities, which became fully operational during the year, allowed for effective stockpiling. This enabled the company to capitalize on bulk purchasing opportunities and favourable market conditions to secure raw materials for upcoming orders**.**

.

- **Employment Benefit Expenses**

Employee benefit expenses for the FY 2024-25, stood at Rs. 214.48 Lakhs whereas in Financial Year 2023-24 it stood at Rs 149.88 Lakhs representing an increase of 43.10%. This increase was due to following key factors:

- **Capacity Expansion and Operational Enhancements:** With the increase in installed capacity and the introduction of advanced QC machinery, there has been a need to employ additional staff with specialized skills to operate and maintain new equipment. Additionally, higher production levels require more workforce to ensure smooth operations across all departments, including quality control, logistics, and maintenance.

- **Improved Benefits and Employee Retention:** To retain top talent and ensure a motivated workforce amidst the business growth, company has enhanced employee benefits, including health coverage, performance-based incentives, and other support programs.

- **Scaling of Operations and Increased Workload:** As company has scaled business, production volumes rise, the overall workload has increased across departments. To handle the additional responsibilities, company has made necessary adjustments in staffing levels and compensation packages to ensure the team is adequately supported, reflecting in the rise in employee benefit expenses.

- **Other Expenses**

The Other Expenses for the Financial Year 2024-25, stood at Rs. 345.87 Lakhs whereas in Financial Year 2023-24 it stood at Rs. 457.20 Lakhs, representing a decrease of 24.35%. This was primarily attributed to a one-time Corporate Meet & Greet event held in the previous fiscal year in Telangana and Andhra Pradesh. This event, aimed at boosting brand image, enhancing employee morale, and ultimately driving revenue growth, incurred a cost of ₹104.70 lakhs. This event was a one-time expense and is a key reason for the higher Other Expenses in the previous year, making the comparison favorable for the current stub period.

**Reason for the decrease**:
The higher **Other Expenses** in the previous financial year were primarily due to a one-time **Corporate Meet & Greet event** organized for customers from Telangana and Andhra Pradesh, which incurred a cost of ₹104.70 lakhs. This event was aimed at strengthening the company's brand presence, enhancing employee morale, and fostering long-term customer relationships to support revenue growth. In comparison, the current period reflects

a **favourable reduction in Other Expenses**, largely attributable to the absence of this non-recurring cost.

| Particulars | FY 2024-25 | FY 2023-24 | FY 2022-23 |
|---|---|---|---|
| Other Expenses | 345.87 | 457.20 | 357.15 |
| Corporate Hospitality Expenses | - | 104.70 | - |
| Adjusted Expenses | 345.87 | 352.5 | 357.15 |
| Revenue from Operations | 2,622.33 | 2,371.79 | 2,010.25 |
| % of Revenue | 13.19% | 14.86% | 17.77% |

Other than these some fixed cost, which remain constant irrespective of the revenue from operations, decreases other expenses on year on year basis.

- **Depreciation and Amortization Expenses**

The Depreciation and Amortization Expenses for the Financial Year 2024-25, stood at Rs. 121.44 Lakhs whereas in Financial Year 2023-24 it stood at Rs. 80.04 Lakhs, representing an increase of 51.72%. It is calculated for the period and values, as per the utilization of assets for the Company's business. It was increased due to new additions and improvements made during the year of ₹709.60 lakhs in tangible assets of the company. This was primarily attributed to addition of new plant and machinery of ₹331.55 lakhs. As a result, higher value of assets led to higher depreciation expenses.

- **Finance Cost**

Finance Cost for the Financial Year 2024-25, stood at Rs. 53.34 Lakhs whereas in Financial Year 2023-24 it stood at Rs. 9.27 Lakhs, representing an increase of 475%. This was due to following factors:

  - **New Loans for Working Capital:** Company has availed new cash credit facility from HDFC bank of ₹229.65 lakhs with sanctioned amount of ₹500 lakhs. It carries an interest rate of 9.10% p.a. thus, increasing our finance cost for the FY 2024-25.

  - **Purchase of New Vehicles:** In line with the strategy to reduce logistics costs, company made a strategic investment in new vehicles rather than continuing to hire external transportation services, which were costing around 12 Lakhs annually. The financing for these new vehicles has also contributed to the increase in Finance Charges, as company now incurs interest expenses on the vehicle loans.

- **Restated Profit before Tax**

The restated profit before tax for the Financial Year 2024-25, stood at Rs. 981.29 Lakhs whereas in Financial Year 2023-24 it stood at Rs. 502.32 Lakhs, which represents 37.32% and 21.10% of the Total Income of corresponding periods respectively.

- **Restated Profit after Tax**

The restated profit after tax for the Financial Year 2024-25, stood at Rs. 733.82 Lakhs whereas in Financial Year 2023-24 it stood at Rs. 365.98 Lakhs which represents 27.91% and 15.38% of the Total Income of corresponding periods respectively, in line with Profit before Tax.

**Reasons for increase in profit margins of the company:**

1. Installed Capacity has gone up from 660 MT per month to 720 MT per month.
2. Capacity utilization has increased from 81% to 88% during this period.
3. Operational efficiency (as system of Quality Control was automated leading to better efficiency)
4. Due to addition of bigger boilers and tankers with better yield production, lead to generation of high

percentage of pure solvent, which gives more distilled product for selling in the market, generating higher profits.

## DETAILS OF FINANCIAL YEAR 2024 COMPARED TO FINANCIAL YEAR 2023 (BASED ON RESTATED FINANCIAL STATEMENTS)

### Revenues

- **Total Income**

Total Income for the Financial Year 2023-24, it stood at Rs. 2,380.31 Lakhs whereas in Financial Year 2022-23 it stood at Rs. 2,041.42 Lakhs representing an increase of 16.60%. This is due to increase in revenue from operations.

In the Financial Year 2023–24, the company achieved a Total Income of ₹2,380.31 lakhs, representing a growth of 16.60% compared to ₹2,041.42 lakhs in FY 2022–23. This notable increase was primarily driven by a strong rise in revenue from operations, which reflects the company's continued efforts to expand its market presence and enhance operational efficiency. The growth in revenue was largely supported by two key developments: a significant increase in the Direct Trade Business and a rise in solvent recycling volumes. The Direct Trade segment saw substantial expansion due to proactive client acquisition and deeper engagement with existing customers, while the increase in recycling volume was fueled by growing demand for sustainable and eco-friendly solutions. These factors combined to drive overall business performance, resulting in a solid year-on-year income growth.
During the year, the company also improved its capacity utilisation, which positively impacted operational output and efficiency. The increase in recycled solvent volume—from 5,920 MT in FY 2022–23 to 6,439 MT in FY 2023–24—indicates better use of available infrastructure and resources. Higher utilisation of installed capacity not only contributed to meeting increased demand but also helped optimize fixed costs, further strengthening the company's profitability and performance metrics.

- **Revenue of operations**

Net revenue from operations For the Financial Year 2023-24 stood at Rs. 2,371.79 Lakhs. Whereas for the Financial Year 2022-23, it stood at Rs. 2,010.25 Lakhs representing an increase of 17.98%. This growth is attributed to mainly two factors:

- **Significant Growth in Direct Trade Business:** Direct Trade Business has experienced a substantial increase, growing from ₹147.95 Lakhs in FY 22-23 to ₹350.12 lakhs in FY 23-24. This increase reflects successful efforts to expand and strengthen relationships with key clients, as well as company's ability to capture a larger share of the market.

- **Increase in Solvent Recycling Volume:** Company has seen a growth in the volume of solvents recycled, which increased from 5,920 MT in FY 22-23 to 6,439 MT in FY 23-24. This 9% increase in recycling volume has directly contributed to higher revenue, driven by the expanded recycling activities and a greater demand for our sustainable solutions.

  Both of these factors—growth in Direct Trade Business and an increase in recycled solvents—have played a key role in driving the overall 17.98% revenue growth in FY 23-24 compared to FY 22-23.

- **Other Income**

Other Income for the Financial Year 2023-24 stood at Rs. 8.53 Lakhs. Whereas for the Financial Year 2022-23, it stood at Rs. 31.17 Lakhs representing a decrease of ₹ 22.64 lakhs. This was primarily due to write-off of liabilities carried out in FY 2022-23 which was associated with unpaid sundry creditors that had remained in the books for more than three years. These long outstanding liabilities were reviewed and following a thorough assessment were determined to no longer be payable, hence it was written off and was recognized in other income.

## Expenditure

- **Total Expenses**

  Total Expenses for the Financial Year 2023-24 stood at Rs. 1,878.00 Lakhs. Whereas for the Financial Year 2022-23, it stood at Rs. 1,585.02 Lakhs representing increase of 18.48%. This can be contributed to many factors as discussed below:

- **Cost of Material Consumed**

  Total cost of material consumed for the Financial Year 2023-24, stood at Rs. 805.42 Lakh. Whereas for the financial year 2022-23, it stood at Rs. 838.31 lakhs representing a decrease of 3.92%. This decrease can be attributed to following key factors:

  - **Better Supply Chain Management:** Company have successfully implemented more efficient supply chain management practices, including negotiating better pricing for coal purchases and other consumables. By leveraging our purchasing power and fostering stronger supplier relationships, we were able to secure more favorable terms, resulting in lower material costs.

  - **Improved Quality of Crude Material for Recycling:** Additionally, the quality of crude materials received for recycling has improved significantly. Higher-quality materials require less processing, leading to reduced operational costs and lower material wastage. This improvement has directly contributed to lowering the overall cost of materials consumed.

- **Purchase of Stock in Trade**

  Purchase of Stock in Trade for the Financial Year 2023-24 stood at Rs. 320.11 Lakh whereas in Financial Year 2022-23 it stood at Rs. 142.53 Lakh representing an increase of 124.59% of the purchases stock in trade of FY 2023-24. The increase of ₹170.58 lakhs in Purchase of Stock in Trade is directly aligned with the growth in our Direct Trade Business. As our Direct Trade Business experienced significant expansion, with revenues increasing from ₹147.95 Lakhs to ₹350.12 Lakhs, the need for additional inventory to support this growth also rose. This led to higher purchases of stock in trade to meet the growing demand and ensure timely delivery to our clients.

  The revenue growth from ₹147.95 Lakhs to ₹350.12 Lakhs indicates a substantial increase in business activity, requiring a larger inventory to meet the rising demand.

  This boost in stock purchases of ₹170.58 Lakhs is essential for supporting the business's operational needs, particularly to ensure that company can maintain a smooth supply chain and timely deliveries. By managing an increased inventory level, company can avoid potential stockouts and continue to satisfy customer demands efficiently, which is crucial for sustaining growth and customer satisfaction in a rapidly expanding business.

- **Change in Inventory**

  Total change in inventory for the Financial Year 2023-24, stood at Rs. 56.08 lakhs whereas in financial year 2022-23 it stood at Rs. (10.89) lakhs, representing an increase of ₹66.97 lakhs. It was due to increased sales demand in FY 23-24, products were sold, which led to a reduction in closing stock levels.

- **Employment Benefit Expenses**

  Employee benefit expenses for the Financial Year 2023-24 stood at Rs. 149.88 Lakhs. Whereas for the Financial Year 2022-23, it stood at Rs. 172.29 Lakhs representing a decrease of 13.01%, this was due to Director's Remuneration of ₹65 Lakhs paid in the previous financial year. This one-time, payment to the Directors was a significant factor driving up employee benefit costs in FY 22-23. As this payment was not repeated in FY 23-

24 as directors withdrew their salary from Vestro Solvents (Promoter Group Company), it has contributed to the overall reduction in Employee Benefit Expenses compared to the prior year.

- **Other Expenses**

The Other Expenses for the Financial Year 2023-24 stood at Rs. 457.20 Lakhs. Whereas for the Financial Year 2022-23, it stood at Rs. 357.15 Lakhs representing an increase of 28.01%, this is primarily because of a one-time Corporate Meet & Greet event held in the previous fiscal year in Telangana and Andhra Pradesh. This event, aimed at boosting brand image, enhancing employee morale, and ultimately driving revenue growth, incurred a cost of ₹104.70 lakhs. Since this was one time expense incurred in FY 2023-24, it inflated the other expenses for that year.

- **Depreciation and Amortization Expenses**

The Depreciation and Amortization Expenses for the Financial Year 2023-24, stood at Rs. 80.04 Lakhs whereas in Financial Year 2022-23 it stood at Rs. 67.06 Lakhs, representing an increase of 19.36% mainly due to purchase of new machinery of Rs. 118.45 lakhs and vehicles of Rs. 310.50 lakhs, which increased the asset base of the company resulting in increase in depreciation expenses.

- **Finance Cost**

Finance Cost for the Financial Year 2023-24, stood at Rs. 9.27 Lakhs whereas in Financial Year 2022-23 it stood at Rs. 18.57 Lakhs representing a decrease of 50.09% or Rs. 9.30 lakhs. This was due to the reduction of interest burden resulting from the repayment of loans. As the company has made steady progress in repaying its loans, the overall outstanding loan balance has decreased, leading to lower interest expenses for the year. This reduction in interest costs has directly contributed to the decrease in Finance Charges.

- **Restated Profit before Tax**

The restated profit before tax For the Financial Year 2023-24 stood at Rs. 502.32 Lakhs. Whereas for the Financial Year 2022-23, it stood at Rs. 456.39 Lakhs, representing an increase of 10.06%. It is primarily due to increase capacity utilization from 600 MT per month to 660 MT per month and the same was utilized with 81% utilization.

- **Restated Profit after Tax**

The restated profit after tax For the Financial Year 2023-24 stood at Rs. 365.98 Lakhs. Whereas for the Financial Year 2022-23, it stood at 324.66 Lakhs, representing an increase of 12.73% in line with profit before tax.

**Property Plant and Equipment**

(₹ in lakhs)

| Particulars | FY 2024-25 | FY 2023-24 | FY 2022-23 |
|---|---|---|---|
| Gross Block- Opening Balance | 927.81 | 496.20 | 419.35 |
| Addition/(sale) during the year | 709.60 | 431.61 | 76.86 |
| **Gross Block- Closing Balance** | **1,637.41** | **927.81** | **496.20** |
| Accumulated Depreciation- opening balance | 125.14 | 77.61 | 43.07 |
| Depreciation during the year | 114.13 | 47.53 | 34.54 |

| | | | |
|---|---|---|---|
| Deletion during the year | - | - | - |
| Accumulated Depreciation- Closing balance | 239.28 | 125.14 | 77.61 |
| **Total Net block of Tangible assets** | **1,398.14** | **802.67** | **418.58** |

## Cash Flows

The table below summarize our cash flows from our Restated Financial Information for the financial year ended on March 2025, 2024 and 2023.

**(₹ in Lakhs)**

| Particulars | FY 2024-25 | FY 2023-24 | FY 2022-23 |
|---|---|---|---|
| Net cash (used in)/ generated from operating activities | 302.01 | 456.42 | 469.02 |
| Net cash (used in)/ generated from investing activities | (762.71) | (476.84) | (118.26) |
| Net cash (used in)/ generated from financing activities | 463.05 | 23.72 | (372.16) |
| Net increase/(decrease) in cash and cash equivalents | **2.35** | **3.30** | **(21.41)** |
| Cash and Cash Equivalents at the beginning of the period | 16.87 | 13.56 | 34.97 |
| Cash and Cash Equivalents at the end of the period | **19.22** | **16.87** | **13.56** |

***Net cash from/(used in) Operating Activities***

For fiscal year ending March 31, 2025, net cash flow generated from operating activities was ₹ 302.01 lakhs as compared to Profit Before Tax of ₹ 981.29 lakhs. We had operating profit before working capital changes of ₹ 1,157.59 lakhs primarily as a result of depreciation and finance cost of ₹ 121.44 lakhs and ₹ 53.34 lakhs respectively.

For fiscal year ending March 31, 2024, net cash flow from operating activities was ₹ 456.42 lakhs as compared to Profit Before Tax of ₹ 502.32 lakhs. We had operating profit before working capital changes of ₹ 590.02 lakhs primarily as a result of depreciation and finance cost of ₹ 80.04 lakhs and ₹ 9.27 lakhs respectively.

For fiscal year ending March 31, 2023, net cash flow from operating activities was at ₹ 469.02 lakhs as compared to Profit Before Tax of ₹ 456.39 lakhs. We had operating profit before working capital changes of ₹ 542.24 lakhs primarily as a result of depreciation and finance cost of ₹ 67.06 lakhs and ₹ 18.57 lakhs respectively.

***Net cash from/(used in) Investing Activities***

For fiscal year ending March 31, 2025, the net cash flow from investing activities was ₹ (762.71) Lakhs due to purchase of fixed assets of ₹709.60 Lakhs along with changes in CWIP of ₹46.94 lakhs and increase in loans and advances of ₹ 100.34 lakhs.

For fiscal year ending March 31, 2024, net cashflow from investing activities was ₹ (476.84) lakhs due to purchase of fixed assets of ₹431.61 lakhs along with changes in CWIP of ₹ (42.73) lakhs and increase in loans and advances of ₹ 2.90 lakhs.

For fiscal year ending March 31, 2023, the net cash flow from investing activities was ₹ (118.26) Lakhs due to purchase of fixed assets of ₹ 76.85 lakhs along with changes in CWIP of ₹ (4.21) lakhs and increase in loans and advances of ₹ 37.67 Lakhs.

***Net cash Flow from/(used in) Financing Activities***

For the Fiscal year ending March 31, 2025, net cash flow from financing activities was ₹ 463.05 lakhs due to finance cost of ₹53.34 Lakhs and increase in secured/unsecured loans of ₹ 516.39 Lakhs.

For the fiscal year ending March 31, 2024, net cash flow from financing activities was ₹ 23.72 lakhs due to increase in finance cost of ₹9.27 Lakhs and increase in secured/unsecured loans of ₹32.98 Lakhs.

For fiscal year ending March 31, 2023, net cash flow from financing activities was ₹ (372.16) lakhs due to decrease in unsecured loans of ₹6.56 Lakhs, change in partner's capital of ₹ (347.03) Lakhs and a finance cost of ₹18.57 Lakhs.

## Financial Indebtedness

Please see "Financial Indebtedness" for a description of broad terms of our indebtedness on page 336 of this Red Herring Prospectus. The company has an impeccable record of servicing its debts and has consistently reduced its dependence on institutional finance, there are negligible chances of any default. In the event our lenders declare an event of default, such current and any future defaults could lead to acceleration of our obligations, termination of one or more of our financing agreements or force us to sell our assets, which may adversely affect our business, results of operations and financial condition.

## Off-balance Sheet Commitments and Arrangements

We do not have any off-balance sheet arrangements, derivative instruments, swap transactions or relationships with affiliates or other unconsolidated entities or financial partnerships that would have been established for the purpose of facilitating off-balance sheet arrangements except contingent liabilities as of **March 31, 2025** which is mentioned below:

| Particulars | | ₹ in Lakhs |
|---|---|---|
| i. | Claims Against the company not acknowledged as debts | Unascertainable |
| ii. | GST demand | 7.71 |
| **TOTAL** | | **7.71** |

## Outstanding Dues to Trade Payables

For purposes of the disclosure in Issue Document pursuant to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended, the Board of Directors of the Company has identified a materiality threshold of **in excess 5% of total trade payables of the Company** as per the Restated Financial Statements of the company for the financial year ended 31st March, 2025, pursuant to a resolution dated August 11, 2025; and the amounts owed as of March 31, 2025 by the Company to any small scale undertaking and any other creditor equal to or exceeding such materiality threshold is identified in summary form as brought out in the tables below.

| *Name of Material Creditor* | *Amount (₹ Lakhs)* |
|---|---|
| Creditor 1 | 23.36 |
| Fast Track Finsec Private Limited | 16.20 |
| Creditor 2 | 29.26 |
| Creditor 3 | 23.83 |
| Vestro Solvents Private Limited | 112.37 |
| **Total** | **205.02** |

## INFORMATION REQUIRED AS PER ITEM (II) (C) (iv) OF PART A OF SCHEDULE VI TO THE SEBI REGULATIONS:

1. **Unusual or infrequent events or transactions**

   Except as described in this Red Herring 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 Risk Factors beginning on page 37 of this Red Herring Prospectus, to our knowledge there are no known significant economic changes that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

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

   Other than as described in this Red Herring Prospectus, particularly in the sections Risk Factors and Management 's Discussion and Analysis of Financial Condition and Results of Operations on pages 37 and 320, respectively, to our knowledge, there are no known trends or uncertainties that are expected to have a material adverse impact on our revenues or income from continuing operations

4. **Future changes in relationship between costs and revenues, in case of events such as future increase in labor or material costs or prices that will cause a material change are known.**

   Our Company's future costs and revenues can be impacted by an increase in labor costs as the company looks to hire talent with new skills and capabilities for the digital economy who may be in short supply.

5. **Future relationship between Costs and Income**

   Our Company's future costs and revenues will be determined by competition, demand/supply situation,Indian Government Policies, and interest rates quoted by banks & others.

6. **Extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices.**

   Increases in our revenues are by and large linked to increases in the volume of business.

7. **Total turnover of each major industry segment in which the issuer company operates.**

   The Company is operating in solvent and solvent recycling industry. Relevant industry data, as available, has been included in the chapter titled "Our Industry" beginning on page 123 of this Red Herring Prospectus.

8. **Status of any publicly announced new products or business segments**

   Our Company has not announced any new services and product and segment / scheme, other than disclosure in this Red Herring Prospectus.

9. **The extent to which the business is seasonal.**

   Our business is not seasonal in nature.

**10. Competitive Conditions**

We face competition from existing and potential competitors which is common for any business. We have, over a period of time, developed certain competitive strengths which have been discussed in section titled "Our Business" on page 178 of this Red Herring Prospectus.

***Remainder of this has been left blank intentionally***

## FINANCIAL INDEBTEDNESS

Based on the independent examination of Books of Accounts, Audited Financial Statements and other documents of the issuer Company, "**SNEHAA ORGANICS LIMITED"** and further explanations and information provided by the management of the Companies, which we believe to be true and correct to the best of our information and belief, the financial indebtedness of the company as at 31st March 2025 are as mentioned below:

(Rs. in Lakhs)

| Nature of Borrowing | Outstanding as on 31/03/2025 |
|---|---|
| Secured Loan (A) | 908.22 |
| Unsecured Loan (B) | 0.30 |
| **Total** | **908.52** |

### A. Secured Loans

(Rs. in Lakhs)

| Name of Lender | Purpose | Sanctioned Amount (Rs.) | Outstanding as on 31/03/2025 |
|---|---|---|---|
| HDFC Bank Ltd. | Working Capital | 500.00 | 229.65 |
| HDFC Bank Ltd. | Commercial Vehicle Loan | 118.50 | 110.09 |
| HDFC Bank Ltd. | Benz Car Loan | 257.70 | 173.19 |
| HDFC Bank Ltd. | Term Loan | 400.00 | 395.28 |
| **Total** | | **1276.20** | **908.22** |

### 1. HDFC Bank Ltd.: -

| Facility | Cash Credit |
|---|---|
| Overall Loan Limit * | 5,00,00,000 |
| Date of Sanction | 02.08.2024 |
| Interest | 9.10% p.a |
| Repayment | Not Applicable. |
| Primary Security | Stock and Receivables |
| Collateral Security: | Plant and Machinery |
| Personal Guarantee | Ramasubba Reddy Nandigala, Nandigala Venkata Lakshmi, Nandigala Venkata Sai Kiran, Nandigala Venkata Sai Harish. |

### 2. HDFC Bank Ltd.: -

| Facility | Commercial Vehicle Loan |
|---|---|
| Overall Loan Limit | 1,18,50,000 ( 39,50,000 * 3 Loans ) |
| Date of Sanction | 22.11.2024 |
| Interest | 8.75% p.a |
| Moratorium Period | Not Applicable. |
| Tenure | 37 Months |
| Repayment | 10th of Every Month |
| Primary Security | Motor Vehicles which we purchased |
| Collateral Security: | Not Applicable. |
| Personal Guarantee | Not Applicable. |

**3. HDFC Bank Ltd.:**

| Facility | Auto Premium Loan. |
|---|---|
| Overall Loan Limit | 2,57,70,000 |
| Date of Sanction | 26.12.2023 |
| Interest | 8.45% p.a |
| Moratorium Period | Not Applicable. |
| Tenure | 39 Months |
| Repayment | 05th of Every Month |
| Primary Security | Motor Vehicles which we purchased. |
| Collateral Security: | Not Applicable. |
| Personal Guarantee | Not Applicable. |

**4. HDFC Bank Ltd.:**

| Facility | Term Loans [800973871 & 801097434] |
|---|---|
| Overall Loan Limit | 4,00,00,000 |
| Date of Sanction | 07.01.2025 - 801097434<br>09.01.2025 - 800973871 |
| Interest | 9.1% p.a |
| Moratorium Period | Not Applicable. |
| Tenure | 84 Months for each loan |
| Repayment | 07th of Every Month for each loan |
| Primary Security | Hypothetication on stock & recievables. |
| Collateral Security: | Not Applicable. |
| Personal Guarantee | Ramasubba Reddy Nandigala, Nandigala Venkata Lakshmi, Nandigala Venkata Sai Kiran, Nandigala Venkata Sai Harish.. |

**B. Unsecured Loans**

| Name of Lender | Purpose | Date of Sanctioned | Repayment Terms | Sanctioned Amount | Outstanding as on 31/03/2025 |
|---|---|---|---|---|---|
| Loans from Directors and relatives | Business | - | - | - | - |
| Other long-term Loan from Corporate | Business | - | - | - | - |
| HDFC Bank Ltd – Credit Card | Working Capital | 01.01.2022 | 16th of Every Month. Utilized Amount, if any | 5,00,000 | 30,316 |

**For Phanindra & Associates**
**Chartered Accountants**
**FRN: 013969S**
**Peer Review Certificate No: 015912**

**Sd/-**

**Srinivasulu T**
**Partner**
**M.No: 222868**

**Date : August 14, 2025**
**Place: Hyderabad**
**UDIN:** 25222868BMIJTG4445

# SECTION VII - LEGAL AND OTHER INFORMATION

## OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

*Except, as stated in this section and mentioned elsewhere in this Red Herring Prospectus there are no litigations including, but not limited to suits, criminal proceedings, civil proceedings, actions taken by regulatory or statutory authorities or legal proceedings, including those for economic offences, tax liabilities, show cause notice or legal notices pending against our Company, Directors, Promoters, Group Companies or against anyother company or person/s whose outcomes could have a material adverse effect on the business, operations or financial position of the Company and there are no proceedings initiated for economic, civil or any other offences (including past cases where penalties may or may not have been awarded and irrespective of whetherthey are specified under paragraph (a) of Part I of Schedule V of the Companies Act, 2013) other than unclaimed liabilities of our Company, and no disciplinary action has been taken by SEBI or any stock exchange against the Company, Directors, Promoters or Group Companies*.

Except as disclosed below there are no:

a) litigation or legal actions, pending or taken, by any Ministry or department of the Government or a statutory authority against our Promoters during the last five years;
b) direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action;
c) pending proceedings initiated against our Company for economic offences;
d) default and non-payment of statutory dues by our Company;
e) inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous companies' law in the last five years against our Company, including fines imposed or compounding of offences done in those five years;
f) material frauds committed against our Company in the last five years.

Pursuant to SEBI ICDR Regulations, all other pending litigations except criminal proceedings, statutory or regulatory actions and taxation matters involving our Company, Promoters, Directors and Group Companies/entities, would be considered material for the purposes of disclosure based on lower of threshold criteria mentioned below:

A) As per the policy of materiality defined by the board of directors:

i) If the aggregate amount involved in such individual litigation, to the extent quantifiable, exceeds 5% of the Company's profit after tax for the most recently completed fiscal year, as per the Restated Financial Statements; or

ii) Where the monetary impact is not quantifiable or the amount involved may not exceed the materiality threshold set out under (i) above, but where an adverse outcome in any litigation would materially and adversely affect our Company's business, prospects, operations, financial position or reputation, irrespective of the amount involved in such litigation. Or

B) Litigation where the value or expected impact in terms of value, exceeds the lower of the following:

(a) two percent of turnover, as per the latest annual restated financial statements of the issuer; i.e. ₹ 52.44 lakhs; or

(b) two percent of net worth, as per the latest annual restated financial statements of the issuer, except in case the arithmetic value of the net worth is negative i.e. ₹ 29.55 lakhs or

(c) five percent of the average of absolute value of profit or loss after tax, as per the last three annual restated financial statements of the issuer i.e. ₹22.96 lakh

Accordingly, we have disclosed all outstanding litigations involving our Company, Promoters, Directors Group Companies and KMP. which are considered to be material. In case of pending civil litigation proceedings wherein the monetary amount involved is not quantifiable, such litigation has been considered material only in the event that the outcome of such litigation has an adverse effect on the operations or performance of our Company. Unless otherwise stated to contrary, the information provided is as of date of this Red Herring Prospectus.

***Remainder of this page has been left blank intentionally***

**I. Litigations involving our Company**

**A. Against our Company**

**(i) Outstanding Civil/Criminal Litigations and Material Developments against the Company: NIL**

**(ii) Statutory Notices issued against the Company**

| S. No. | Notice Number | Notice date | Related to Financial Year | Description | Status | Amount Involved |
|---|---|---|---|---|---|---|
| **1.** | ZD3611210215422 | 13-11-2021 | 2019-20 | Show Cause Notice and Summary thereof in Form GST DRC-01 | Appeal admitted | 7,71,481.64 |

**B. By our Company: Nil**

**II. Litigations involving our Promoters/Directors**

**A. Against our Promoters/Directors: Nil**

**B. By our Promoters/Directors: Nil**

**III. Litigations involving our KMP**

**A. Against our KMP: Nil**

**B. By our KMP: Nil**

## IV. Litigations involving our Group Entities

### A. Against our Group Entities:

#### i. Outstanding Civil/Criminal Litigation by/against the Group Companies

- **Civil Litigations:**

| S. No. | CNR/Case. No. | Court | Petitioner | Respondent | Type | Year | Facts of the case | Amount involved (Rs.) |
|---|---|---|---|---|---|---|---|---|
| **2.** | HBHC011017182017 | High Court | M/s Vestro Solvents Pvt Limited | Deputy Commissioner Of Income Tax | (ITTA) | 2018 | For FY 2008-09 & FY 2009-10 assessment was made by the Deputy Commissioner of Income Tax, who made an add-back of 10% of cash expenditure on vehicle maintenance.. Vestro appealed to the Tribunal and received a favorable order, reducing the disallowance to 5%. Against that order, the Company appealed to the High Court for the remaining 5%, and the matter is currently pending admission. | 11,15,151 |
| **3.** | HBHC011017192017 | High Court | M/S Vestro Solvents Pvt Limited | Deputy Commissioner of Income Tax | (ITTA) | 2018 | | 11,15,151 |
| **4.** | HBHC010229152018 | High Court | Gutte Padma | M/S Vestro Solvents Pvt Limited | Civil (MACMA) | 2018 | Vestro insured their vehicle under comprehensive coverage as well as under public liability act hence road accidents whenever occurred the third party losses will be claimed from insurance company where the legal proceedings will be attendant by legal department of insurance | 11,00,000 |
| **5.** | MHPA010024532018 | District Court | Sk. Pasha | M/S Vestro Solvents Pvt Limited | Civil (MACMA) | 2018 | | Amount not identifiable |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **6.** | MACMA/788/2018 | High Court | Gutte Padma | M/S Vestro Solvents Pvt Limited | Civil (MACMA) | 2018 | company. Amount involved under litigation will be indemnified by insurance company. Thus, no liability for Vestro. | 11,00,000 |
| **7.** | HBHC010803132015 | High Court | B Krishna, K. Krishna | M /S Vestro Solvents Pvt Limited | Civil (Macma) | 2015 | | 1,65,000 |
| **8.** | MACMA/2044/2015 | High Court | B Krishna, K. Krishna | M /S Vestro Solvents Pvt Limited | Macma | 2015 | | 1,65,000 |
| **9.** | ITTA/34/2018 | High Court | M/s Vestro Solvents Pvt Limited | Deputy Commissioner Of Income Tax | ITTA-Income Tax Tribunal Appeal | 2018 | For FY 2008-09 & FY 2009-10 assessment was made by the Deputy Commissioner of Income Tax, who made an add-back of 10% of cash expenditure on vehicle maintenance.. Vestro appealed to the Tribunal and received a favorable order, reducing the disallowance to 5%. Against that order, the Company appealed to the High Court for the remaining 5%, and the matter is currently pending admission. | 11,15,151 |

- **Criminal Litigation: Nil**

Note: Our Company has no Subsidiary Company as on the date of this Red Herring Prospectus.

**Other litigations involving any other entities which may have a material adverse effect on our Company**

There is no outstanding litigation, suits, criminal or civil prosecutions, statutory or legal proceedings including those for economic offences, tax liabilities, prosecution under any enactment in respect of the Companies Act, show cause notices or legal notices pending against any company whose outcome could affect the operation or finances of our Company or have a material adverse effect on the position of our Company.

**I. Details of the past penalties imposed on our Company / Directors**

Except as disclosed above as on the date of this Red Herring Prospectus, there are no cases in the last five years in which penalties have been imposed on our Company or our Directors.

**II. Outstanding dues to Creditors**

As per the materiality policy of the Company for disclosing outstanding amounts to creditors. Based on the same, as on March 31, 2025 our Company had outstanding dues to creditors as follows:

*(Amount in Lakh)*

| Particulars | As at March 31, 2025 |
|---|---|
| **Trade Payables** | |
| **Micro, Small and Medium Enterprises** | - |
| Material Creditors | 205.02 |
| Other Creditors | 70.00 |
| **Total** | **275.02** |

Information provided on the website of our Company is not a part of this Red Herring Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company's website, would be doing so at their own risk.

**III. Material developments occurring after last balance sheet date, that is, March 31, 2025.**

Except as disclosed in the section titled –Management's Discussion and Analysis of Financial Condition and Results of Operations of our Company beginning on page number 320 of this Red Herring Prospectus, in the opinion of our Board, there have not arisen, since the date of the last financial statements disclosed in this Red Herring Prospectus, any circumstances that materially or adversely affect or are likely to affect our profitability taken as a whole or the value of its assets or its ability to pay its material liabilities within the next 12 months.

**We certify that except as stated herein above:**

a. There are no defaults in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by our Company, promoters, group entities, companies promoted by the promoters during the past three years.

b. There are no cases of litigation pending against the Company or against any other Company in which Directors are interested, whose outcome could have a materially adverse effect on the financial position of the Company.
c. There are no pending litigation against the Promoters/ Directors in their personal capacities and also involving violation of statutory regulations or criminal offences.
d. There are no pending proceedings initiated for economic offences against the Directors, Promoters, Companies and firms promoted by the Promoters.
e. There are no outstanding litigation, defaults etc. pertaining to matters likely to affect the operations and finances of the Company including disputed tax liability or prosecution under any enactment.
f. There are no litigations against the Promoters / Directors in their personal capacity.
g. The Company, its Promoters and other Companies with which promoters are associated have neither been suspended by SEBI nor has any disciplinary action been taken by SEBI.
h. There is no material regulatory or disciplinary action by SEBI, Stock Exchange or regulatory authority in the past five year in respect of our promoters, group company's entities, entities promoted by the promoters of our company.
i. There are no status of criminal cases filed or any investigation being undertaken with regard to alleged commission of any offence by any of our Directors. Further, none of our directors has been charge-sheeted with serious crimes like murder, rape, forgery, economic offences etc.
j. The issue is in compliance with applicable provisions of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation 2018.
k. Neither the Company nor any of its promoters or directors is a wilful defaulter.
l. As of March 31, 2025, the company holds unascertainable contingent liabilities. This liability is subject to assessment and resolution, with potential adjustments pending based on future assessments or legal developments. In addition, the company has a contingent liability for Goods and Services Tax (GST), which totals Rs. 7.71lakhs. This GST liability is also contingent upon final settlement and any ongoing discussions or disputes with tax authorities.

***Remainder of this page has been left blank intentionally***

## GOVERNMENT AND OTHER STATUTORY APPROVALS

*In view of the licenses / permissions / approvals / no-objections / certifications / registrations, (collectively "Authorizations") listed below, our Company can undertake this Issue and our current business activities and to the best of our knowledge, no further approvals from any governmental or regulatory authority or any other entity are required to undertake this Issue or continue our business activities. Unless otherwise stated, these approvals are all valid as of the date of this Red Herring Prospectus. It must be distinctly understood that, in granting these approvals, the GoI, the RBI or any other authority does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. For further details in connection with the regulatory and legal framework within which we operate, please refer to the chapter titled "Key Regulation and Policies" beginning on page* 224 *of this Red Herring Prospectus.*

## CORPORATE APPROVALS FOR THIS ISSUE

1. The Board of Directors have, pursuant to resolutions passed at its meeting held on February 24, 2025 has approved the Issue, subject to the approval by the shareholders of the Company under Section 62 (1) (c) of the Companies Act 2013.

2. The Shareholders have, pursuant to the resolution dated February 26, 2025, under section 62 (1) (c) of the Companies Act 2013, authorized the Issue.

## IN-PRINCIPLE APPROVAL

The Company has obtained approval from NSE vide its letter dated July 17, 2025 to use the name of NSE in this Offer document for listing of equity shares on Emerge Platform of NSE. NSE is the Designated Stock Exchange.

## AGREEMENTS WITH NSDL AND CDSL

**1.** The Company has entered into an agreement dated March 21, 2025, with the Central Depository Services (India) Limited (CDSL), and the Registrar and Transfer Agent, who, in this case, is Skyline Financial Services Private Limited, for the dematerialization of its shares.

**2.** The Company has also entered into an agreement dated February 19, 2025, with the National Securities Depository Limited (NSDL) and the Registrar and Transfer Agent, who, in this case, is Skyline Financial Services Private Limited, for the dematerialization of its shares.

**3.** The Company's International Securities Identification Number (ISIN) is **INE1OIC01018.**

## INCORPORATION DETAILS OF OUR COMPANY

| S. No. | Authorisation granted | Issuing Authority | CIN | Date of Issue | Valid Upto |
|---|---|---|---|---|---|
| 1. | Certificate of Incorporation in the name of "Snehaa Organics Private Limited" | ROC-Hyderabad | U24290TG2022PTC164443 | July 05, 2022 | Perpetual |

| | | | | | |
|---|---|---|---|---|---|
| 2. | Certificate of Incorporation for Conversion from "Snehaa Organics Private Limited" to "Snehaa Organics Limited" | ROC-Hyderabad | U24290TG2022PLC164443 | January 07, 2025 | Perpetual |

## TAX RELATED AUTHORISATIONS OF COMPANY

| S. No. | Authorization granted | Issuing Authority | Registration No. /Reference No. /License No. | Date of Issue | Validity |
|---|---|---|---|---|---|
| 1. | Permanent Account Number | Income Tax Department, GOI | ABICS8956P | July 05, 2022 | Perpetual |
| 2. | Tax Deduction Account Number | Income Tax Department, GOI | HYDS71444C | July 05, 2022 | Perpetual |
| 3. | GST Registration Certificate (Telangana) | Centre Goods and Services Tax Act, 2017 | 36ABICS8956P1Z7 | July 12, 2022 | Valid until cancellation |

## BUSINESS RELATED CERTIFICATIONS

Our Company has received the following significant government and other approvals pertaining to our business:

| S. No. | Authorization granted | Issuing Authority | Registration No./ Reference No./ License No. | Date of Issue | Valid up to |
|---|---|---|---|---|---|
| 1. | Udyam Registration Certificate | Ministry of Micro, Small & Medium Enterprises | UDYAM-TS-20-0121537 | 17.02.2025 | Valid until cancellation |
| 2. | Employees' Provident Fund Organisation | Ministry of Labour and Employment | APKKP2701400000 | 05.07.2022 | Valid until cancellation |
| 3. | Employees State Insurance Corporation | Ministry of Labour and Employment | 52001122700000399 | 05.07.2022 | Valid until cancellation |
| 4. | LEI Certificate | Legal Entity Identifier Entity Limited | 8945009RIMXYFRVIBA95 | 02.01.2025 | 02.01.2026 |

| | | | | | |
|---|---|---|---|---|---|
| 5. | Boiler License Certificate for Use of a Boiler | Telangana State Boiler Inspection Department | AP/5189 | 02.05.2025 | 01/05/2026 |
| 6. | License to Work a Factory | Granted under the provisions of the Factories Act, 1948 and the Rules made thereunder by Government of Telangana | 105559 | 01.02.2025 | Valid until duly cancelled |
| 7. | Petroleum & Explosives Safety Organisation License | Ministry of Commerce & Industry Petroleum & Explosives Safety Organisation Government of India | P/SH/TG/15/4169 (P451603) | 27.12.2024 | 31.12.2025 |
| 8. | HT Service Release Certificate | Southern Power Distribution Company of Telangana Limited | HT57642553 | 13/03/2024 | N/A |
| 9. | Certificate of New Trade License | Government of Telangana Municipal Administration Department Bollaram Municipality, Sangareddy District | TG_TL_2025_1242 /0299 | 07-05-2025 | 31-03-2026 |

## NO OBJECTION CERTIFICATE (NOC) FROM AUTHORITIES

| Sr. No. | Description | Authority | Registration/ License Number | Date of Issue | Date of Expiry |
|---|---|---|---|---|---|
| **1.** | No Objection Certificate u/r 144 Of Petroleum Rules 2002 | Issued by Government of Telangana, Office of the District Collector, Sangareddy District to M/s Snehaa Pharma Chemicals | Lr. No. C3/PA/0014/ 2021 | 05.06.2021 | N/A |

*Note: Some registrations are in the name of Snehaa Organics Private Limited and the Company is in process of taking all the approvals in the new name of the Company i.e., Snehaa Organics Limited.*

**Licenses / approvals which have expired and for which renewal applications have not been made by our Company**

Nil

**Licenses / Approvals which are required but not yet applied for by our Company:**

Nil

**INTELLECTUAL PROPERTY**

As per the records provided by Company, following are the trademarks registered or objected in the name of the Company under the Trademarks Act, 1999:

| Trademark/Wordmark | Date of registration/ application | Application number | Class | Current Status |
|---|---|---|---|---|
| Device -   | 23/02/2025 | 6873346 | *35* | ***Applied - Formalities Check Pass*** |
| WORD MARK- "SNEHAA ORGANICS" | 23/02/2025 | 6873349 | *40* | ***Applied - Formalities Check Pass*** |
| WORD MARK- "SNEHAA ORGANICS" | 23/02/2025 | 6873348 | 35 | ***Applied - Formalities Check Pass*** |
| *Device -*   | 23/02/2025 | 6873347 | 40 | ***Applied - Formalities Check Pass*** |

**IT MUST, HOWEVER BE, DISTINCTLY UNDERSTOOD THAT IN GRANTING THE ABOVE-MENTIONED APPROVALS, THE CENTRAL GOVERNMENT, STATE GOVERNMENT, RBI AND OTHER AUTHORITIES DO NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE COMPANY OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS.**

# OTHER REGULATORY AND STATUTORY DISCLOSURES

## AUTHORITY FOR THE ISSUE

1. This Issue has been authorised by a resolution passed by our Board of Directors at its meeting held on February 24, 2025.
2. The Shareholders of our Company have authorised this Issue by their Special Resolution passed pursuant to Section 62 (1) (c) of the Companies Act, 2013, at its EGM held on February 26, 2025, and authorised the Board to take decisions in relation to this Issue.
3. The Company has obtained approval from NSE vide its letter dated July 17, 2025 to use the name of NSE in this Offer document for listing of equity shares on Emerge Platform of NSE. NSE is the Designated Stock Exchange.
4. Our Board has approved this Red Herring Prospectus through its resolution dated August 21, 2025.
5. We have also obtained all necessary contractual approvals required for this Issue. For further details, refer to the chapter titled "*Government and Other Statutory Approvals"* beginning on page no. 345 of this Red Herring Prospectus.

## PROHIBITION BY SEBI

Our Company, Directors, Promoters, members of the Promoter Group and Group Entities or the Director and Promoter of our Promoter Companies, have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBIor any other regulatory or governmental authority.

The companies, with which Promoters, Directors or persons in control of our Company were or are associated as promoters, directors or persons in control of any other company have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

## PROHIBITION BY RBI OR GOVERNMENTAL AUTHORITY

Our Company, our Promoters or their relatives (as defined under the Companies Act) and our Group Entities have confirmed that they have not been declared as wilful defaulters by the RBI or any other government authority and there are no violations of securities laws committed by them in the past or no proceeding thereof are pending against them.

Our directors have not been declared as wilful defaulter by RBI or any other government authority and there have been no violation of securities laws committed by them in the past or no proceedings thereof are pending against them.

## COMPLIANCE WITH THE COMPANIES (SIGNIFICANT BENEFICIAL OWNERSHIP) RULES, 2018

In view of the General Circular No. 07/2018 dated September 06, 2018 and General Circular No. 8/ 2018 dated September 10, 2018 issued by the Ministry of Corporate Affairs, Government of India, our Company, and our Promoter Group will ensure compliance with the Companies (Significant Beneficial Ownerships) Rules, 2018,upon notification of the relevant forms, as may be applicable to them.

## DIRECTORS ASSOCIATED WITH THE SECURITIES MARKET

We confirm that none of our directors are associated with the securities market in any manner and no action has been initiated against these entities by SEBI in the past years from since incorporation preceding the date of this Red Herring Prospectus.

## ELIGIBILITY FOR THIS ISSUE

Our Company is eligible for the Offer in accordance with Regulation 229 (2) and other provisions of Chapter IX of the SEBI (ICDR) Regulations, 2018 as the Company's post issue paid-up capital is less than 25.00 Crore Rupees. Our Company also complies with the eligibility conditions laid by the Emerge Platform of NSE Limited for listing of our Equity Shares.

**We confirm that:**

a) In accordance with Regulation 228(a) of the SEBI (ICDR) Regulations, neither the issuer, nor any of its promoters, promoter group or directors or selling shareholders are debarred from accessing the capital market by the Board;

b) In accordance with Regulation 228(b) of the SEBI (ICDR) Regulations, none of the promoters or directors of the issuer is a promoter or director of any other company which is debarred from accessing the capital market by the Board;

c) In accordance with Regulation 228 (c) of the SEBI (ICDR) Regulations, neither the issuer nor any of its promoters or directors is a wilful defaulter or fraudulent borrower.

d) In accordance with Regulation 228 (d) of the SEBI (ICDR) Regulations, none of the Issuer's promoters or directors is a fugitive economic offender.

e) In accordance with Regulation 228 (e) there are not any outstanding convertible securities or any other right which would entitle any person with any option to receive equity shares of the issuer.

f) In accordance with Regulation 229 (4) In case of an issuer, which had been a proprietorship or a partnership firm or a limited liability partnership before conversion to a company or body corporate, such issuer may make an initial public offer only if the issuer company has been in existence for at least one full financial year before filing of draft offer document - The provision is not applicable to the company as the company was originally incorporated as a Private Limited Company.

g) In accordance with Regulation 229 (5) there is no complete change in promoters neither there are new promoter(s) of the issuer who have acquired more than fifty per cent of the shareholding of the issuer.

h) In accordance with Regulation 229 (6) the issuer had minimum operating profits (earnings before interest, depreciation and tax) of ₹1 crore from operations for at least two out of the three previous financial years. Company has operating profits in last three financial years.

i) In accordance with Regulation 230 (1) (a) of the SEBI (ICDR) Regulations, application is being made to National Stock Exchange of India Limited and NSE is the Designated Stock Exchange.

j) In accordance with Regulation 230 (1) (b) of the SEBI (ICDR) Regulations, the Company has entered into agreement with depositories for dematerialization of specified securities already issued and proposed to be issued.

k) In accordance with Regulation 230 (1) (c) of the SEBI (ICDR) Regulations, all the present Equity share Capital fully Paid Up.

l) In accordance with Regulation 230 (1) (d) of the SEBI (ICDR) Regulations, all the specified securities held by the promoters are already in dematerialized form.

m) In terms of Regulation 246 (1) of the SEBI (ICDR) Regulations, 2018, a copy of the prospectus will be filed with the SEBI through the Lead Manager immediately upon filing of the offer document with the Registrar of Companies, however, as per Regulation 246 (2) of the SEBI (ICDR) Regulations, 2018, the SEBI shall not issue any observation on the offer document. Further, in terms of Regulation 246 (3) of the SEBI (ICDR) Regulations, 2018 the lead manager will also submit a due diligence certificate as per Form A of Schedule V to which the site visit report will also be annexed, including additional confirmations as provided in Form G of Schedule V along with the offer document to the SME Exchange(s), where the specified securities are proposed to be listed.

n) Further, in terms of Regulation 246 (4) of the SEBI (ICDR) Regulations, 2018 the prospectus will be displayed from the date of filling in terms of sub-regulation (1) on the website of the Lead Manager and the Emerge Platform of National Stock Exchange of India Limited. Moreover, in terms of Regulation 246(5) of the SEBI (ICDR) Regulation, 2018, a copy of the prospectus shall also be furnished to the SEBI in soft copy.

o) In accordance with Regulation 247(1) of the SEBI (ICDR) Regulations, 2018, we ensured that the offer document filed with the SME exchange was made public for comments for a period of at least twenty-one days from the date of filing, by hosting it on the websites of the issuer, SME exchange, and the Book Running Lead Manager.

p) In accordance with Regulation 260 of the SEBI (ICDR) Regulations, this Issue ***will be hundred percent underwritten and that the Lead Manager to the Offer will underwrite at least 15% of the Total Issue Size.*** For further details pertaining to said underwriting please refer to "General Information" Underwriting on page 84 of this Red Herring Prospectus.

q) In accordance with Regulation 261 of the SEBI (ICDR) Regulations, the Lead Manager will ensure compulsory Market Making for a minimum period of three (3) years from the date of listing of equity shares offered in this Issue. For further details of market making arrangement, please refer to the section titled "*General Information", "Details of the Market Making Arrangements for this Issue*" on page 85 of this Red Herring Prospectus.

r) In accordance with Regulation 268(1) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue is greater than or equal to two hundred, otherwise, the entire

application money will be refunded forthwith. If such money is not repaid within four (4) days from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of fourth (4) days, be liable to repay such application money with interest as prescribed under Section 40 of the Companies Act, 2013 and SEBI (ICDR) Regulations.

## NSE ELIGIBILITY NORMS:

1. **The Company has been incorporated under the Companies Act, 2013 in India.**
   Our Company was incorporated on July 05, 2022 under the Companies Act, 2013.

2. **The post issue paid up capital of the Company (face value) will not be more than Rs. 25.00 Crore Rupees.**
   The present paid-up capital of our Company is ₹ 750.00 Lakh and we are proposing issue of 26,79,000 Equity Shares of ₹ 10/- each at Issue price of ₹ [●] per Equity Share including share premium of ₹ [●] per Equity Share, aggregating to ₹ [●] Lakh. Hence, our Post Issue Paid up Capital will be ₹ 1017.9 Lakhs which is not more than ₹ 2500.00 Lakhs.

3. **Track Record: The company or the partnership/proprietorship/LLP Firm or the firm which have been converted into the company should have combined track record of at least 3 years. In case of an issuer, which had been a proprietorship or a partnership firm or a limited liability partnership before conversion to a company or body corporate, such issuer may make an initial public offer only if the issuer company has been in existence for at least one full financial year before filing of offer document: Provided that the restated financial statements of the issuer company prepared post conversion shall be in accordance with Schedule III of the Companies Act, 2013.**

   **The Company should have a track record of at least 3 (three) years.**

   Our Company was formed subsequent to conversion of partnership firm into company vide Certificate of Incorporation dated July 05, 2022. The partnership firm by the name of 'Snehaa Pharma Chemicals' was originally formed in October 26, 2017 and was reconstituted after acquisition by the promoters of the issuer company on June 21, 2019.Therefore, we are in compliance of the track record criteria.

4. a. The Company should have operating profit (earnings before interest, depreciation and tax) from operations for at least 2 financial years preceding the application and that the Company has track record of 3 years & the net-worth of the Company should be positive.

(Rs. In Lakhs)

| Particulars | For the period ended 31st March, 2025 | For the period ended 31st March, 2024 | For the period from 05th July, 2022 to 31st March, 2023 | For the period from 01st April,2022 to 04th July, 2022 |
|---|---|---|---|---|
| Operating profit (earnings before interest,depreciation and tax and other income) | 1141.24 | 583.04 | 416.97 | 93.89 |
| Net-worth | 1477.63 | 743.81 | 377.83 | 100 |

**b. The company/entity should have positive Free cash flow to Equity (FCFE) for at least 2 out of 3 financial years preceding the application.**

| Particulars | For the period ended 31st March, 2025 | For the period ended 31st March, 2024 | For the period from 05th July, 2022 to 31st March, 2023 | For the period from 01st April,2022 to 04th July, 2022 |
|---|---|---|---|---|
| Net Cash flow from Operations | 302.01 | 456.42 | 124.92 | 344.10 |
| Less- Purchase of Fixed Assets (net of sale proceeds of Fixed Assets) | (662.66) | (474.34) | (78.76) | (2.31) |
| Add- Net Total Borrowings (net of repayment) | 516.39 | 32.98 | (35.05) | 28.48 |
| Less- Interest expense x (1-T) | (34.15) | (6.89) | - | (12.78) |
| **Free cash flow to Equity (FCFE)** | **121.58** | **8.18** | **11.12** | **357.49** |

**Other Requirements**

- Our company has not been referred to Board for Industrial and Financial Reconstruction (BIFR) and no proceedings have been admitted under Insolvency and Bankruptcy Code against the issuer and Promoting companies.
- Our company has not received any winding up petition admitted by a NCLT / Court.
- There has been no material regulatory or disciplinary action by a stock exchange or regulatoryauthority in the past three years against our company

- Our company shall mandatorily facilitate trading in demat securities and have entered into an agreement with both the depositories. Also, the Equity Shares allotted through this Issue will be in dematerialized mode.
- Our Company has a live and operational website: snehaaorganics.com/.
- Our Company has ensure that none of the merchant bankers involved in the IPO have instances of any of their IPO offer document filed with the Exchange being returned in the past 6 months from the date of application. For this purpose, the lead merchant banker and any other merchant banker if applicable shall be responsible for due diligence activity and drafting of the draft offer document / offer document in terms of the Lead Managers' Inter-se Allocation of Responsibilities shall be considered.

We further confirm that we shall be complying with all the other requirements as laid down for such an Issue under Chapter IX of SEBI (ICDR) Regulations, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the NSE Emerge.

## DISCLAIMER CLAUSE OF SEBI

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE RED HERRING PROSPECTUS TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THIS OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE RED HERRING PROSPECTUS. THE LEAD MANAGER FAST TRACK FINSEC PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGER, FAST TRACK FINSEC PRIVATE LIMITED, IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, FAST TRACK FINSEC PRIVATE LIMITED, SHALL FURNISH TO SEBI A DUE DILIGENCE CERTIFICATE DATED AUGUST 21, 2025 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF SECURITIES AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.**

**THE FILING OF THE RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES**

**THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE RED HERRING PROSPECTUS.**

## DISCLAIMER STATEMENT FROM OUR COMPANY AND THE BOOK RUNNING LEAD MANAGER

Our Company, its Directors and the Book Running Lead Manager accept no responsibility for statements made otherwise than in this Red Herring Prospectus or in the advertisements or any other material issued by or at instance of our Company and anyone placing reliance on any other source of information, including our website www.ftfinsec.com & snehaaorganics.com/ would be doing so at his or her own risk.

## CAUTION

The Book Running Lead Manager accepts no responsibility, save to the limited extent as provided in the Agreement for Issue agreement, the Underwriting Agreement and the Market Making Agreement. Our Company, our Directors and the Book Running Lead Manager shall make all information available to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at collection centres, *etc.* The Book Running Lead Manager and its associates and affiliates may engage in transactions with and perform services for, our Company and their respective associates in the ordinary course of business & have engaged, and may in future engage in the provision of financial services for which they have received, and may in future receive, compensation.

**Investors who apply in this Issue will be required to confirm and will be deemed to have represented to our Company and the Underwriter and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares and will not offer, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company and the Book Running Lead Manager and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares.**

## DISCLAIMER IN RESPECT OF JURISDICTION

This Issue is being made in India to persons resident in India including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, VCFs, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of Rs. 2,500 Lakh, pension funds with minimum corpus of Rs.2,500 Lakh and the National Investment Fund, and permitted non-residents including FPIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, provided that they are eligible under all applicable laws and regulations to hold Equity Shares of the Company. The Red Herring Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or

invitation in such jurisdiction. Any person into whose possession this Red Herring Prospectus comes is required to inform him or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s)in Hyderabad only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that the Red Herring Prospectus had been filed with NSE Emerge for its observations and NSE Emerge gave its observations on the same. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been, and will not be, registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. Further, each Applicant where required agrees that such Applicant will not sell or transfer any Equity Shares or create any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S Securities Act and in compliance with applicable laws, legislationsand Red Herring Prospectus in each jurisdiction, including India.

## DISCLAIMER CLAUSE OF THE EMERGE PLATFORM OF NSE

National Stock Exchange of India Limited (NSE) has given vide its letter dated July 17, 2025 permission to this Company to use its name in this offer document as one of the stock exchange on which this company's securities are proposed to be listed on the Emerge Platform. NSE has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. NSE does not in any manner:

i. warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
ii. warrant that this Company's securities will be listed on completion of Initial Public Offer or will continue to be listed on NSE; or
iii. take any responsibility for the financial or other soundness of this Company, its promoter, its management or any scheme or project of this Company;
iv. warrant, certify or endorse the validity, correctness or reasonableness of the price at which the equity shares are offered by the Company and investors are informed to take the decision to invest in the equity shares of the Company only after making their own independent enquiries, investigation and analysis. The price at which the equity shares are offered by the Company is determined by the Company in consultation with the Merchant Banker(s) to the issue and the Exchange has no role to play in the same and it should not for any reason be deemed or construed that the contents of this offer document have been cleared or approved by NSE. Every person who desires to apply for or otherwise acquire any securities of this Company may do so pursuant to inquiry, investigation and analysis and shall not have any claim against NSE, whatsoever by reason of any loss which may be suffered by such person

consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

v. NSE does not in any manner be responsible for any direct, indirect, consequential or other losses or damages including loss of profits incurred by any investor or any third party that may arise from any reliance on this offer document or for the reliability, accuracy, completeness, truthfulness or timeliness thereof.

vi. The Company has chosen the Emerge platform of NSE on its own initiative and at its own risk, and is responsible for complying with all local laws, rules, regulations, and other statutory or regulatory requirements stipulated by NSE / other regulatory authority. Any use of the Emerge platform and the related services are subject to Indian Laws and Courts exclusively situated in Mumbai.

## DISCLAIMER CLAUSE UNDER RULE 144A OF U.S. SECURITIES ACT

The Equity Shares have not been and will not be registered under the U.S Securities Act of 1933, as amended (U.S. Securities Act) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, –U.S Persons (as defined in Regulation S), except pursuant to exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transaction in reliance on Regulation S under the U.S Securities Act and the applicable laws of the jurisdiction where those offers and sale occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and application may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

## TRACK RECORD OF THE PAST ISSUES HANDLED BY THE LEAD MANAGER

For details regarding the price information and the track record of the past Issues handled by the Lead Manager to the Issue as specified in Circular reference no. CIR/CFD/DIL/7/2015 dated October 30, 2015, issued by the SEBI, please refer to "Annexure A" to the Red Herring Prospectus and the website of the Lead Manager at www.ftfinsec.com

**Price Information and the Track Record of the Past Issues Handled by the Lead Manager:**

**ANNEXURE-A**

**Disclosure of Price Information of Past Issues Handled by Merchant Banker(s)**

**TABLE 1**

| S. No. | Issuer Name | Issue Size (Rs. in Cr.) | Issue Price (Rs.) | Listing Date | Operating Price on Listing Date | +/-% change in closing price, [+/-% change in closing | +/-% change in closing price, [+/-% change in closing | +/-% change in closing price, [+/-% change in | SME / Main Board |
|---|---|---|---|---|---|---|---|---|---|

| | | | | | | benchmark]- 30th calendar days from listing | benchmark]- 90th calendar days from listing | closing benchmark]- 180th calendar days from listing | |
|---|---|---|---|---|---|---|---|---|---|
| 1. | Mahendra Realtors & Infrastructure Limited | 49.44 | 85 | August 20, 2025 | 68.00 | NA | NA | NA | SME |
| 2. | Medistep Healthcare Limited | 16.09 | 43.00 | August 18,2025 | 53.00 | N.A | N.A | N.A | SME |
| 3. | Cedaar Textile Limited | 60.90 | 140.00 | July, 07, 2025 | 119.00 | 5.17%<br>3.48% | N.A. | N.A. | SME |
| 4. | Jainik Power Cables Limited | 51.29 | 110.00 | June 17, 2025 | 82.00 | 17.98<br>1.03 | N.A. | N.A. | SME |
| 5. | Nikita Papers Limited | 67.54 | 104.00 | June 03, 2025 | 90.00 | 0.55<br>(3.40) | NA | NA | SME |
| 6. | Gajanand International Limited | 20.64 | 36.00 | September 16, 2024 | 42.00 | (42.60)<br>(1.62) | (50.13)<br>(4.12) | (61.40)<br>13.33 | SME |
| 7. | Ambey Laboratories Limited | 42.55 | 68.00 | July 11, 2024 | 85.00 | (26.16)<br>0.13 | (29.94)<br>2.73 | (35.41)<br>5.41 | SME |
| 8. | Akiko Global Services Limited | 23.11 | 77.00 | July 02, 2024 | 98.00 | (18.80)<br>3.68 | (14.30)<br>3.55 | (14.68)<br>(1.29) | SME |
| 9. | Enser Communications Limited | 16.17 | 70.00 | March 22, 2024 | 72.00 | (2.99)<br>1.08 | 146.36<br>6.65 | 274.54<br>15.03 | SME |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| 10. | Sungarner Energies Limited | 5.31 | 83.00 | August 31, 2023 | 250.00 | (17.66) | (27.57) | 23.91 | SME |
| | | | | | | (0.95) | 4.37 | 15.29 | |
| 11. | Pearl Green Clubs and Resorts Limited | 11.71 | 186.00 | July 07, 2022 | 189.05 | 3.27 | (0.50) | (2.92) | SME |
| | | | | | | 11.95 | 45.52 | 102.80 | |
| 12. | Globesecure Technologies Limited | 10.12 | 29.00 | June 02, 2022 | 36.5 | 212.94 | 313.07 | 125.47 | SME |
| | | | | | | (5.35) | 14.94 | 38.57 | |
| 13. | Jeena Sikho Lifecare Limited | 55.50 | 150.00 | April 19,2022 | 165.1 | (12.69) | (18.16) | (15.17) | SME |
| | | | | | | (2.42) | (7.09) | 22.78 | |
| 14. | SBL Infratech Limited | 2.37 | 111.00 | September 28, 2021 | 130.00 | (55.20) | (64.8) | (47.72) | SME |
| | | | | | | (0.53) | (3.77) | (3.48) | |
| 15. | Kranti Industries Limited | 2.09 | 37.00 | February 28, 2019 | 35.25 | (1.22) | 2.84 | (12.04) | SME |
| | | | | | | (8.38) | 1.62 | (3.16) | |
| 16. | Goblin India Limited | 15.20 | 52.00 | October 15, 20219 | 55.00 | 125.71 | 80.21 | (27.20) | SME |
| | | | | | | 4.62 | 8.70 | (20.29) | |
| 17. | Ascom Leasing and Investments Limited | 6.32 | 30.00 | December 06, 2019 | 30.25 | 5.00 | 0.00 | 15.83 | SME |
| | | | | | | (0.60) | (5.47) | (15.60) | |
| 18. | Trekkingtoes.Com Limited | 4.54 | 105.00 | August 28, 2020 | 99.75 | (55.59) | (59.90) | (67.92) | SME |
| | | | | | | (3.77) | 12.14 | 28.67 | |

**Note:**

All share price data is from www.bseindia.com and www.nseindia.com

Note:

- The S&P, SME IPO, Sensex and CNX Nifty are considered as the Benchmark Index.
- Prices on BSE/NSE are considered for all of the above calculations.
- In case the 30th/90th/180th day is not a trading day, the closing price on BSE/NSE of the next trading day has been considered.

In case 30th/90th/180th days, scrips are not traded then the last trading price has been considered.

**TABLE 2**

**Summary Statement of Disclosure**

| Financial Year | Total no. of IPOs | Total Amount of Funds raised (Rs. Cr.) | No. of IPOs trading at discount-30th calendar days from listing | | | No. of IPOs trading at premium-30th calendar days from listing | | | No. of IPOs trading at discount-180th calendar days from listing | | | No. of IPOs trading at premium-180th calendar days from listing | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Over 50% | Between 25-50% | Less than 25% | Over 50% | Between 25-50% | Less than 25% | Over 50% | Between 25-50% | Less than 25% | Over 50% | Between 25-50% | Less than 25% |
| 2025-26* | 5 | 245.26 | - | - | 4 | - | - | - | - | - | - | - | - | - |
| 2024-25 | 3 | 88.44 | - | 2 | 1 | - | - | - | 1 | 1 | 1 | - | - | - |
| 2023-24 | 1 | 21.48 | - | - | - | 1 | - | - | - | - | - | - | - | - |
| 2022-23 | 3 | 77.32 | - | - | 1 | 1 | - | 1 | - | - | 2 | 1 | - | - |
| 2021-22 | 1 | 2.37 | 1 | - | - | - | - | - | - | 1 | - | - | - | - |
| 2020-21 | 1 | 4.54 | 1 | - | - | - | - | - | 1 | - | - | - | - | - |
| 2019-20 | 2 | 21.52 | 1 | - | 1 | - | - | - | - | 1 | 1 | - | - | - |
| 2018-19 | 1 | 2.09 | - | - | 1 | - | - | - | - | - | 1 | - | - | - |

*Upto the date of this Red Herring Prospectus

**Note**:

1) *Benchmark Index considered as Sensex 30 Index and Nifty 50 Index.*
2) *Prices on NSE/BSE are considered for all of the above calculations.*
3) *In case the 30th/90th/180th day is a holiday, the closing price on NSE/BSE of the previous trading day has been considered.*
4) *In case the 30th/90th/180th day, scrips are not traded then the closing price on NSE/BSE of the previous trading day has been considered*

***For details regarding the track record of the Lead Manager, as specified in Circular reference CIR/MIRSD/1/2012 dated January 10, 2012, issued by SEBI, please see the website of the Book Running Lead Manager as set forth in the table below:-***

| Sr. No. | Name of the Book Running Lead Manager | Website |
|---|---|---|
| 1 | Fast Track Finsec Private Limited | www.ftfinsec.com |

## LISTING

Application will be made to the NSE Limited for obtaining permission to deal in and for an official quotation of our Equity Shares. National Stock Exchange of India Limited is the Designated Stock Exchange, with which the Basis of Allotment will be finalized.

The Emerge Platform of NSE Limited has given its in-principle approval for using its name in our Offer documents vide its letter no. NSE/LIST/5358 dated July 17, 2025.

National Stock Exchange of India Limited will be the Designated Stock Exchange, with which the Basis of Allotment will be finalized for the Issue. If the permission to deal in and for an official quotation of the Equity Shares on the Emerge Platform is not granted by National Stock Exchange of India Limited, our Company shall return through verifiable means the entire monies received within four (4) days of receipt of intimation from stock exchange rejecting the application for listing or trading without any interest.

If such money is not repaid within four (4) days from the date our Company becomes liable to repay it, then our Company and every Director of the Company who is officer in default shall, on and from expiry of four (4) days, be jointly and severally liable to repay such application money, with interest at the rate of fifteen per cent per annum (15% p.a.).

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Emerge Platform of NSE Limited mentioned above are taken within three Working Days from the Offer Closing Date.

**Impersonation**

*Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act 2013, which is reproduced below:*

*"Any person who—*

*(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*

*(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*

*(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*

*shall be liable for action under section 447."*
*The liability prescribed under Section 447 of the Companies Act, 2013 - any person who is found to be guilty of fraud involving an amount of at least ten lakh rupees or one per cent. of the turnover of the company, whichever is lower shall be punishable with imprisonment for a term which shall not be less than six months but which may extend to ten years (provided that where the fraud involves public interest, such*

*term shall not be less than three years) and shall also be liable to fine which shall not be less than the amount involved in the fraud, but which may extend to three times the amount involved in the fraud.*

*Provided further that where the fraud involves an amount less than ten lakh rupees or one per cent. of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to fifty lakh rupees or with both.*

## CONSENTS

Consents in writing of:(a) the Promoters, the Directors, Statutory Auditor & Peer Reviewed Auditor, the Company Secretary & Compliance Officer, Chief Financial Officer, Banker to the Company and (b) Lead Manager, Registrar to the Issue, Legal Advisor to the Issue to act in their respective capacities have been/or will be obtained (before filing final Red Herring Prospectus to ROC) and will be filed along with a copy of the Red Herring Prospectus with the ROC, as required under Section 26 of the Companies Act and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the ROC. Our Auditors have given their written consent to the inclusion of their report in the form and context in which it appears in this Red Herring Prospectus and such consent and report is not withdrawn up to the time of delivery of this Red Herring Prospectus with NSE.

## EXPERT OPINION

Except the report of the Peer Review Auditor on (a) the restated financial statements; (b) statement of tax benefits; (c) Audit reports by Peer Review Auditors for the year ended 31st March, 2025, 31st March, 2024and 31st March, 2023. Our Company has not obtained any other expert opinion. All the intermediaries including Merchant Banker has relied upon the appropriacy and authenticity of the same.

## PREVIOUS RIGHTS AND PUBLIC ISSUES SINCE INCORPORATION

We have not made any previous rights and/or public issues since incorporation, and are an Unlisted Issuer in terms of the SEBI (ICDR) Regulations and this Issue is an –Initial Public Offering in terms of the SEBI (ICDR) Regulations.

## PREVIOUS ISSUES OF SHARES OTHERWISE THAN FOR CASH

Other than as detailed under chapter titled "Capital Structure" beginning on page no. 89 of the Red Herring Prospectus, our Company has not issued any Equity Shares for consideration otherwise than for cash.

## COMMISSION AND BROKERAGE ON PREVIOUS ISSUES

Since, this is the IPO of the Equity Shares by our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares in the past years from since incorporation preceding the date of this Red Herring Prospectus.

## PREVIOUS CAPITAL ISSUE DURING THE PREVIOUS THREE YEARS BY LISTEDSUBSIDIARIES, GROUP COMPANIES AND ASSOCIATES OF OUR COMPANY

None of our Group Companies and Associates are listed and have not undertaken any public or rights issue in the three (3) years preceding the date of this Red Herring Prospectus.

## PERFORMANCE VIS-À-VIS OBJECTS – PUBLIC/ RIGHTS ISSUE OF OUR COMPANY

We have not made any previous rights and/or public issues since incorporation, and are an Unlisted Issuer in terms of the SEBI (ICDR) Regulations and this Issue is an –Initial Public Offering in terms of the SEBI (ICDR) Regulations.

## PERFORMANCE VIS-À-VIS OBJECTS – PUBLIC/ RIGHTS ISSUE OF THE LISTEDSUBSIDIARIES OF OUR COMPANY

As on the date of the Red Herring Prospectus, our Company does not have any subsidiary company.

## OUTSTANDING DEBENTURES, BONDS, REDEEMABLE PREFERENCE SHARES AND OTHERINSTRUMENTS ISSUED BY OUR COMPANY

As on the date of the Red Herring Prospectus, our Company has no outstanding debentures, bonds or redeemable preference shares.

## OPTION TO SUBSCRIBE

Equity Shares being offered through this Red Herring Prospectus can be applied for in dematerialized form only.

## STOCK MARKET DATA FOR OUR EQUITY SHARES

Our Company is an Unlisted Issuer in terms of the SEBI (ICDR) Regulations, and this Offer is an Initial Public Offering in terms of the SEBI (ICDR) Regulations. Thus, there is no stock market data available for the Equity Shares of our Company.

## MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES

All grievances relating to this Offer may be addressed to the Registrar with a copy to the Company Secretary and Compliance Officer, giving full details such as the name, address of the applicant, number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted. All grievances relating to the ASBA process may be addressed to the SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch or the collection centre of the SCSB where the Bid-cum-Application Form was submitted by the ASBA Applicant.

## DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY

Our Company or the Registrar to the Offer or the SCSB in case of ASBA Applicant shall redress routine investor grievances. We estimate that the average time required by us or the Registrar to this Offer for the redressal of routine investor grievances will be 12 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Ms. Poonam Jain as the Company Secretary and Compliance Officer and may be contacted at the following address:

**SNEHAA ORGANICS LIMITED**

Plot No 290 & 291, Dulapally Adjacent to Ida Jeedimetla,
Quthbullapur, Rangareddi, Hyderabad, Telangana-500055

Tel.: +91 9303553800
E-mail: cs@snehaaorganics.com
Website: snehaaorganics.com/

Investors can contact the Company Secretary and Compliance Officer or the Registrar in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account or refund orders, etc.

***Remainder of this page has been left blank intentionally***

# SECTION VIII – ISSUE INFORMATION

## TERMS OF THE ISSUE

*The Equity Shares being issued pursuant to this issue shall be subject to the provision of the Companies Act, SEBI (ICDR) Regulations, 2018, SCRA, SCRR, Memorandum and Articles, the terms of this Red Herring Prospectus, Application Form, the Revision Form, the Confirmation of Allocation Note (CAN) and other terms and conditions as may be incorporated in the Allotment advices and other documents/ certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws, guidelines, rules, notifications and regulations relating to the issue of capital and listing of securities issued from time to time by SEBI, the Government of India, National Stock Exchange of India Limited, Registrar of Companies, Reserve Bank of India and / or other authorities, as in force on the date of the Issue and to the extent applicable.*

*Please note that, in accordance with the Regulation 256 of the SEBI (ICDR), Regulations, 2018 read with SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants has to compulsorily apply through the ASBA Process. As an alternate payment mechanism, Unified Payments Interface (UPI) has been introduced (vide SEBI Circular Ref: SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018) as a payment mechanism in a phased manner with ASBA for applications in public Issues by individual investors through intermediaries (Syndicate members, Registered Stock-Brokers, Registrar and Transfer agent and Depository Participants).*

*Further vide the said circular Registrar to the Issue and Depository Participants have been also authorised to collect the Application forms. Investors may visit the official website of the concerned stock exchange for any information on operationalization of this facility of form collection by Registrar to the Issue and DPs as and when the same is made available.*

## THE OFFER

The Offer consists of a Fresh Issue by our Company. Expenses for the Offer shall be borne by our Company in the manner specified in "Objects of the Issue" on [●] of this Red Herring Prospectus.

## RANKING OF EQUITY SHARES

The Equity Shares being Offered/Allotted and transferred in the Issue shall be subject to the provisions of the Companies Act, 2013 and the Memorandum & Articles of Association and shall rank *pari-passu* with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees upon receipt of Allotment of Equity Shares under this issue will be entitled to dividends, Voting Power and other corporate benefits, if any, declared by our Company after the date of allotment in accordance with Companies Act, 2013 and the Articles of Association of the Company. For further details, please see the section titled "Main Provisions of the Articles of Association" beginning on page 417 of this Red Herring Prospectus.

## AUTHORITY FOR THE ISSUE

This Issue has been authorized by a resolution of the Board passed at their meeting held on February 24, 2025 subject to the approval of shareholders through a special resolution to be passed pursuant to section 62 (1) (c) of the Companies Act, 2013. The shareholders have authorized the Issue by a special resolution in accordance with Section 62 (1) (c) of the Companies Act, 2013 passed at the EGM of the Company held on February 26, 2025.

## MODE OF PAYMENT OF DIVIDEND

The declaration and payment of dividend will be as per the provisions of Companies Act, 2013 and recommended by the Board of Directors at their discretion and approved by the shareholders and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act, 2013. Dividends, if any, declared by our Company after the date of Allotment (pursuant to the transfer of Equity Shares from the Offer for Sale), will be payable to the transferee who have been Allotted Equity Shares in the Offer, for the entire year, in accordance with applicable laws. For further details, please refer to the chapter titled Dividend Policy beginning on page 281 of this Red Herring Prospectus.

## FACE VALUE, ISSUE PRICE, FLOOR PRICE AND PRICE BAND

The face value of each Equity Share is Rs. 10/- and the Offer Price at the lower end of the Price Band is Rs. [●] /- per Equity Share ("Floor Price") and at the higher end of the Price Band is Rs. [●]/- per Equity Share ("Cap price"). The Anchor Investor Offer Price is Rs. [●]/- per Equity Share.

The Price Band and the Bid Lot will be decided by our Company, in consultation with the BRLM, and published by our Company in all editions of Business Standard (a widely circulated English national daily newspaper), alledition of Business Standard (a widely circulated Hindi national daily newspaper) and Telengana edition of Megha Jyothi (the regional language, where our Registered office is located) at least two Working Days prior to the Bid/Offer Opening Date, and shall be made available to the Stock Exchange for the purpose of uploading the same on their website. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price shall be pre-filled in the Bid-cum-Application Forms available at the website of the Stock Exchange. The Offer Price shall be determined by our Company, in consultation with the LM, after the Bid/Offer Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of the Book Building Process.

At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

The Issue Price shall be determined by our Company in consultation with the Book Running Lead Manager and is justified under the chapter titled **"*Basis of Issue Price*"** beginning on page 114 of this Red Herring Prospectus

## COMPLIANCE WITH THE SEBI ICDR REGULATIONS AND ACCOUNTING NORMS

Our Company shall comply with all the applicable requirements of the SEBI (ICDR) Regulations, 2018 as amended from time to time. Our Company shall comply with all applicable disclosure and accounting norms as specified by SEBI from time to time.

## RIGHTS OF THE EQUITY SHAREHOLDER

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, our Shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy or e-voting, in accordance with the provisions of the Companies Act;
- Right to receive annual reports and notices to members;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;

- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability, subject to applicable laws and regulations; and the Articles of Association of our Company; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act and the Memorandum and Articles of Association of the Company.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, see "*Main Provision of Article of Association*" on page 417 of this Red Herring Prospectus.

## ALLOTMENT ONLY IN DEMATERIALISED FORM

As per the provisions of the Depositories Act, 1996 & regulations made thereunder and Section 29 of the Companies Act, the Equity Shares shall be allotted only in dematerialized form. As per SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialized form. In this context, two agreements will be signed by our Company with the respective Depositories and the Registrar to the Issue before filing this Red Herring Prospectus:

- Tripartite agreement dated March 21, 2025 among Central Depository Services (India) Limited (CDSL), our Company and the Registrar to the Issue; and
- Tripartite agreement dated February 19, 2025 among National Securities Depository Limited (NSDL), our Company and the Registrar to the Issue.

As per the provisions of the Depositories Act, 1996 & regulations made there under and Section 29 (1) of the Companies Act, 2013, the equity shares of a body corporate shall be in dematerialized form i.e. not in the form of physical certificates, but be fungible and be represented by the statement issued through electronic mode. The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares and the same may be modified by the National Stock Exchange of India Limited from time to time by giving prior notice to investors at large. Allocation and allotment of Equity Shares through this Issue will be done in multiples of [●] Equity Shares subject to a minimum allotment of [●] Equity Shares to the successful Applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

## MINIMUM APPLICATION VALUE, MARKET LOT AND TRADING LOT

In accordance with Regulation 267 (2) of the SEBI ICDR Regulations, our Company shall ensure that the minimum application size shall not be less than two lots (which shall be above ₹2 lakhs).

Pursuant to Section 29 of the Companies Act, the Equity Shares shall be Allotted only in dematerialised form. As per SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed by our Company with the respective Depositories and the Registrar to the Issue before filing this Red Herring Prospectus:

The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares and the same may be modified by the EMERGE Platform of NSE from time to time by giving prior notice to investors at large. For further details, see "*Issue Procedure*" on page 376 of this Red Herring Prospectus.

## MINIMUM NUMBER OF ALLOTTEES

Further in accordance with the Regulation 268(1) of SEBI (ICDR) Regulations, the minimum number of allottees in this Issue shall be 200 shareholders. In case the minimum number of prospective allottees is less than 200, no allotment will be made pursuant to this Issue and all the monies blocked by SCSBs shall be unblocked within two (2) working days of closure of Issue.

## JOINT HOLDERS

Where 2 (two) or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

## JURISDICTION

Exclusive Jurisdiction for the purpose of this Issue is with the competent courts/authorities in India.

**The Equity Share have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be issued or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are being issued and sold only outside the United States in off-shore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those issues and sales occur.**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be issued or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction**.

## NOMINATION FACILITY TO THE INVESTOR

In accordance with Section 72 of the Companies Act, 2013, read with Companies (Share Capital and Debentures) Rules, 2014, the sole Applicant, or the first Applicant along with other joint Applicants, may nominate any one person in whom, in the event of the death of sole Applicant or in case of joint Applicants, death of all the Applicants, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to equity share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of Equity Share(s) by the person nominating. A buyer will be titled to make afresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or Corporate Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act shall upon production of such evidence, as may be required by the Board, elect either:

1. to register himself or herself as the holder of the equity shares; or
2. to make such transfer of the equity shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the equity shares, and if the notice is not complied with within a period of ninety (90) days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the equity shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Issue will be made only in dematerialized form, there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the Applicants require changing of their nomination, they are requested to inform their respective depository participant.

## ARRANGEMENTS FOR DISPOSAL OF ODD LOTS

The trading of the equity shares will happen in the minimum contract size of [●] Equity Shares in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012. However, in terms of Regulation 261(5) of the SEBI (ICDR) Regulations, 2018, the market maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the Emerge Platform of National Stock Exchange of India Limited.

## NEW FINANCIAL INSTRUNMENT

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company. Application by eligible NRIs, FPIs Registered with SEBI, VCFs, AIFs registered with SEBI and QFIs. It is to be understood that there is no reservation for Eligible NRIs or FPIs or QFIs or VCFs or AIFs registered with SEBI. Such Eligible NRIs, QFIs, FPIs, VCFs or AIFs registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

## WITHDRAWAL OF THE ISSUE

Our Company in consultation with the BRLM, reserve the right to not to proceed with the Issue after the Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two (2) days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Book Running Lead Manager through, the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA applicant within one (1) Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchange on which Equity Shares are proposed to be listed.

Notwithstanding the foregoing, this Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment. If our Company withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an issue/issue for sale of the Equity Shares, our Company shall file a fresh Red Herring Prospectus with Stock Exchange.

## MINIMUM SUBSCRIPTION

In terms of Regulation 260 of the SEBI ICDR Regulations, 2018, the Issue is 100% underwritten. For details of underwriting arrangement, kindly refer the chapter titled “General Information” on page 76 of this Red Herring Prospectus.

If the Issuer does not receive the subscription of 100% of the Issue through this offer document including devolvement of Underwriter within sixty days from the date of closure of the Offer, the Issuer shall forthwith refund the entire subscription amount received within the time limit as prescribed under the SEBI (ICDR) Regulations and Companies Act, 2013.

In terms of Regulation 272(2) of SEBI ICDR Regulations, in case the issuer fails to obtain listing or trading permission from the stock exchanges where the specified securities were to be listed, it shall refund through verifiable means the entire monies received within four (4) days of receipt of intimation from stock exchanges rejecting the application for listing of specified securities, and if any such money is not repaid within four (4) days after the issuer becomes liable to repay it the issuer and every director of the company who is an officer in default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at the rate of fifteen per cent. per annum. In terms of Regulation 260 of the SEBI (ICDR) Regulations, 2018, the Offer is 100% underwritten. For details of underwriting arrangement, kindly refer the chapter titled “General Information - Underwriting” on page 84 of this Red Herring Prospectus.

Further, in accordance with Regulation 267 of the SEBI ICDR Regulations, 2018, the minimum application size

shall not be less than two lots (which shall be above ₹2 lakhs).

Further, in accordance with Regulation 268 of the SEBI (ICDR) Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will allotted will not be less than 200 (Two Hundred).

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outsid India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

## PERIOD OF SUBSCRIPTION LIST OF THE PUBLIC ISSUE

| Event | Indicative Date |
|---|---|
| Anchor Opening/Closing Date | Thursday, August 28, 2025 |
| Offer Opening Date* | Friday, August 29, 2025 |
| Offer Closing Date** | Tuesday, September 02, 2025 |
| Finalization of Basis of Allotment with the Designated Stock Exchange | Wednesday, September 03, 2025 |
| Initiation of Allotment / Refunds / Unblocking of Funds from ASBA Account or UPI ID linked bank account | Thursday, September 04, 2025 |
| Credit of Equity Shares to Demat Accounts of Allottees | Thursday, September 04, 2025 |
| Commencement of trading of the Equity Shares on the Stock Exchange | Friday, September 05, 2025 |

**The Company may, in consultation with the Book Running Lead Manager, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/ Issue Period shall be one Working Day prior to the Bid/Issue Opening Date.*
***Our Company may in consultation with the LM, consider closing the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations*

#In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Issue Closing Date, the Bidder shall be compensated at a uniform rate of ₹ 100/- per day for the entire duration of delay exceeding four Working Days from the Bid/Issue Closing Date by the intermediary responsible for causing such delay in unblocking. The LM shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. For the avoidance of doubt, the provisions of the SEBI circular dated March 16, 2021, as amended pursuant to SEBI circular dated June 2, 2021 shall be deemed to be incorporated in the agreements to be entered into by and between the Company and the relevant intermediaries, to the extent applicable.

The above timetable, other than the Bid/Issue Closing Date, is indicative and does not constitute any obligation on our Company and the BRLM. While our Company shall ensure that all steps for the completion of the necessary formalities for the listing and commencement of trading of the Equity Shares on the Stock Exchange are taken within three Working Days of the Bid/Issue Closing Date or such other period as may be prescribed by the SEBI, the timetable may be extended due to various factors, such as extension of the Bid/Issue Period by our Company in consultation with the LM, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchange. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws. The SEBI is in the process of streamlining and reducing the post Issue timeline for initial public offerings.

Any circulars or notifications from the SEBI after the date of the Red Herring Prospectus may result in changes to the above- mentioned timelines. Further, the Offer procedure is subject to change to any revised circulars issued by the SEBI to this effect.

The LM will be required to submit reports of compliance with listing timelines and activities, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.
**In terms of the UPI Circulars, in relation to the Issue, the LM will submit report of compliance with T+3 listing timelines and activities, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.**

**Submission of Bids**

**Bid/Issue Period (except the Bid/Issue Closing Date)**
Submission and Revision in Bids: Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time ("IST")

**Bid/Issue Closing Date**
Submission and Revision in Bids: Only between 10.00 a.m. and 4.00 p.m. IST

**On the Bid/Issue Closing Date, the Bids shall be uploaded until:**
i. 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and
ii. until 5.00 p.m. IST or such extended time as permitted by the Stock Exchange, in case of Bids by Individual Bidders.

On the Bid/Issue Closing Date, extension of time will be granted by the Stock Exchange only for uploading Bids received from Individual Bidders after taking into account the total number of Bids received and as reported by the BRLM to the Stock Exchange.

The Registrar to the Issue shall submit the details of cancelled/ withdrawn/ deleted applications to the SCSBs on a daily basis within 60 minutes of the Bid closure time from the Bid/ Issue Opening Date till the Bid/ Issue Closing Date by obtaining the same from the Stock Exchanges. The SCSBs shall unblock such applications by the closing hours of the Working Day and submit the confirmation to the BRLM and the RTA on a daily basis.

To avoid duplication, the facility of re-initiation provided to Syndicate Members, if any shall preferably be allowed only once per Bid/batch and as deemed fit by the Stock Exchange, after closure of the time for uploading Bids.

**It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, would be rejected.**

Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date. Any time mentioned in this Red Herring Prospectus is Indian Standard Time. Bidders are cautioned that, in the event, large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. Bids will be accepted only during Monday to Friday (excluding any public holiday). None among our Company or any Member of the Syndicate shall be liable for any failure in (i) uploading the Bids due to faults in any software/ hardware system or blocking of application amount by the SCSBs on receipt of instructions from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

In case of any discrepancy in the data entered in the electronic book *vis-a-vis* data contained in the physical Bid cum Application Form, for a particular Bidder, the details of the Bid file received from the Stock Exchanges may be taken.

Our Company in consultation with the BRLM, reserve the right to revise the Price Band during the Bid/Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. The Floor Price shall not be less than the face value of the Equity Shares.

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

Bids will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

## MIGRATION TO MAIN BOARD

As per the provisions of the Chapter IX of the SEBI ICDR Regulations, our Company may migrate to the main board of National Stock Exchange of India Limited from the NSE EMERGE if we fulfil following mentioned criteria as per SEBI (ICDR) Regulation and as per NSE Circular dated April 24, 2025 vide Circular Ref. No.: 0680/2025.

**A. As per NSE guidelines:**

| PARAMETER | MIGRATION POLICY FROM NSE EMERGE PLATFORM TO NSE MAIN BOARD |
|---|---|
| Paid up Capital & Market Capitalisation | • Paid-up equity capital is not less than INR 10 crores and<br>• Average capitalisation shall not be less than INR 100 crores.<br><br>For this purpose, capitalisation will be the product of the price (average of the weekly high and low of the closing prices of the related shares quoted on the stock exchange for 3 months preceding the application date) and the post issue number of equity shares |
| Revenue from Operation & EBIDTA | • The revenue from operations should be greater than INR 100 Cr in the last financial year.<br>and<br>• Should have positive operating profit from operations for at least 2 out 3 financial years. |
| Listing period | Should have been listed on SME platform of the Exchange for at least 3 years. |
| Public Shareholders | The total number of public shareholders should be at least 500 on the date of application. |
| Promoter & Promoter Group Holding | Promoter and Promoter Group shall be holding at least 20% of the Company at the time of making application.<br><br>Further, as on date of application for migration the holding of Promoter's should not be less than 50% of shares held by them on the |

| | |
|---|---|
| | date of listing. |
| Other Listing Conditions | • No proceedings have been admitted under Insolvency and Bankruptcy Code against Applicant company and promoting company.<br>• The company has not received any winding up petition admitted by NCLT/IBC.<br>• The net worth of the company should be at least 75 crores.<br>• No Material regulatory action in the past 3 years like suspension of trading against the applicant Company and Promoter by any Exchange.<br>• No debarment of Company/Promoter, subsidiary Company by SEBI.<br>• No Disqualification/Debarment of director of the Company by any regulatory authority. The applicant company has no pending investor complaints in SCORES.<br>• Cooling period of two months from the date the security has come out of the trade-to-trade category or any other surveillance action, by other exchanges where the security has been actively listed.<br>• No Default in respect of payment of interest and /or principal to the debenture/bond/fixed deposit holders by the applicant, promoter/ Subsidiary Company. |

In accordance with the National Stock Exchange of India Limited Circular dated April 20, 2023, our Company will have to be mandatorily listed and traded on the Emerge Platform of the NSE for a minimum period of 3 (Three) years from the date of listing and only after that it can migrate to the Main Board of National Stock Exchange of India Limited as per the guidelines specified by SEBI and as per the procedures laid down under Chapter IX of the SEBI (ICDR) Regulations. Our company may migrate to the main board of NSE Limited at a later date subject to the following:

**B. As per ICDR guidelines:**

a. *If the Paid up Capital of our Company is likely to increase above Rs. 25 crores by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoters in favor of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in- principal approval from the main board), our Company shall apply to NSE Limited for listing of its shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.*

b. *If the paid-up Capital of our company is more than Rs. 10 Crores but below Rs. 25 Crores, our Company may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoters in favor of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.*

c. *Shall comply with the conditions laid down by the Stock Exchanges time to time.*

*Provided further that where the post-issue paid-up capital pursuant to further issue of capital including by way of rights issue, preferential issue, bonus issue, is likely to increase beyond ₹25 crores, the issuer may undertake further issuance of capital without migration from SME exchange to*

*the main board, subject to the issuer undertaking to comply with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as applicable to companies listed on the main board of the stock exchange(s).*

## MARKET MAKING

The shares issued and transferred through this Offer are proposed to be listed on the Emerge Platform of National Stock Exchange of India Limited with compulsory market making through the registered Market Maker of the Emerge Exchange for a minimum period of three years or such other time as may be prescribed by the Stock Exchange, from the date of listing on the Emerge Platform of National Stock Exchange of India Limited. For further details of the market making arrangement please refer to chapter titled General Information beginning on page 76 of this Red Herring Prospectus.

## RESTRICTIONS, IF ANY, ON TRANSFER AND TRANSMISSION OF SHARES AND ON THEIR CONSOLIDATION OR SPLITTING

Except for lock-in of the pre-Issue Equity Shares and Promoter's minimum contribution in the Issue as detailed in the chapter Capital Structure beginning on page 89 of this Red Herring Prospectus and except as provided in the Articles of Association, there are no restrictions on transfers of Equity Shares. There are no restrictions on transmission of shares and on their consolidation / splitting except as provided in the Articles of Association. The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.

**Application by eligible NRIs, FPIs/FIIs registered with SEBI, VCFs registered with SEBI and QFIs**

It is to be understood that there is no reservation for Eligible NRIs or FPIs/FIIs registered with SEBI or VCFs or QFIs. Such Eligible NRIs, QFIs, FIIs registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

NRIs, FPIs/FIIs and foreign venture capital investors registered with SEBI are permitted to purchase shares of an Indian company in a public Issue without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents. The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment ("FDI") Policy and the non-resident shareholding is within the sectoral limits under the FDI policy; and (ii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

## OPTION TO RECEIVE SECURITIES IN DEMATERIALIZED FORM

In accordance with the SEBI ICDR Regulations, Allotment of Equity Shares to successful Bidder will be done in the dematerialized form only. Bidder will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only on the dematerialized segment of the Stock Exchange. Allottees shall have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

***Remainder of this page has been left blank intentionally***

## ISSUE PROCEDURE

*All Bidders should read the General Information Document which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations which is part of the abridged prospectus accompanying the Bid cum Application Form. The General Information Document is available on the websites of the Stock Exchange and the BRLM. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue, especially in relation to the process for Bids by UPI Bidders through the UPI Mechanism.*

*The investors should note that the details and process provided in the General Information Document should be read along with this section. Additionally, all Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Issue; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders; (v)issuance of CAN and Allotment in the Issue; (vi) general instructions (limited to instructions for completing the Bid cum Application Form); (vii) designated date; (viii) disposal of applications; (ix) submission of Bid cum Application Form; (x) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xi) applicable provisions of the Companies Act relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund.*

*Our Company, the Promoter and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated in this section and General Information Document and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus.*

*Further, our Company and the Promoter are not liable for any adverse occurrences consequent to the implementation of the UPI Mechanism for application in the Issue.*

## BOOK BUILDING PROCEDURE

The Issue is being made in terms of Rule 19(2)(b) of the SCRR, through the Book Building Process in accordance with Regulation 253 of the SEBI ICDR Regulations wherein not more than 50.00% of the Issue shall be allocated on a proportionate basis to QIBs, provided that, in consultation with the BRLM, allocate up to 60.00% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allotment in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion. Further, 5.00% of the QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and spill-over from the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15.00% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders wherein (a) one third of the portion available to Non-Institutional Investors shall be reserved for Applicants with Application size of more than two lots and up to such lots equivalent to not more than ₹10 lakhs; (b) two third of the portion available to Non-Institutional Investors shall be reserved for Applicants with Application size of more than ₹10 lakhs; and (c) any unsubscribed portion in either of the sub-categories specified in clauses (a) or (b), may be allocated to Applicants in the other sub-category of Non-Institutional Investors and not less than 35.00% of the Offer shall be available for allocation to Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the offer Price.

Under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange subject to receipt of valid Bids received at or above the Issue Price. Under-subscription, if any, in the QIB Portion, would not be allowed to be met with spillover from any other category or a combination of categories.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchange.

***Investors should note that the Equity Shares will be allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID, the PAN and UPI ID, for IB(Individual Bidders) Bidding in the Individual Investor Portion using the UPI Mechanism, shall be treated as incomplete and will be rejected. Bidders will not have the option of being allotted Equity Shares in physical form. However, they may get their Equity Shares rematerialized subsequent to allotment of the Equity Shares in the Offer, subject to applicable laws.***

## AVAILABILITY OF PROSPECTUS AND APPLICATION FORMS

The Memorandum containing the salient features of the Prospectus together with the Bid cum Application Forms and copies of the Draft Red Herring Prospectus/ Red Herring Prospectus/ Abridged Prospectus/ Prospectus may be obtained from the Registered Office of our Company, from the Registered Office of the BRLM to the Issue, Registrar to the Issue as mentioned in the Bid cum Application form. The bid cum application forms may also be downloaded from the website of NSE i.e., www.nseindia.com. Bidders shall only use the specified Bid cum Application Form for the purpose of making an Application in terms of the Draft Red Herring Prospectus/ Red Herring Prospectus/ Abridged Prospectus/ Prospectus. All the Bidders shall have to apply only through the ASBA process. ASBA Bidders shall submit a Bid cum Application Form either in physical or electronic form to the SCSB's authorizing blocking of funds that are available in the bank account specified in the Applicants shall only use the specified Application Form for the purpose of making an Application in terms of the Red Herring Prospectus. The Bid cum Application Form shall contain space for indicating number of specified securities subscribed for in demat form.

**Phased implementation of unified payments interface**

SEBI has issued UPI Circulars in relation to streamlining the process of public issue of equity shares and convertibles. Pursuant to the UPI Circulars, UPI will be introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by Individual Investors through intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI Mechanism, the UPI Circulars proposes to introduce and implement the UPI Mechanism in three phases in the following manner:

a. Phase I: This phase was applicable from January 01, 2019 and lasted till June 30, 2019. Under this phase, an Individual Bidder, besides the modes of Bidding available prior to the UPI Circulars, also had the option to submit the Bid cum Application Form with any of the intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six (6) Working Days.

b. Phase II: This phase commenced on completion of Phase I i.e., with effect from July 1, 2019 and was to be continued for a period of three months or launch of five main board public issues, whichever is later. Further, as per the SEBI circular SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, the UPI Phase II has been extended until March 31, 2020. Further still, as per SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, the current Phase II of Unified Payments

Interface with Application Supported by Blocked Amount be continued till further notice. Under this phase, submission of the Application Form by a Individual Bidder through intermediaries to SCSBs for blocking of funds will be discontinued and will be replaced by the UPI Mechanism. However, the time duration from public issue closure to listing would continue to be six Working Days during this phase.

c. Phase III: This phase has become applicable on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023, vide SEBI circular bearing number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 9, 2023 ("T+3 Notification"). In this phase, the time duration from public issue closure to listing has been reduced to three Working Days. The Issue shall be undertaken pursuant to the processes and procedures as notified in the T+3 Notification as applicable, subject to any circulars, clarification or notification issued by the SEBI from time to time, including any circular, clarification or notification which may be issued by SEBI.

The Issue is being made under Phase III of the UPI (on a mandatory basis).

All SCSBs offering the facility of making applications in public issues are required to provide a facility to make applications using the UPI Mechanism. Further, in accordance with the UPI Circulars, our Company has appointed ICICI Bank Limited as the Sponsor Bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the Individual Investors into the UPI mechanism.

Pursuant to the UPI Circular, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Circular include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSBs to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Additionally, if there is any delay in the redressal of investors' complaints in this regard, the relevant SCSB as well as the post – Offer BRLM will be required to compensate the concerned investor.

SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2022/45) dated April 5, 2022, has prescribed that all individual investors applying in initial public offerings opening on or after May 1, 2022, where the application amount is up to Rs. 5,00,000, shall use UPI. Individual investors bidding under the Non-Institutional Portion bidding for more than Rs. 200,000 and up to Rs. 5,00,000, using the UPI Mechanism, shall provide their UPI ID in the Bid-cum-Application Form for Bidding through Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

The processing fees for applications made by Individual Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

For further details, refer to the "General Information Document" available on the websites of the Stock Exchange and the BRLM.

**Bid cum Application Form**

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centres, and our Registered Office. An electronic copy of the Bid cum Application Form will also be available for download on the websites of NSE (www.nseindia.com) at least one day prior to the Bid/Offer Opening Date.

Copies of the Anchor Investor Application Form will be available at the office of the BRLM.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. Anchor Investors are not permitted to participate in the Offer through the ASBA process. The Individual Investor's Bidding in the Individual Investor Portion can additionally Bid through the UPI Mechanism.

A Individual Investor making applications using the UPI Mechanism shall use only his / her own bank account or only his / her own bank account linked UPI ID to make an application in the Issue. The SCSBs, upon receipt of the Application Form will upload the Bid details along with the UPI ID in the bidding platform of the Stock Exchange. Applications made by the Individual Investors using third party bank accounts or using UPI IDs linked to the bank accounts of any third parties are liable for rejection. The Bankers to the Issue shall provide the investors' UPI linked bank account details to the RTA for the purpose of reconciliation. Post uploading of the Bid details on the bidding platform, the Stock Exchanges will validate the PAN and demat account details of Individual Investors with the Depositories.

ASBA Bidders shall submit a Bid cum Application Form either in physical or electronic form to the SCSB's authorizing blocking funds that are available in the bank account specified in the Bid cum Application Form used by ASBA Bidders.

ASBA Bidders (other than Individual Investor bidder using UPI Mechanism) must provide bank account details and authorization to block funds in their respective ASBA Accounts in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details are liable to be rejected.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. Individual Investor Bidder's Bidding in the Portion using UPI Mechanism, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs. RIBs authorizing an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs. ASBA Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Bank, as applicable at the time of submitting the Bid.

In accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Bidders have to compulsorily apply through the ASBA Process. Bidders shall only use the specified Bid cum Application Form for the purpose of making a Bid in terms of the Red Herring Prospectus.

The prescribed colour of the Application Form for various categories is as follows:

| Category | Colour of Application Form |
|---|---|
| Resident Indians including resident QIBs, Non-Institutional Bidders, Individual Investors and Eligible NRIs applying on a non-repatriation basis | White |
| Non-Residents including Eligible NRIs, FII's, FVCIs etc. applying on a repatriation basis | Blue |

| | |
|---|---|
| Anchor Investors** | White |

**Excluding electronic Bid cum Application Form*
*** Bid cum application for Anchor Investor shall be made available at the Office of the LM.*

**Note:**

- Details of depository account are mandatory and applications without depository account shall be treated as incomplete and rejected. Investors will not have the option of getting the allotment of specified securities in physical form. However, they may get the specified securities re-materialised subsequent to allotment.
- The shares of the Company, on allotment, shall be traded on stock exchanges in demat mode only.
- Single bid from any investor shall not exceed the investment limit/maximum number of specified securities that can be held by such investor under the relevant regulations/statutory guidelines.
- The correct procedure for applications by Hindu Undivided Families and applications by Hindu Undivided Families would be treated as on par with applications by individuals;

## SUBMISSION AND ACCEPTANCE OF APPLICATION FORMS

Applicants are required to submit their applications only through any of the following Application Collecting Intermediaries:

i. An SCSB, with whom the bank account to be blocked, is maintained;
ii. A syndicate member (or sub-syndicate member);
iii. A stock broker registered with a recognised stock exchange (and whose name is mentioned on the website of the stock exchange as eligible for this activity) (broker);
iv. A depository participant (DP) (Whose name is mentioned on the website of the stock exchange as eligible for this activity);
v. A registrar to an issuer and share transfer agent (RTA) (Whose name is mentioned on the website of the stock exchange as eligible for this activity)

The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

The upload of the details in the electronic bidding system of stock exchange will be done by:

| | |
|---|---|
| **For Applications submitted by investorsto SCSB:** | After accepting the form, SCSB shall capture and upload the relevant details in theelectronic bidding system as specified by the stock exchange(s) and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified. |
| **For Applications submitted by investors to intermediaries other than SCSBs:** | After accepting the application form, respective intermediary shall capture and upload the relevant details in the electronic bidding system of stock exchange(s). Post uploading they shall forward a schedule as per prescribed format along with the application forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue. |

| | |
|---|---|
| **For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment:** | After accepting the Bid Cum Application Form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange. Stock exchange shall share application details including the UPI ID with sponsor bank on a continuous basis, to enable sponsor bank to initiate mandate request on investors for blocking of funds. Sponsor bank shall initiate request for blocking of funds through NPCI to investor. Investor to accept mandate request for blocking of funds, on his/her mobile application, associated with UPI ID linked bank account. |

Stock exchange shall validate the electronic bid details with depository's records for DP ID/Client ID and PAN, on a real-time basis and bring the inconsistencies to the notice of intermediaries concerned, for rectification and re-submission within the time specified by stock exchange.

Stock exchange shall allow modification of selected fields viz. DP ID/Client ID or Pan ID (Either DP ID/Client ID or Pan ID can be modified but not BOTH), Bank code and Location code, in the bid details already uploaded.

Upon completion and submission of the Bid Cum Application Form to Application Collecting intermediaries, the Bidders are deemed to have authorized our Company to make the necessary changes in the Red Herring Prospectus, without prior or subsequent notice of such changes to the Bidders.

## WHO CAN APPLY?

Please note that, in accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors (Except Anchor investors) applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019, Individual Investors applying in public Issue may use either Application Supported by Blocked Amount (**ASBA**) process or UPI payment mechanism by providing UPI ID in the Application Form which is linked from Bank Account of the investor.

Each Bidder should check whether it is eligible to apply under applicable law, rules, regulations, guidelines and policies. Furthermore, certain categories of Bidders, such as NRIs, FPIs and FVCIs may not be allowed to apply in the issue or to hold Equity Shares, in excess of certain limits specified under applicable law.

Persons eligible to invest under all applicable laws, rules, regulations and guidelines: -

- Indian nationals resident in India who are not incompetent to contract in single or joint names (not more than three) or in the names of minors as natural/legal guardian;Furthermore, based on the information provided by the Depositories, our Company shall have the right to accept the Applications belonging to an account for the benefit of minor (under guardianship)
- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The applicant should specify that the application is being made in the name of the HUF in the Application Form as follows: Name of Sole or First applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*. Applications by HUFs would be considered at par with those from individuals;
- Companies, Corporate Bodies and Societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
- Mutual Funds registered with SEBI;
- Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs

other than Eligible NRIs are not eligible to participate in this Issue;

- Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or a foreign individual under the QIB Portion;
- Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the non-institutional applicants category;
- Venture Capital Funds registered with SEBI;
- Foreign Venture Capital Investors registered with SEBI;
- State Industrial Development Corporations;
- Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
- Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
- Insurance Companies registered with Insurance Regulatory and Development Authority, India;
- Provident Funds with minimum corpus of Rs.2,500 Lakh and who are authorized under their constitution to hold and invest in equity shares;
- Pension Funds with minimum corpus of Rs.2,500 Lakh and who are authorized under their constitution to hold and invest in equity shares;
- Multilateral and Bilateral Development Financial Institutions;
- National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
- Insurance funds set up and managed by army, navy or air force of the Union of India
- Any other person eligible to applying in the Issue, under the laws, rules, regulations, guidelines and policies applicable to them.

Applications shall not be made by:
a. Minors (except through their Guardians)
b. Partnership firms or their nominations
c. Foreign Nationals (except NRIs)
d. Overseas Corporate Bodies

**As per the existing regulations, OCBs are not eligible to participate in this Issue. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as 138 incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through**

**Automatic Route on case by case basis. OCBs may invest in this Issue provided it obtains a prior approval from the RBI. On submission of such approval along with the Bid Cum Application Form, the OCB shall be eligible to be considered for share allocation.**

## MAXIMUM AND MINIMUM APPLICATION SIZE

**a) For Individual Applicants**

The Application must be for a minimum of two lots. In case of revision of Applications, the Individual Investors have to ensure that the Application Price exceed ₹2,00,000.

**b) For Other Applicants (Non-Institutional Applicants and QIBs):**

The Application must be more than Minimum Bid Lot Size of such number of Equity Shares that the Application Amount exceeds ₹ 2,00,000 and in multiples of [●] Equity Shares thereafter. An application cannot be submitted for more than the Net Issue Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Bidder cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non-Institutional Bidders, who are individuals, have to ensure that the Application size shall be more than two lots and application amount is greater than ₹ 2,00,000 for being considered for allocation in the Non-Institutional Portion.

**Bidders are advised to ensure that any single Application form does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this RHP.**

**The above information is given for the benefit of the Bidders. The Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.**

## METHODS OF BIDDING PROCESS

Our Company, in consultation with the BRLM will decide the Price Band and the minimum Bid lot size for the Issue and the same shall be advertised in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation at least two Working Days prior to the Bid / Issue Opening Date. The BRLM and the SCSBs shall accept Bids from the Bidders during the Bid / Issue Period.

a) The Bid / Issue Period shall be for a minimum of three Working Days and shall not exceed 10 Working Days. The Bid/ Issue Period maybe extended, if required, by an additional three Working Days, subject to the total Bid/ Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid / Issue Period, if applicable, will be published one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation where the registered office of the company is situated, and also by indicating the change on the websites of the Book Running Lead Manager.

b) During the Bid/ Issue Period, Individual Investors, should approach the BRLM or their authorized agents to register their Bids. The BRLM shall accept Bids from Anchor Investors and ASBA Bidders in Specified Cities and it shall have the right to vet the Bids during the Bid/ Issue Period in accordance with the terms

of this Red Herring Prospectus. ASBA Bidders should approach the Designated Branches or the BRLM (for the Bids to be submitted in the Specified Cities) to register their Bids.

c) Each Bid cum Application Form will give the Bidder the choice to Bid for up to three optional prices (for details refer to the paragraph titled "Bids at Different Price Levels and Revision of Bids" below) within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder/Applicant at or above the Issue Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.

d) The Bidder / Applicant cannot Bid through another Bid cum Application Form after Bids through one Bid cum Application Form have been submitted to a BRLM or the SCSBs. Submission of a second Bid cum Application Form to either the same or to another BRLM or SCSB will be treated as multiple Bid and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph "Buildup of the Book and Revision of Bids".

e) The BRLM/the SCSBs will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, ("TRS"), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form.

f) The BRLM shall accept the Bids from the Anchor Investors during the Anchor Investor Bid/ Issue Period i.e. one Working Day prior to the Bid/ Issue Opening Date. Bids by QIBs under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids.

g) Along with the Bid cum Application Form, Anchor Investors will make payment in the manner described in "Issue Procedure- Payment into Escrow Account(s) for Anchor Investors" on page 393 of this Red Herring Prospectus

h) Upon receipt of the Bid cum Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form, prior to uploading such Bids with the Stock Exchange.

i) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchange.

j) If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and will enter each Bid option into the electronic bidding system as a separate Bid and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.

k) The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the Bid cum Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Bidders to the Public Issue Account. In case of

withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

## BIDS AT DIFFERENT PRICES LEVELS AND REVISION OF BIDS

a) Our Company in consultation with the BRLM, and without the prior approval of, or intimation, to the Bidders, reserves the right to revise the Price Band during the Bid/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed. If the revised price band decided, falls within two different price bands than the minimum application lot size shall be decided based on the price band in which the higher price falls into.

b) Our Company in consultation with the BRLM, will finalize the Issue Price within the Price Band, without the prior approval of, or intimation, to the Bidders.

c) The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Individual Bidders may Bid at the Cut-off Price. However, bidding at the Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.

d) Individual Bidders, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Individual Bidders shall submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount based on the Cap Price with the Syndicate. In case of ASBA Bidders (excluding Non-Institutional Bidders and QIB Bidders) bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price.

## PARTICIPATION BY ASSOCIATES OF BRLM

The BRLM shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the BRLM may subscribe to Equity Shares in the Issue, either in the QIB Portion and Non-Institutional Portion where the allotment is on a proportionate basis. All categories of Applicants, including associates and affiliates of the BRLM, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

## OPTION TO SUBSCRIBE IN THE ISSUE

a) As per Section 29(1) of the Companies Act 2013, Investors will get the allotment of Equity Shares in dematerialization form only.

b) The Equity Shares, on allotment, shall be traded on Stock Exchange in demat segment only.

c) In a single Application Form any investor shall not exceed the investment limit/minimum number of specified securities that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable law.

## INFORMATION TO THE BIDDERS

1) Our Company and the Book Running Lead Manager shall declare the Issue Opening Date and Issue Closing Date in the Red Herring Prospectus to be registered with the RoC and also publish the same in two national newspapers (one each in English and Hindi) and in a regional newspaper with wide circulation. This advertisement shall be in prescribed format.

2) Our Company will file the Red Herring Prospectus with the RoC at least 3 (three) days before the Issue Opening Date.

3) Copies of the Bid Cum Application Form along with Abridged Prospectus and copies of the Red Herring Prospectus will be available with the, the Book Running Lead Manager, the Registrar to the Issue, and at the Registered Office of our Company. Electronic Bid Cum Application Forms will also be available on the websites of the Stock Exchange.

4) Any Bidder who would like to obtain the Red Herring Prospectus and/ or the Bid Cum Application Form can obtain the same from our Registered Office.

5) Bidders who are interested in subscribing for Equity Shares should approach Designated Intermediaries to register their applications.

6) Bid Cum Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch, or the respective Designated Intermediaries. Bid Cum Application Form submitted by Bidders whose beneficiary account is inactive shall be rejected.

7) The Bid Cum Application Form can be submitted either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained, or other Designated Intermediaries (Other than SCSBs). SCSBs may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account. The Individual Bidders has to apply only through UPI Channel, they have to provide the UPI ID and validate the blocking of the funds and such Bid Cum Application Forms that do not contain such details are liable to be rejected.

8) Bidders applying directly through the SCSBs should ensure that the Bid Cum Application Form is submitted to a Designated Branch of SCSB, where the ASBA Account is maintained. Applications submitted directly to the SCSB's or other Designated Intermediaries (Other than SCSBs), the relevant SCSB, shall block an amount in the ASBA Account equal to the Application Amount specified in the Bid Cum Application Form, before entering the ASBA application into the electronic system.

9) Except for applications by or on behalf of the Central or State Government and the Officials appointed by the courts and by investors residing in the State of Sikkim, the Bidders, or in the case of application in joint names, the first Bidder (the first name under which the beneficiary account is held), should mention his/her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participating in transacting in the securities market, irrespective of the amount of transaction. Any Bid Cum Application Form without PAN is liable to be rejected. The demat accounts of Bidders for whom PAN details have not been verified, excluding person resident in the State of Sikkim or persons who may be exempted from specifying their PAN for transacting in the securities market, shall be "suspended for credit" and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Bidders.

10) The Bidders may note that in case the PAN, the DP ID and Client ID mentioned in the Bid Cum Application Form and entered into the electronic collecting system of the Stock Exchange Designated Intermediaries do not match with PAN, the DP ID and Client ID available in the Depository database, the Bid Cum Application Form is liable to be rejected.

## APPLICATION BY MUTUAL FUNDS

With respect to Bid by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company, in consultation with BRLM reserves the right to reject any application without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

As per the current regulations, the following restrictions are applicable for investments by mutual funds.

No mutual fund scheme shall invest more than 10.00% of its net asset value in the Equity Shares or equity related instruments of any single Company provided that the limit of 10.00% shall not be applicable for investments in case of index funds or sector or industry specific funds/Schemes. No mutual fund under all its schemes should own more than 10.00% of any Company's paid up share capital carrying voting rights.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

The Application made by Asset Management Companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

In case of a Mutual Fund, a separate Application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

## APPLICATION BY HUF

Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the Application is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of sole or first Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bid cum Applications by HUFs may be considered at par with Bid cum Applications from individuals.

## APPLICATIONS BY ELIGIBLE NRI

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident forms should authorize their respective SCSB or confirm or accept the UPI Mandate Request (in case of UPI Bidders bidding through UPI Mechanism) to block their Non-Resident External ("NRE") accounts (including UPI ID, if activated), or Foreign Currency Non-Resident ("FCNR") accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using resident forms should 387uthorize their SCSB to block their Non-Resident Ordinary ("NRO") accounts or accept the UPI Mandate Request (in case of UPI Bidders Bidding through the UPI Mechanism) for the full Bid Amount, at the time of the submission of the Bid cum Application Form. NRIs applying in the Issue through the UPI Mechanism are advised to enquire with the relevant bank, whether their account is UPI linked, prior to submitting a Bid cum Application Form.

Eligible NRIs will be permitted to apply in the Issue through Channel I or Channel II (as specified in the SEBI UPI Circulars). Further, subject to applicable law, Eligible NRIs may use Channel IV (as specified in the SEBI UPI Circulars) to apply in the Issue, provided the UPI facility is enabled for their NRE/NRO accounts. Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue colour).

In accordance with the FEMA Rules, the total holding by any individual NRI, on a repatriation basis, shall not exceed 5% of the total paid-up equity capital on a fully diluted basis or shall not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together shall not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrant. Provided that the aggregate ceiling of 10% may be raised to 24% if a special resolution to that effect is passed by the general body of the Indian company. Participation of Eligible NRIs in the Issue shall be subject to the FEMA Non-debt Instrument Rules.

Only bids accompanied by payment in Indian rupees or fully convertible foreign exchange will be considered for allotment. For details of restrictions on investment by NRIs, please refer to the chapter titled "Restrictions on Foreign Ownership of Indian Securities" beginning on page 411 of this Red Herring Prospectus.

**APPLICATIONS BY ELIGIBLE FIIs/FPIs**

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same multiple entities having common ownership directly or indirectly of more than 50% or common control) must be below 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% 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 our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time. In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Issue are advised to use the Bid cum Application Form for Non-Residents.

In terms of the FEMA, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

The FEMA NDI Rules were enacted on October 17, 2019 in supersession of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, except as respects things done or omitted to be done before such supersession. FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI, may issue, subscribe to or otherwise deal in offshore derivative instruments(as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such off shore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) such other conditions as may be specified by SEBI from time to time.

An FPI issuing off-shore derivate instruments is also required to ensure that any transfer of off-shore derivative instruments issued by, or on behalf of it subject to, inter alia, the following conditions:
(i). such offshore derivative instruments are transferred to person subject to fulfilment of SEBI FPI Regulations; and

(ii). Prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred are pre-approved by the FPI.

Bids by FPIs which utilise the multi-investment manager structure in accordance with the Operational Guidelines for Foreign Portfolio Investors and Designated Depository Participants issued to facilitate implementation of the SEBI FPI Regulations ("Operational FPI Guidelines"), submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs shall not be treated as multiple Bids ("MIM Bids"). It is hereby clarified that FPIs bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected, except for Bids from FPIs that utilise the multi-investment manager structure in accordance with the Operational FPI Guidelines (such structure referred to as "MIM Structure"). In order to ensure valid Bids, FPIs making MIM Bids using the same PAN and with different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM Structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected.

## APPLICATIONS BY SEBI REGISTERED ALTERNATIVE INVESTMENT FUND (AIF), VENTURE CAPITAL FUNDS AND FOREIGN VENTURE CAPITAL INVESTORS

The Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 as amended, (the "SEBI VCF Regulations") and the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended, among other things prescribe the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 (the "SEBI AIF Regulations") prescribe, amongst others, the investment restrictions on AIFs.

The holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one Investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulation until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All FIIs and FVCIs should note that refunds, dividends, and other distributions, if any, will be payable in Indian Rupees only and net of Bank charges and commission.

Our Company or the Lead Manager will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Applicants will be treated on the same basis with other categories for the purpose of allocation.

## APPLICATIONS BY LIMITED LIABILITY PARTNERSHIPS

In case of applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form. Failing this, our Company reserves the rightto reject any application, without assigning any reason thereof. Limited Liability Partnerships can participate in the Issue only through the ASBA Process.

## APPLICATIONS BY INSURANCE COMPANIES

In case of applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company reserves the right to reject any application, without assigning any reason thereof.

The exposure norms for insurers are prescribed under the IRDAI Investment Regulations, based on investments in equity shares of the investee company, the entire group of the investee company and the industry sector in which the investee company operates. Insurance companies participating in the Issue are advised to refer to the IRDAI Investment Regulations 2016, as amended, which are broadly set forth below:

a) equity shares of a company: the lower of 10%* of the outstanding equity shares (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
b) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
c) the industry sector in which the investee company operates: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be.

**The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹ 25,000,000 lakhs or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹ 5,000,000 lakhs or more but less than ₹ 25,000,000 lakhs.*

Insurance companies participating in this Issue, shall comply with all applicable regulations, guidelines and circulars issued by IRDA from time to time.

## APPLICATIONS BY BANKING COMPANIES

**Applications by Banking Companies:** In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof. The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended and Master Circular on Basel III Capital Regulations dated July 01, 2014, as amended, is 10.00% of the paid up share capital of the investee company, not being its subsidiary engaged in non-financial services, or 10.00% of the bank's own paid-up share capital and reserves, whichever is lower.

However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid up share capital of such investee company, subject to prior approval of the RBI if (i) the investee company is engaged in nonfinancial activities permitted for banking companies in terms of Section 6(1) of the Banking Regulation Act; or (ii) the additional acquisition is through restructuring of debt, or to protect the banking company's interest on loans/investments made to a company. The bank is required to submit a time bound action plan to the RBI for the disposal of such shares within a specified period. The aggregate investment by a banking company along with its subsidiaries, associates or joint ventures or entities directly or indirectly controlled by the bank; and mutual funds managed by asset management companies controlled by the bank, more than 20% of the investee company's paid up share capital engaged in nonfinancial services. However, this cap doesn't apply to the cases mentioned in (i) and (ii) above. The aggregate equity investments made by a banking company

in all subsidiaries and other entities engaged in financial services and nonfinancial services, including overseas investments shall not exceed 20% of the bank's paid-up share capital and reserves.
In terms of the Master Circular on Basel III Capital Regulations dated July 1, 2014, as amended (i) a bank's investment in the capital instruments issued by banking, financial and insurance entities should not exceed 10% of its capital funds; (ii) banks should not acquire any fresh stake in a bank's equity shares, if by such acquisition, the investing bank's holding exceeds 5% of the investee bank's equity capital; (iii) equity investment by a bank in a subsidiary company, financial services company, financial institution, stock and other exchanges should not exceed 10% of the bank's paid-up share capital and reserves; (iv) equity investment by a bank in companies engaged in non-financial services activities would be subject to a limit of 10% of the investee company's paid-up share capital or 10% of the bank's paid-up share capital and reserves, whichever is less; and (v) a banking company is restricted from holding shares in any company, whether as pledgee, mortgagee or absolute owner, of an amount exceeding 30% of the paid-up share capital of that company or 30% of its own paid-up share capital and reserves, whichever is less. For details in relation to the investment limits under Master Direction – Ownership in Private Sector Banks, Directions, 2016, please refer chapter titled "Key Regulations & Policies" beginning on Page No. 224 of this Red Herring Prospectus.

**Applications by SCSBs:** SCSBs participating in the Offer are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 02, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

**Applications by Systemically Important NBFCS:** In case of Bids made by Systemically Important NBFCs registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) the last audited financial statements on a standalone basis, (iii) a net worth certificate from its statutory auditors, and (iv) such other approval as may be required by the Systemically Important NBFCs are required to be attached to the Bid cum Application Form. Failing this, our Company, in consultation with the BRLM, reserves the right to reject any Bid without assigning any reason thereof. Systemically Important NBFCs participating in the Issue shall comply with all applicable regulations, directions, guidelines and circulars issued by the RBI from time to time. The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

## APPLICATION BY PROVIDENT FUNDS/ PENSION FUNDS

In case of applications made by provident funds/pension funds, subject to applicable laws, with minimum corpus of Rs. 2,500 Lakhs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Application Form. Failing this, our Company reserves the right to reject any application, without assigning any reason thereof.

## APPLICATION UNDER POWER OF ATTORNEY

In case of applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with minimum corpus of Rs. 2,500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2,500 Lakhs a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason therefore.

In addition to the above, certain additional documents are required to be submitted by the following entities:

(a) With respect to applications by VCFs, FVCIs, FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company

reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.

(b) With respect to applications by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged with the Application Form as applicable. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.

(c) With respect to applications made by provident funds with minimum corpus of Rs. 2,500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2,500 Lakhs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject such application, in whole or in part, in either case without assigning any reasons thereof.

(d) With respect to Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form.

Our Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application Form, subject to such terms and conditions that our Company, the lead manager may deem fit.

Our Company, in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar to the Issue that, for the purpose of mailing of the Allotment Advice / CANs / letters notifying the unblocking of the bank accounts of ASBA applicants, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the application). In such cases, the Registrar to the Issue shall use Demographic Details as given on the Application Form instead of those obtained from the Depositories.

**The above information is given for the benefit of the Applicants. The Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.**

## ISSUANCE OF A CONFIRMATION NOTE ("CAN") AND ALLOTMENT IN THE OFFER:

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the BRLM or Registrar to the Offer shall send to the SCSBs a list of their Bidders who have been allocated Equity Shares in the Offer.
2. The Registrar will then dispatch a CAN to their Bidders who have been allocated Equity Shares in the Offer. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder.

### Offer Procedure for Application Supported by Blocked Account (ASBA) Bidders

In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Bidders have to compulsorily apply through the ASBA Process. Our Company and the Book Running Lead Manager are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. ASBA Bidders are advised to make their independent investigations and to ensure that the ASBA Bid Cum Application Form is correctly filled up, as described in this section.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes For details on designated branches of SCSB collecting the Bid Cum Application Form, please refer the above-mentioned SEBI link.

**Terms of Payment**

The entire Offer price of Rs. [●] per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Bidders.

SCSBs will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs.

The Bidders should note that the arrangement with Bankers to the Offer or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Offer and the Registrar to the Offer to facilitate collections from the Bidders.

**Payment mechanism**

The Bidders shall specify the bank account number in their Bid Cum Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Bid Cum Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the Application Amount. However, Non-Individual investor Bidders shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Bid Cum Application Form or for unsuccessful Bid Cum Application Forms, the Registrar to the Offer shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Offer and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Offer or until rejection of the Application by the ASBA Bidder, as the case may be.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public Issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self-Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Individual Investors applying in public Issue have to use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

**Payment into Escrow Account for Anchor Investors**

**Electronic Registration of Applications**

1. The Designated Intermediaries will register the applications using the on-line facilities of the Stock Exchange.

2. The Designated Intermediaries will undertake modification of selected fields in the application details already uploaded before 1.00 p.m. of next Working Day from the Issue Closing Date.

3. The Designated Intermediaries shall be responsible for any acts, mistakes or errors or omissions and commissions in relation to,

i. the applications accepted by them,
ii. the applications uploaded by them
iii. the applications accepted but not uploaded by them, or
iv. With respect to applications by Bidders, applications accepted and uploaded by any Designated Intermediary other than SCSBs, the Bid Cum Application Form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts. In case of Application accepted and uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be responsible for blocking the necessary amounts in the ASBA Accounts.

4. Neither the Book Running Lead Manager nor our Company nor the Registrar to the Issue, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to,
i. The applications accepted by any Designated Intermediaries
ii. The applications uploaded by any Designated Intermediaries or
iii. The applications accepted but not uploaded by any Designated Intermediaries

5. The Stock Exchange will Issue an electronic facility for registering applications for the Issue. This facility will available at the terminals of Designated Intermediaries and their authorized agents during the Issue Period. The Designated Branches or agents of Designated Intermediaries can also set up facilities for off-line electronic registration of applications subject to the condition that they will subsequently upload the off-line data file into the online facilities on a regular basis. On the Issue Closing Date, the Designated Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the Book Running Lead Manager on a regular basis.

6. With respect to applications by Bidders, at the time of registering such applications, the Syndicate Bakers, DPs and RTAs shall forward a Schedule as per format given below along with the Bid Cum Application Forms to Designated Branches of the SCSBs for blocking of funds:

| Sl. No. | Details |
|---|---|
| 1. | Symbol |
| 2. | Intermediary Code |
| 3. | Location Code |
| 4. | Application No. |
| 5. | Category |
| 6. | PAN |
| 7. | DP ID |
| 8. | Client ID |
| 9. | Quantity |

**Stock Exchanges shall uniformly prescribe character length for each of the above-mentioned fields.*

7. With respect to applications by Bidders, at the time of registering such applications, the Designated Intermediaries shall enter the following information pertaining to the Bidders into in the on-line system:
- Name of the Bidder;
- IPO Name;
- Bid Cum Application Form Number;
- Investor Category;
- PAN (of First Bidder, if more tha`n one Bidder;
- DP ID of the demat account of the Bidder;
- Client Identification Number of the demat account of the Bidder;
- Number of Equity Shares Applied for;
- Bank Account details;
- Locations of the Banker to the Issue or Designated Branch, as applicable, and bank code of the

SCSB branch where the ASBA Account is maintained; and
• Bank account number.

8. In case of submission of the Application by a Bidder through the Electronic Mode, the Bidder shall complete the above- mentioned details and mention the bank account number, except the Electronic ASBA Bid Cum Application Form number which shall be system generated.

9. In case of submission of the Application by a Bidder through the Electronic Mode, the Bidder shall complete the above- mentioned details and mention the bank account number, except the Electronic ASBA Bid Cum Application Form number which shall be system generated.

10. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.

11. In case of Non-Individual Bidders and Individual Bidders, applications would not be rejected except on the technical grounds as mentioned in the Red Herring Prospectus. The Designated Intermediaries shall have no right to reject applications, except on technical grounds.

12. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Book Running Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our company; our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Red Herring Prospectus, nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

13. The Designated Intermediaries will be given time till 1.00 p.m. on the next working day after the Bid/ Issue Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar to the Issue will receive this data from the Stock Exchange and will validate the electronic application details with Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.

14. The SCSBs shall be given one day after the Bid/ Issue Closing Date to send confirmation of Funds blocked (Final certificate) to the Registrar to the Issue.

15. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for applications.

**Build of the book**

a) Bids received from various Bidders through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchange on a regular basis. The book gets built up at various price levels. This information may be available with the BRLM at the end of the Bid/ Offer Period.

b) Based on the aggregate demand and price for Bids registered on the Stock Exchange Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchange may be made available at the Bidding centres during the Bid/ Offer Period.

**Withdrawal of Bids**

i. Individual Bidders (IB) can withdraw their Bids until Bid/ Offer Closing Date. In case a IB wishes to withdraw the Bid during the Bid/ Offer Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.

ii. The Registrar to the Offer shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

**Price Discovery and Allocation**

a. Based on the demand generated at various price levels, our Company in consultation with the BRLM, shall finalise the Offer Price and the Anchor Investor Offer Price.

b. The SEBI ICDR Regulations specify the allocation or Allotment that may be made to various categories of Bidders in an Offer depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Offer size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP. For details in relation to allocation, the Bidder may refer to the RHP.

c. Under-subscription in any category (except QIB Category) is allowed to be met with spillover from any other category or combination of categories at the discretion of the Issuer and the in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations. Unsubscribed portion in QIB Category is not available for subscription to other categories.

d. In case of under subscription in the Offer, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Offer. For allocation in the event of an under subscription applicable to the Issuer, Bidders may refer to the RHP.

e. In case if the Individual Investor category is entitled to more than the allocated portion on proportionate basis, the category shall be allotted that higher percentage.
f) Allocation to Anchor Investors shall be at the discretion of our Company and in consultation with the BRLM, subject to compliance with the SEBI Regulations.

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

Bidders should note that this example is solely for illustrative purposes and is not specific to the Offer; it also excludes Bidding by Anchor Investors. Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹20 to ₹ 24 per share, Offer size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

| Bid Quantity | Bid Amount (₹) | Cumulative Quantity | Subscription |
|---|---|---|---|
| 500 | 24 | 500 | 16.67% |
| 1,000 | 23 | 1,500 | 50.00% |
| 1,500 | 22 | 3,000 | 100.00% |
| 2,000 | 21 | 5,000 | 166.67% |
| 2,500 | 20 | 7,500 | 250.00% |

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Offer the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹ 22.00 in the above example. The Issuer, in consultation with the BRLM, may finalise the Offer Price at or below such Cut-Off Price, i.e., at or below ₹ 22.00. All Bids at or above this Offer Price and cut-off Bids are valid Bids and are

considered for allocation in the respective categories.

**Signing of Underwriting Agreement and Filing of Red Herring Prospectus/Prospectus with ROC**

a) Our company has entered into an Underwriting Agreement dated August 12, 2025..
b) A copy of Red Herring Prospectus will be registered with the ROC and copy of Prospectus will be filing with ROC in terms of Section 32 of Companies Act, 2013 and Section 26 of Companies Act, 2013.

**Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act, 2013 and Regulation 264 of SEBI (ICDR) Regulations, 2018, the company shall, after filing the Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation. In the pre-issue advertisement, we shall state the Bid/Issue Opening Date and the Bid/Issue

Closing Date and the floor price or price band along with necessary details subject to regulation 250 of SEBI ICDR. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013 and Regulation 264 of SEBI ICDR Regulations, shall be in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

## APPLICANT'S DEPOSITORY ACCOUNT AND BANK DETAILS

Please note that, providing bank account details in the space provided in the application form is mandatory and applications that do not contain such details are liable to be rejected**.**

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Applicants bank account details, MICR code and occupation (hereinafter referred to as Demographic Details). Applicants should carefully fill in their Depository Account details in the Application Form.

These Demographic Details would be used for all correspondence with the Applicants including mailing of the CANs / Allocation Advice. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Application Form, the Applicant would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

## SUBMISSION OF APPLICATION FORM

All Application Forms duly completed shall be submitted to the Designated Intermediaries. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the application form, in physical or electronic mode, respectively.

## BASIS OF ALLOTMENT

The Allotment of Equity Shares to Bidders other than Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders may refer to RHP. No Individual Investor will be Allotted less than the minimum Bid Lot subject to availability of shares in Individual Investor Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Issue. However, in case the Issue is in the nature of

Offer for Sale only, then minimum subscription may not be applicable.

**Flow of Events from the closure of Bidding period (T DAY) Till Allotment:**

- On T Day, RTA to validate the electronic bid details with the depository records and also reconcile the final certificates received from the Sponsor Bank for UPI process and the SCSBs for ASBA and Syndicate ASBA process with the electronic bid details.
- RTA identifies cases with mismatch of account number as per bid file / FC and as per applicant's bank account linked to depository demat account and seek clarification from SCSB to identify the applications with third party account for rejection.
- Third party confirmation of applications to be completed by SCSBs on T+1 day.
- RTA prepares the list of final rejections and circulate the rejections list with BRLM(s)/ Company for their review/comments.
- Post rejection, the RTA submits the basis of allotment with the Designated Stock Exchange (DSE).
- The Designated Stock Exchange DSE, post verification approves the basis and generates drawal of lots wherever applicable, through a random number generation software.
- The RTA uploads the drawal numbers in their system and generates the final list of allotees as per process mentioned below.

**Process for generating list of Allottees:**

- Instruction is given by RTA in their Software System to reverse category wise all the application numbers in the ascending order and generate the bucket /batch as per the allotment ratio. For example, if the application number is 78654321 then system reverses it to 12345687 and if the ratio of allottees to applicants in a category is 2:7 then the system will create lots of 7. If the drawal of lots provided by Designated Stock Exchange (DSE) is 3 and 5 then the system will pick every 3rd and 5th application in each of the lot of the category and these applications will be allotted the shares in that category.
- In categories where there is proportionate allotment, the Registrar will prepare the proportionate working based on the oversubscription times.
- In categories where there is undersubscription, the Registrar will do full allotment for all valid applications.
- On the basis of the above, the RTA will work out the allotees, partial allotees and non- allottees, prepare the fund transfer letters and advice the SCSBs to debit or unblock the respective accounts.

**a. For Individual Bidders**

Bids received from the Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Individual Bidders will be made at the Issue Price.

The Issue size less Allotment to Non-Institutional and QIB Bidders shall be available for allotment to Individual Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares of face value of ₹ 10 each at or above the Issue Price, full Allotment shall be made to the Individual Bidders to the extent of their valid Bids.

If the aggregate demand in this category is greater than [●] Equity Shares of face value of ₹ 10 each at or above the Issue Price, the Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares of face value of ₹ 10 each and in multiples of [●] Equity Shares of face value of ₹ 10 each thereafter. For the

method of proportionate Basis of Allotment, refer below.

**b. For Non-Institutional Bidders**

Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non- Institutional Bidders will be made at the Issue Price.

The Issue size less Allotment to QIBs and Individual bidder shall be available for allotment to Non- Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares of face value of ₹ 10 each at or above the Issue Price, full allotment shall be made to Non-Institutional Bidders to the extent of their demand.

In case the aggregate demand in this category is greater than [●] Equity Shares of face value of ₹ 10 each at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares of face value of ₹ 10 each and in multiples of [●] Equity Shares of face value of ₹ 10 each thereafter. For the method of proportionate Basis of Allotment refer below.

**c. Allotment To Anchor Investor (If Applicable)**

a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Allocation Price will be at the discretion of the Issuer, in consultation with the BRLM, subject to compliance with the following requirements:

i. not more than 60% of the QIB Portion will be allocated to Anchor Investors;

ii. one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and

iii. allocation to Anchor Investors shall be on a discretionary basis and subject to:

- maximum number of two Anchor Investors for allocation up to ₹ 2 crores; a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 2 crores and up to ₹ 25 crores subject to minimum allotment of ₹ 1 crores per such Anchor Investor; and
- in case of allocation above twenty-five crore rupees; a minimum of 5 such investors and a maximum of 15 such investors for allocation up to twenty-five crore rupees and an additional 10 such investors for every additional twenty-five crore rupees or part thereof, shall be permitted, subject to a minimum allotment of one crore rupees per such investor.

**d. For QIBs**

Bids received from QIBs Bidding in the QIB Category at or above the Issue Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price. Allotment may be undertaken in the following manner: Allotment shall be undertaken in the following manner:

i. In the first instance, allocation to Mutual Funds for [●] % of the QIB Portion shall be determined as follows:

- In the event that Bids by Mutual Fund exceeds [●] % of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for [●] % of the QIB Portion.

- In the event that the aggregate demand from Mutual Funds is less than [●] % of the QIB Portion then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Issue Price.

- Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for Allotment to all QIB Bidders as set out in (b) below;

ii. In the second instance, allotment to all QIBs shall be determined as follows:

- In the event of oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares and in multiples of [●] Equity Shares of face value of ₹ 10 each thereafter for [●] % of the QIB Portion.

- Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares of face value of ₹ 10 each and in multiples of [●] Equity Shares of face value of ₹ 10 each thereafter, along with other QIB Bidders.

- Under-subscription below [●] % of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis. The aggregate Allotment to QIB Bidders shall not be more than [●] Equity Shares of face value of ₹ 10 each.

iii. Basis of Allotment for QIBs and NIIs in case of Over Subscribed Issue:

In the event of the Issue being Over-Subscribed, the Issuer may finalise the Basis of Allotment in consultation with the EMERGE Platform of NSE (The Designated Stock Exchange). The allocation may be made in marketable lots on proportionate basis as set forth hereunder:

a) The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the oversubscription ratio (number of Bidders in the category multiplied by number of Shares applied for).

b) The number of Shares to be allocated to the successful Bidders will be arrived at on a proportionate basis on marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).

c) For Bids where the proportionate allotment works out to less than [●] Equity Shares of face value of ₹ 10 each the allotment will be made as follows:

- Each successful Bidder shall be allotted [●] Equity Shares of face value of ₹ 10 each; and
- The successful Bidder out of the total bidders for that category shall be determined by draw of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (b) above.

d) If the proportionate allotment to a Bidder works out to a number that is not a multiple of [●] Equity Shares of face value of ₹ 10 each, the Bidder would be allotted Shares by rounding off to the nearest multiple of [●] Equity Shares of face value of ₹ 10 each subject to a minimum allotment of [●] Equity Shares of face value of ₹ 10 each.

e) If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the Bidders in that category, the balance available Shares or allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful Bidder in that category, the balance shares, if any, remaining after such adjustment will be added to the category comprising Bidder applying for the minimum number of Shares.

**Individual Investor' means an investor who applies for minimum application size for two lots. Provided that the minimum application size shall be above ₹ 2,00,000/- Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with NSE.**

**The Executive Director / Managing Director of NSE – the Designated Stock Exchange in addition to Book RunningLead Manager and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations.**

**Issuance of Allotment Advice**

1) Upon approval of the Basis of Allotment by the Designated Stock Exchange.

2) On the basis of approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Bidders are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the Issue. The Book Running Lead Manager or the Registrar to the Issue will dispatch an Allotment Advice to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of Allotment Advice shall be deemed valid, binding and irrevocable contract for the Allotment to such Bidder.

3) Issuer will make the allotment of the Equity Shares and initiate corporate action for credit of shares to the successful Bidders Depository Account within 4 working days of the Issue Closing date. The Issuer also ensures that credit of shares to the successful Bidders Depository Account is completed within one working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer

**Designated Date:**

On the Designated date, the SCSBs shall transfer the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue.

The Company will Issue and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any, within a period of 4 working days of the Bid/ Issue Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under relevant provisions of the Companies Act, 2013 or other applicable provisions, if any.

## ELECTRONIC REGISTRATION OF APPLICATIONS

The Designated Intermediary may register the Applications using the on-line facilities of the Stock Exchange. The Designated Intermediaries can also set up facilities for off-line electronic registration of Applications, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities on a regular basis before the closure of the issue.

On the Issue Closing Date, the Designated Intermediaries may upload the applications till such time as may be permitted by the Stock Exchange.

a) Only Applications that are uploaded on the Stock Exchange Platform are considered for allocation/Allotment. In the Phase 1, the Designated Intermediaries are given till 1:00 pm on the day following the Issue Closing Date to modify Select fields uploaded in the Stock Exchange Platform during the Issue Period after which the Stock Exchange send the application information to the Registrar to the Issue for further processing.

## PAYMENT BY STOCK INVEST

In terms of the Reserve Bank of India Circular No. DBOD No. FSC BC 42/ 24.47.00/ 2003-04 dated November 05, 2003; the option to use the stock invest instrument in lieu of cheques or banks for payment of Application money has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

## GENERAL INSTRUCTIONS

***Do's:***

- Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;
- Ensure that you have Bid within the Price Band;
- Read all the instructions carefully and complete the applicable Bid cum Application Form in prescribed format;
- Ensure that the details about the PAN, DP ID, Client ID, UPI ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialized form only;
- All Bidders should submit their Bids through the ASBA process only;
- Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre;
- In case of joint Bids, ensure that First Bidder is the ASBA Account holder (or the UPI-linked bank account holder, as the case may be) and the signature of the First Bidder is included in the Bid cum Application Form;
- Bidders (other than Individual Bidders bidding through the non-UPI Mechanism) should submit the Bid cum Application Form only at the Bidding Centers, i.e. to the respective member of the Syndicate at the Specified Locations, the SCSBs, the Registered Broker at the Broker Centres, the CRTA at the Designated RTA Locations or CDP at the Designated CDP Locations. Individual Investors bidding through the non-UPI Mechanism should either submit the physical Application Form with the SCSBs or Designated Branches of SCSBs under Channel I (described in the UPI Circulars) or submit the Application Form online using the facility of 3-in 1 type accounts under Channel II (described in the UPI Circulars);
- Ensure that you have mentioned the correct ASBA Account number (for all Bidders other than Individual Bidders using the UPI Mechanism) in the Bid cum Application Form;
- Individual Bidders using the UPI Mechanism should ensure that the correct UPI ID (with maximum length of 45 characters including the handle) is mentioned in the Application Form;
- Individual Bidders using UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the Bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. Individual Bidders shall ensure that the name of the app and the UPI handle which is used for making the application appears in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/COR/P/2019/85 dated July 26, 2019;
- Individual Bidders bidding using the UPI Mechanism should ensure that they use only their own bank account linked UPI ID to make an application in the Offer;
- Individual Bidders submitting an Application Form using the UPI Mechanism, should ensure that: (a) the bank where the bank account linked to their UPI ID is maintained; and (b) the Mobile App and UPI handle being used for making the Bid is listed on the website of SEBI https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40;

- Individual Bidders submitting a Bid-cum Application Form to any Designated Intermediary (other than SCSBs) should ensure that only UPI ID is included in the Field Number 7: Payment Details in the Application Form;
- Individual Bidders using the UPI Mechanism shall ensure that the bank, with which it has its bank account, where the funds equivalent to the application amount are available for blocking is UPI 2.0 certified by NPCI;
- If the first applicant is not the account holder, ensure that the Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Application Form;
- Ensure that the signature of the First Bidder in case of joint Bids, is included in the Application Forms
- QIBs and Non-Institutional Bidders should submit their Bids through the ASBA process only. Pursuant to SEBI circular dated November 01, 2018 and July 26, 2019, Individual Investor shall submit their bid by using UPI mechanism for payment;
- Ensure that the name(s) given in the Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
- Ensure that you request for and receive a stamped acknowledgement of the Application Form for all your Bid options;
- Ensure that you have funds equal to the Bid Amount in the Bank Account maintained with the SCSB before submitting the Application Form under the ASBA process or application forms submitted by Individual Investor using UPI mechanism for payment, to the respective member of the Syndicate (in the Specified Locations), the SCSBs, the Registered Broker (at the Broker Centers), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);
- Submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
- Bidders, other than I**ndividual Bidder**s using the UPI Mechanism, shall ensure that they have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to the relevant Designated Intermediaries;
- Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the I.T. Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
- Ensure that the Demographic Details are updated, true and correct in all respects;
- Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
- Ensure that the category and the investor status is indicated;
- Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;
- Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
- Bidders should note that in case the DP ID, Client ID and the PAN mentioned in their Application Form and entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Bids are liable to be rejected. Where the Application Form is submitted in joint names, ensure

that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Application Form;

- Ensure that the Application Forms are delivered by the Bidders within the time prescribed as per the Application Form and the Red Herring Prospectus;

***Don'ts:***

- Do not apply for lower than the minimum Application size;
- Do not Bid for a Bid Amount exceeding ₹ 500,000 for Bids by UPI Bidders;
- Do not apply at a Price Different from the Price Mentioned herein or in the Application Form
- Do not pay the Application Price in cash, cheque, by money order or by postal order or by stock invest
- Individual Bidders should not submit a Bid using the UPI Mechanism, unless the name of the bank where the bank account linked to your UPI ID is maintained, is listed on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40;
- Individual Bidders should not submit a Bid using the UPI Mechanism, using a Mobile App or UPI handle, not listed on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40;
- Do not send Application Forms by post, instead submit the Designated Intermediary only;
- Do not submit the Application Forms to any non-SCSB bank or our Company;
- Do not apply on an Application Form that does not have the stamp of the relevant Designated Intermediary;
- Do not submit the application without ensuring that funds equivalent to the entire application Amount are blocked in the relevant ASBA Account;
- Do not fill up the Application Form such that the Equity Shares applied for exceeds the Offer Size and/or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- Do not submit the General Index Register number instead of the PAN as the application is liable to be rejected on this ground;
- Do not submit incorrect details of the DP ID, beneficiary account number and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer.
- Do not submit applications on plain paper or incomplete or illegible Application Forms in a color prescribed for another category of Applicant;
- All Investors submit their applications through the ASBA process only except as mentioned in SEBI Circular No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019 & SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021;
- Do not make Applications if you are not competent to contract under the Indian Contract Act, 1872, as amended.
- Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by Individual Bidders using the UPI Mechanism;

The Applications should be submitted on the prescribed Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

## OTHER INSTRUCTIONS

***Joint Applications in the case of Individuals***

In the case of Joint Bids, the Bids should be made in the name of the Bidders whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidders would be required in the Bid cum Application Form/ Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders Applications may be made in single or joint names (not more than three). In the case of joint Applications, all payments will be made out in

favour of the Applicant whose name appears first in the Application Form or Revision Form. All communications will be addressed to the First Applicant and will be dispatched to his or her address as per the Demographic Details received from the Depository.

***Multiple Applications***

An Applicant should submit only one Application (and not more than one) for the total number of Equity Shares required. Two or more Applications will be deemed to be multiple Applications if the sole or First Applicant is one and the same.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

(i) All applications are electronically strung on first name, address (1st line) and applicant's status. Further, these applications are electronically matched for common first name and address and if matched, these arechecked manually for age, signature and father/ husband's name to determine if they are multiple applications.

(ii) Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/ beneficiary ID. In case of applications with common DP ID/ beneficiary ID, are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.

(iii) Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked to eliminate possibility of data capture error to determine if they are multiple applications.

In case of a mutual fund, a separate Application can be made in respect of each scheme of the mutual fund registered with SEBI and such Applications in respect of more than one scheme of the mutual fund will not be treated as multiple Applications provided that the Applications clearly indicate the scheme concerned for which the Application has been made.

In cases where there are more than 20 valid applications having a common address, such shares will be kept in abeyance, post allotment and released on confirmation of know your client's norms by the depositories. The Company reserves the right to reject, in our absolute discretion, all or any multiple Applications in any or all categories.

After submitting an ASBA Application either in physical or electronic mode, an ASBA Applicant cannot apply (either in physical or electronic mode) to either the same or another Designated Branch of the SCSB. Submission of a second Application in such manner will be deemed a multiple Application and would be rejected. More than one ASBA Applicant may apply for Equity Shares using the same ASBA Account, provided that the SCSBs will not accept a total of more than five Application Forms with respect to any single ASBA Account.

Duplicate copies of Application Forms downloaded and printed from the website of the Stock Exchange bearing the same application number shall be treated as multiple applications and are liable to be rejected. The Company, in consultation with the Lead Manager reserves the right to reject, in its absolute discretion, all or any multiple applications in any or all categories. In this regard, the procedure which would be followed bythe Registrar to the Issue to detect multiple applications is given below:

1. All Applications will be checked for common PAN. For Applicants other than Mutual Funds and FII subaccounts, Applications bearing the same PAN will be treated as multiple Applications and will be rejected.
2. For Applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as

Applications on behalf of the Applicants for whom submission of PAN is not mandatory such as the Central or State Government, an official liquidator or receiver appointed by a court and residents of Sikkim, the Application Forms will be checked for common DP ID and Client ID.

## PERMANENT ACCOUNT NUMBER OR PAN

Pursuant to the circular MRD/DoP/Circ 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number (PAN) to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 02, 2007. Each of the Applicants should mention his/her PAN allotted under the IT Act. **Applications without this information will be considered incomplete and are liable to be rejected.** It is to be specifically noted that Applicants should not submit the GIR number instead of the PAN, as the Application is liable to be rejected on this ground.

## GROUNDS FOR REJECTIONS

In addition to the grounds for rejection of Bids on technical grounds as provided in the General Information Document, Bidders are requested to note that Bids maybe rejected on the following additional technical grounds:

1. Bids submitted without instruction to the SCSBs to block the entire Bid Amount;
2. Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form;
3. Bids submitted on a plain paper;
4. Bids submitted by Individual Bidders using the UPI Mechanism through an SCSBs and/or using a mobile application or UPI handle, not listed on the website of SEBI;
5. Bids under the UPI Mechanism submitted by Individual Bidders using third party bank accounts or using a third party linked bank account UPI ID (subject to availability of information regarding third party account from Sponsor Bank);
6. ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;
7. Bids submitted without the signature of the First Bidder or sole Bidder;
8. The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;
9. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are "suspended for credit" in terms of SEBI circular CIR/MRD/DP/ 22 /2010 dated July 29, 2010;
10. GIR number furnished instead of PAN;
11. Bids by Individual Bidders with Bid Amount of a value of less than Minimum Application Size;;
12. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
13. Bids accompanied by stock invest, money order, postal order or cash; and
14. Bids uploaded by QIBs after 4.00 pm on the QIB Bid/ Issue Closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid/ Issue Closing Date, and Bids by Individual Bidders uploaded after 5.00 p.m. on the Bid/ Issue Closing Date, unless extended by the Stock Exchange.
15. Applications by OCBs;

For details of instructions in relation to the Bid cum Application Form, Bidders may refer to the relevant section the GID.

**BIDDERS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE BID CUM APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGES BY THE BIDS COLLECTING**

**INTERMEDIARIES DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE BID CUM APPLICATION FORM IS LIABLE TO BE REJECTED.**

## BASIS OF ALLOCATION

a) The SEBI (ICDR) Regulations specify the allocation or Allotment that may be made to various categories of Bidders in an Offer depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Offer size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP. For details in relation to allocation, the Bidder may refer to the RHP.

b) Under-subscription in any category (except QIB Category) is allowed to be met with spill over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI (ICDR) Regulations, Unsubscribed portion in QIB Category is not available for subscription to other categories.

c) In case of under subscription in the Offer, spill-over to the extent of such under- subscription may be permitted from the Reserved Portion to the Offer. For allocation in the event of an under-subscription applicable to the Issuer, Bidders may refer to the RHP.

**Instruction for completing the Bid cum application form**

The Applications should be submitted on the prescribed Bid Cum Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Bid Cum Application Form. Applications not so made are liable to be rejected. Applications made using a third-party bank account or using third party UPI ID linked bank account are liable to be rejected. Bid Cum Application Forms should bear the stamp of the Designated Intermediaries. ASBA Bid Cum Application Forms, which do not bear the stamp of the Designated Intermediaries, will be rejected.

SEBI, vide Circular No.CIR/CFD/14/2012 dated October 04, 2012, has introduced an additional mechanism for investors to submit Bid Cum Application Forms in public issues using the stock broker (broker) network of Stock Exchanges, who may not be syndicate members in an Offer with effect from January 01, 2013. The list of Broker Centre is available on the websites of BSE i.e., www.bseindia.com and NSE i.e. www.nseindia.com. With a view to broad base the reach of Investors by substantial, enhancing the points for submission of applications, SEBI vide Circular No. CIR/CFD/POLICY CELL/11/2015 dated November 10, 2015 has permitted Registrar to the Offer and Share Transfer Agent and Depository Participants registered with SEBI to accept the Bid Cum Application Forms in Public Issue with effect front January 01, 2016. The List of ETA and DPs centres for collecting the application shall be disclosed is available on the websites of BSE i.e., www.bseindia.com/ and NSE i.e. www.nseindia.com/

**Bidder's Depository Account and Bank Details**

Please note that, providing bank account details, PAN No's, Client ID and DP ID in the space provided in the Bid Cum Application Form is mandatory and applications that do not contain such details are liable to be rejected.

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Bid Cum Application Form as entered into the Stock Exchange online system, the Registrar to the Issue will obtain from the Depository, the demographic details including address, Bidders bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all

correspondence with the Bidders including mailing of the Allotment Advice. The Demographic Details given by Bidders in the Bid Cum Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Bid Cum Application Form, the Bidder would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

**Submission of Bid cum Application form**

All Bid Cum Application Forms duly completed shall be submitted to the Designated Intermediaries. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form, in physical or electronic mode, respectively.

**Communications**

All future communications in connection with Applications made in this Offer should be addressed to the Registrar to the Offer quoting the full name of the sole or First Bidder, Bid Cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid Cum Application Form, name and address of the Designated Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post Offer related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, etc.

**Disposal of Application and Application Moneys and Interest in case of Delay**

The Company shall ensure the dispatch of Allotment advice and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within 2 (two) working days of date of Allotment of Equity Shares.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at SME Platform of NSE (EMERGE) where the Equity Shares are proposed to be listed are taken within 3 (Three) working days from Offer Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

1. Allotment and Listing of Equity Shares shall be made within 3 (Three) days of the Offer Closing Date;
2. Giving of Instructions for refund by unblocking of amount via ASBA not later than 2 (Two) working days of the Offer Closing Date, would be ensured; and
3. If such money is not repaid within prescribed time from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of prescribed time, be liable to repay such application money, with interest as prescribed under SEBI (ICDR) Regulations, the Companies Act, 2013 and applicable law. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

**Impersonation**

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

*"Any person who –*

*a. Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*

*b. Makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*

*c. Otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or*

*to any other person in a fictitious name,*

*shall be liable for action under Section 447*."

**Undertakings by our company**

Our Company undertakes the following:

1. that if our Company do not proceed with the Issue after the Issue Closing Date, the reason thereof shall be given as a public notice in the newspapers to be issued by our Company within two days of the Issue Closing Date. The public notice shall be issued in the same newspapers in which the Pre- Issue advertisement was published. The stock exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
2. that if our Company withdraw the Issue after the Issue Closing Date, our Company shall be required to file a fresh offer document with the RoC / SEBI, in the event our Company subsequently decides to proceed with the Issue;
3. That the complaints received in respect of this Issue shall be attended to by us expeditiously and satisfactorily;
4. That all steps shall be taken to ensure that listing and commencement of trading of the Equity Shares at the Stock Exchange where the Equity Shares are proposed to be listed are taken within 3 Working Days of Issue Closing Date or such time as prescribed;
5. That the funds required for making refunds as per the modes disclosed or dispatch of allotment advice by registered post or speed post shall be made available to the Registrar and Share Transfer Agent to the Issue by our Company;
6. Where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within three Working Days from the Offer Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.
7. That no further Issue of Equity Shares shall be made till the Equity Shares issued through this Red Herring Prospectus are listed or until the Application monies are refunded on account of non-listing, under-subscription etc.
8. That adequate arrangement shall be made to collect all Applications Supported by Blocked Amount while finalizing the Basis of Allotment.
9. That if Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the ICDR Regulations and applicable law for the delayed period;
10. That the letter of allotment/ unblocking of funds to the non-resident Indians shall be dispatched within specified time;
11. that the promoters' contribution in full, wherever required, shall be brought in advance before the Issue opens for public subscription and the balance, if any, shall be brought on a pro rata basis before the calls are made on public in accordance with applicable provisions in these regulations;

**Utilization of Issue Proceeds**

Our Board certifies that:

1. All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in Section 40 of the Companies Act, 2013;
2. Details of all monies utilized out of the issue referred to in point 1 above shall be disclosed and continued to

be disclosed till the time any part of the issue proceeds remains unutilized under an appropriate separate head in the balance-sheet of the issuer indicating the purpose for which such monies had been utilized;

3. Details of all unutilized monies out of the Issue referred to in 1, if any shall be disclosed under the appropriate head in the balance sheet indicating the form in which such unutilized monies have been invested and
4. Our Company shall comply with the requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.
5. Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.
6. Our Company undertakes that the complaints or comments received in respect of the Offer shall be attended by our Company expeditiously and satisfactorily.

***Remainder of this page has been left blank intentionally***

## RESTRICTION ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Foreign investment is allowed up to 100% under automatic route in our Company.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (DIPP), issued consolidates FDI Policy, which with effect from August 28, 2017 consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on August 27, 2017. The Government proposes to update the consolidated circular on FDI Policy once every year and therefore, the Consolidation FDI Policy will be valid until the DIPP issues an updated circular.

The transfer of shares by an Indian resident to a Non-Resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the Consolidated FDI Policy and transfer does not attract the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (ii) the non-resident shareholding is within the sectoral limits under the Consolidated FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI/RBI.

**As per the existing policy of the Government of India, OCBs cannot participate in this Issue. The Equity Shares offered in the Issue 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 and applicable U.S. state securities laws.**

**Accordingly, the Equity Shares are being offered and sold (i) within the United States to persons reasonably believed to be "qualified institutional investors" (as defined in Rule 144A under the Securities Act) pursuant to Rule 144A under the Securities Act or other applicable exemption under theSecurities Act and (ii) outside the United States in offshore transactions in reliance on Regulations under the Securities Act and the applicable laws of the jurisdictions where such offers and sales occur.**

**The above information is given for the benefit of the Applicants. Our Company and the LM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them.**

***Remainder of this page has been left blank intentionally***

## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229 (2) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer, whose post issue paid up capital is more than ten crore rupees and upto twenty-five crore rupees shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange ***("SME Exchange")***, in this case being the NSE Emerge. For further details regarding the salient features and terms of such an issue please refer chapter titled **"*Terms of the Issue*"** and **"*Issue Procedure*"** on page 365 and 376 of this Red Herring Prospectus.

## PRESENT ISSUE STRUCTURE

Initial Public Issue of upto 26,79,000 Equity Shares of face value ₹10 each (the "Equity Shares") for cash at a price of ₹ [●] per Equity Share (including a Share Premium of ₹ [●] per Equity Share), aggregating up to ₹ [●] Lakhs ("the Issue") by the issuer Company (the "Company").

The Issue comprises a reservation of upto 1,34,000 Equity Shares of ₹ 10 each for subscription by the designated Market Maker ("the Market Maker Reservation Portion") and Net Issue to Public of upto 25,45,000 Equity Shares of ₹ 10 each ("the Net Issue"). The Issue and the Net Issue will constitute 26.32% and 25%, respectively of the post Issue paid up equity share capital of the Company. The Issue is being made through the Book Building Process.

| Particulars of the Issue(2) | Market Maker Reservation Portion | QIBs(1) | Non-Institutional Investors | Individual Investors who applies for minimum application size |
|---|---|---|---|---|
| **Number of Equity Shares available for allocation** | Upto 1,34,000 EquityShares | Not more than 1,26,000 Equity Shares | Not less than 12,09,000 Equity Shares | Not less than 12,10,000 Equity Shares |
| **Percentage of Issue Size available for allocation** | 5.00% of the Issue Size | Not more than 50% of the Net Issue being available for allocation to QIB Bidders. However, up to 5% of the Net QIB Portion will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be added to the Net QIB Portion | Not less than 15% of the Net Issue<br>(a) one third of the portion available to non-institutional investors shall be reserved for applicants with application size of more than two lots and up to such lots equivalent to not more than ₹10 | Not less than 35% of the Net Issue |

| | | | | |
|---|---|---|---|---|
| | | | lakhs;<br>(b) two third of the portion available to non-institutional investors shall be reserved for applicants with application size of more than ₹10 lakhs:<br>Provided that the unsubscribed portion in either of the subcategories specified in clauses (a) or (b), may be allocated to applicants in the other sub-category of noninstitutional investors." | |
| **Basis of Allotment[(3)]** | Firm Allotment | Proportionate as follows (excluding the Anchor Investor Portion):<br>(a) Up to 9,000 Equity Shares of Face value ₹ 10/- each shall be available for allocation on a proportionate basis to Mutual Funds only; and<br>(b) Up to 1,26,000 Equity Shares of Face value ₹ 10/- each shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above. | Proportionate basis subject to minimum allotment of [●] Equity Shares and further allotment in multiples of [●] Equity Shares | Proportionate basis subject to minimum allotment of [●] Equity Shares |
| **Mode of Application** | Through ASBA Process Only. | Through ASBA Process Only. (Except for Anchor Investors) | Through ASBA Process Only. | Through ASBA Process Only. Through Banks or by using UPI ID for payment |

| | | | | |
|---|---|---|---|---|
| **Minimum Bid Size** | [●] Equity Shares | Such number of Equity Shares and in multiples of [●] Equity Shares of face value of ₹10/- each that the Application size exceeds two lots | Such number of Equity shares in multiple of [●] Equity shares of face value of ₹10/- each such that the Application size exceeds two lots | Such number of [●] Equity Shares in multiple of [●] Equity shares of ₹10 each that the Bid size is two lots |
| **Maximum Bid Size** | [●] Equity Shares | Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Offer, subject to applicable limits | Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the offer (excluding the QIB portion), subject to limits as applicable to the Bidder | Such number of Equity Shares in multiples of [●] Equity Shares of ₹10 each that the Application size is two lots. |
| **Mode of Allotment** | Compulsorily in dematerialized Form | | | |
| **Trading Lot** | [●] Equity Shares, However the Market Maker may accept odd lots if any in the market as required under the SEBI (ICDR) Regulations, 2018. | [●] Equity Shares and in multiples thereof | [●] Equity Shares and in multiples thereof | [●] Equity Shares and in multiples thereof |
| **Terms of Payment** | Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder (other than Anchor Investors) or by the Sponsor Bank through the UPI Mechanism, that is specified in the ASBA Form at the time of submission of the ASBA Form. In case of Anchor Investors: Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids [(4)] | | | |

*This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time.*

*[(1)] Our Company may, in consultation with the Book Running Lead Managers, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price Anchor Investor Allocation Price.*

*[(2)] In terms of Rule 19(2) of the SCRR read with Regulation 252 of the SEBI (ICDR) Regulations, 2018 this is an Issue for at least 25% of the post issue paid-up Equity share capital of the Company. This Issue is being made through Book Building Process, wherein allocation to the public shall be as per Regulation 252 of the SEBI (ICDR) Regulations.*

*(3) Subject to valid Bids being received at or above the Issue Price, undersubscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the Book Running Lead Managers and the Designated Stock Exchange, subject to applicable laws.*
*(4) Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Forms provided that any difference between the Anchor Investor Allocation Price and the Anchor Investor Issue Price shall be payable by the Anchor Investor Pay-In Date as indicated in the CAN.*

*Kindly note: Subject to valid Bids being received at or above the Issue Price, undersubscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the Book Running Lead Manager and the Designated Stock Exchange, subject to applicable laws.*

*SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB*

*The allocation to Non-Institutional Investors shall be made in the following manner: (a) one third of the portion available to non-institutional investors was reserved for applicants with application size of more than two lots and up to such lots equivalent to not more than ₹10 lakhs; (b) two third of the portion available to non-institutional investors was reserved for applicants with application size of more than ₹10 lakhs; and (c) any unsubscribed portion in either of the sub-categories specified in clauses (a) or (b), may be allocated to applicants in the other sub-category of Non-Institutional Investors.*

The Bids by FPIs with certain structures as described under ***"Issue Procedure - Bids by FPIs"*** on pages 388 and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares Allocated and Allotted to such successful Bidders (with same PAN) may be proportionately distributed.

If the Bid is submitted in joint names, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the depository account held in joint names. The signature of only the first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. Bidders will be required to confirm and will be deemed to have represented to our Company, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

## Lot Size

SEBI vide circular CIR/MRD/DSA/06/2012 dated February 21, 2012 (the Circular) standardized the lot size for Initial Public Offer proposing to list on Emerge exchange/platform and for the secondary market trading on such exchange/platform, as under:

| Issue Price (in Rs. ) | Lot Size (No. of shares) |
|---|---|
| Upto 14 | 10000 |
| More than 14 upto 18 | 8000 |
| More than 18 upto 25 | 6000 |
| More than 25 upto 35 | 4000 |
| More than 35 upto 50 | 3000 |
| More than 50 upto 70 | 2000 |
| More than 70 upto 90 | 1600 |

| | |
|---|---|
| More than 90 upto 120 | 1200 |
| More than 120 upto 150 | 1000 |
| More than 150 upto 180 | 800 |
| More than 180 upto 250 | 600 |
| More than 250 upto 350 | 400 |
| More than 350 upto 500 | 300 |
| More than 500 upto 600 | 240 |
| More than 600 upto 750 | 200 |
| More than 750 upto 1000 | 160 |
| Above 1000 | 100 |

Further to the Circular, at the initial public offer stage the Registrar to Issue in consultation with Lead Manager, our Company and NSE EMERGE shall ensure to finalize the basis of allotment in minimum lots and in multiples of minimum lot size, as per the above given table. The secondary market trading lot size shall be the same, as shall be the initial public offer lot size at the application/allotment stage, facilitating secondary market trading.

| | |
|---|---|
| **ISSUE OPENING DATE** | Friday, August 29, 2025, |
| **ISSUE CLOSING DATE** | Tuesday, September 02, 2025 |

Applications and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centres mentioned in the Application Form, or in the case of ASBA Applicants, at the Designated Bank Branches except that on the Issue closing date when applications will be accepted only between 10.00 a.m. to 2.00 p.m.

In case of discrepancy in the data entered in the electronic book vis a vis the data contained in the physical bid form, for a particular bidder, the detail as per physical application form of that bidder may be taken as the final data for the purpose of allotment.

Standardization of cut-off time for uploading of applications on the Bid/ Issue Closing Date:

a) A standard cut-off time of 3.00 P.M. for acceptance of applications.

b) A standard cut-off time of 4.00 P.M. for uploading of applications received from other than individual applicants who applies for minimum application size.

c) A standard cut-off time of 5.00 P.M. for uploading of applications received from only individual applicants who applies for minimum application size, which may be extended up to such time as deemed fit by NSE after taking into account the total number of applications received up to the closure of timings and reported by BRLM to NSE within half an hour of such closure.

It is clarified that Bids not uploaded would be rejected. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid-Cum- Application Form, for a particular bidder, the details as per physical Bid- Cum-application form of that Bidder may be taken as the final data for the purpose of allotment. Bids will be accepted only on Working Days, i.e., Monday to Friday (excluding bank holidays).

## SECTION IX - MAIN PROVISIONS OF ARTICLE OF ASSOCIATION

**THE COMPANIES ACT, 2013**

**COMPANY LIMITED BY SHARES**

**ARTICLES OF ASSOCIATION**

**OF**

**SNEHAA ORGANICS LIMITED***

### I. PRELIMINARY

1. The regulations contained in Table F in Schedule I to the Companies Act, 2013, shall apply to the Company only so far as they are not inconsistent with any of the provisions contained in these Articles or modification thereof or are not expressly or by implication excluded from these Articles.

### INTERPRETATION

2. (i) In the interpretation of these Articles, the following words and expressions shall have the following meanings, unless repugnant to the subject or context.

a) '"The Company" or "This Company" means SNEHAA ORGANICS LIMITED.
b) "The Act" means the Companies Act, 2013.
c) "These Articles" or "Articles" means Article of Association of the Company as originally framed or altered from time to time by Special Resolution or applied in pursuance of any previous Company law or of this Act.
d) "Auditors" means and include those persons appointed as such for the time being by the Company.
e) "Beneficial Owner" means and include beneficial owner as defined in clause (a) sub-Section (1) of Section 2 of the Depositories Act, 1996 or such other Act as may be applicable.
f) "Board" or "Board of Directors" means the collective body of the Directors of the Company.
g) "Capital" means the share capital for the time being raised or authorized to be raised, for the purpose of the company.
h) "The Chairman" means the Chairman of the Board of Directors for the time being of the Company.
i) "Charge" means an interest or lien created on the property or assets of a Company or any of its undertakings or both as security and includes a mortgage.
j) "Debentures" includes debenture-stock, bonds or any other instrument of a Company evidencing a debt, whether constituting a charge on the assets of the company or not.
k) "Depositories Act" means the Depositories Act, 1996 and includes any statutory modification(s) or re-enactment thereof for the time being in force.
l) "Depository" means a Depository as defined in clause (e) sub- section (1) of section 2 of the Depositories Act, 1996.
m) "Director" means a director appointed to the Board of a company.
n) "Dividend" includes any interim dividend.
o) "Executor" or "Administrator" means a person who has obtained a probate or letter of administration, as the case may be from a Court of competent jurisdiction and shall include a holder of a Succession Certificate authorizing the holder thereof to negotiate or transfer the Share or Shares of the deceased Member and shall also include the holder of a Certificate granted by the Administrator General under section 31 of the Administrator General Act, 1963.
p) "Legal Representative" means a person who in law represents the estate of a deceased Member.
q) "Members" in relation to a Company, means;

A. The subscriber to the memorandum of the company who shall be deemed to have agreed to become member of the company, and on its registration, shall be entered as member in its register of members;

B. Every other person who agrees in writing to become a member of the company and whose name is entered in the register of members of the company;

*C.* Every person holding shares of the company and whose name is entered as a beneficial owner in the records of a Depository.

r) "Meeting" or "General Meeting" means a meeting of the members of the Company.

s) "Annual General Meeting" means a general meeting of the Members held in accordance with the provisions of Section 96 of the Act.

t) "Extraordinary General Meeting" means an extraordinary general meeting of the Members duly called and constituted and any adjourned holding thereof.

u) "Month" means a calendar month.

v) "National Holiday" means and includes a day declared as National Holiday by the Central Government.

w) "Office" means the registered office for the time being of the Company.

x) "Ordinary or Special Resolution" means an ordinary resolution, or as the case may be, special resolution referred to in Section 114 of the Act.

y) "Paid-up share capital" or "share capital paid up" means such aggregate amount of money credited as paid up as its equivalent to the amount received as paid up in respect of shares issued and also includes any amount credited as paid up in respect of shares of the company, but does not include any other amount received in respect of such shares, by whatever name called.

z) "Proxy" means an instrument whereby any person is authorized to attend a meeting and vote for a member at the general meeting on a poll and includes attorney duly constituted under the power of attorney.

aa) "Register of Beneficial Owners" means the register of members in case of shares held with a Depository in any media as may be permitted by law, including in any form of Electronic Mode

bb) "The Register of Members" means the Register of Members to be kept pursuant to Section 88 of the Act and includes Register of Beneficial Owners.

cc) "The Registrar" means the Registrar, an Additional Registrar, a Joint Registrar, a Deputy Registrar, or an Assistant Registrar, having the duty of registering Companies and discharging various functions under the Act.

dd) "The Company's Regulations" means the regulations for the time being for the management of the Company.

ee) "Key managerial personnel", in relation to a Company, means –

(A) The Chief Executive Officer or the Managing Director or the Manager;
(B) The Company secretary;
(C) The Whole-time director;
(D) Chief Financial Officer;
(E) Such other officer as may be prescribed;

ff) "Company Secretary" or "Secretary" means a company secretary as defined in clause (c) of sub-section (1) of section 2 of the Company Secretaries Act, 1980 who is appointed by a company to perform the functions of a company secretary under this Act.

gg) "Security" means Shares, Debentures and/or such other securities as defined in clause (h) of section 2 of the Securities Contracts (Regulation) Act, 1956

hh) "Share" means a share in the share capital of a Company and includes stock

ii) "The Seal" means the common seal of the Company.

jj) "The Statutes" means the Companies Act, 2013 and every other Act for the time being in force affecting the Company.

kk) "Year" and "Financial Year" "Years" means the calendar year and "Financial Year" shall have the meaning assigned thereto by Section 2 (41) of the Act.

ll) Words importing the singular number include, where the context admits or requires, the plural number and vice versa.

mm) Save as aforesaid, words or expressions contained in these Articles shall bear the same meaning as in the Act or any statutory modifications thereof for the time being in force.

(ii) Unless the context otherwise requires, words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the Company.

## CAPITAL AND INCREASE AND REDUCTION OF CAPITAL

3. The Authorised Share Capital of the Company Shall be of such amount as may be mentioned in the Capital Clause of the Memorandum of Association of the Company from time to time.

4. The Company in General Meeting may from time to time, increase the capital by the creation of new shares, such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. Subject to the provisions of the Act, any shares of the original or increased capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the General Meeting resolving upon the creation thereof, shall direct, and if no direction be given as the Directors shall determine, and in particular, such shares may be issued with a preferential or qualified rights to dividends, and in the distribution of assets of the Company, and with a right of voting at general meetings of the Company in conformity with Sections 47 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article, the Directors shall comply with the provisions of Section 64 of the Act.

5. Where at any time, a company having a share capital proposes to increase its subscribed capital by the issue of further shares, such shares shall be offered—

(i) to persons who, at the date of the offer, are holders of equity shares of the company in proportion, as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject to the following conditions, namely: —

(a) the offer shall be made by notice specifying the number of shares offered and limiting a time not being less than fifteen days or lessor days as may be prescribed in the Act and not exceeding thirty days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined;

(b) the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other person; and the notice referred to in clause (i) shall contain a statement of this right; (iii) after the expiry of the time

specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner which is not disadvantageous to the shareholders and the company;

(ii) to employees under a scheme of employees' stock option, subject to special resolution passed by company and subject to such conditions as may be prescribed; or

(iii) to any persons, if it is authorised by a special resolution, whether or not those persons include the persons referred to in clause (a) or clause (b), either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed.

Nothing in this Article shall apply to the increase of the subscribed capital of a company caused by the exercise of an option as a term attached to the debentures issued or loan raised by the company to convert such debentures or loans into shares in the company: Provided that the terms of issue of such debentures or loan containing such an option have been approved before the issue of such debentures or the raising of loan by a special resolution passed by the company in general meeting.

6. Subject to the provisions of the Act and these Articles, the Board of Directors may issue redeemable preference shares to such persons, on such terms and conditions and at such times as Directors think fit either at premium or at par, and with full power to give any person the option to call for or be allotted shares of the company either at premium or at par, such option being exercisable at such times and for such consideration as the Board thinks fit.

7. On the issue of redeemable preference shares under the provisions of Article 6 hereof, the following provisions shall take effect: -

(i) no such shares shall be redeemed except out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purpose of the redemption.

(ii) no such shares shall be redeemed unless they are fully paid.

(iii) Where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called the "Capital Redemption Reserve Account", a sum equal to the nominal amount of the shares redeemed and the provisions of the Act relating to the reduction of the shares capital of the Company shall, except as provided in Section 55 of the Act, apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company.

8. The Company may (subject to the provisions of Sections 55 and 66 both inclusive, of the Act) from time to time by Special Resolution reduce its capital, any Capital Redemption Reserve Account or Share premium Account in any Manner for the time being authorized by law, and in particular capital may be paid off on the footing that it may be called upon against or otherwise. This Article is not to derogate from any power the Company would have if it were omitted.

9. Any debentures, debenture-stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.

10. The Company may exercise the powers of issuing sweat equity shares conferred by Section 54 of the Act of a class of shares already issued subject to such conditions as may be specified in that sections and rules framed thereunder.

11. The Company may issue shares to Employees including its Directors other than independent directors and such other persons as the rules may allow, under Employee Stock Option Scheme (ESOP) or any other scheme, if authorized by a Special Resolution of the Company in general meeting subject to the provisions of the Act, the Rules and applicable guidelines made there under, by whatever name called.

12. Subject to the provisions of section 61 of The Act, the Company in General Meeting may from time to time sub-divide or consolidated its shares, or any of them, and the resolution whereby any shares sub-divided, may determine that, as between the holders of the shares resulting from such sub-division, one or more of such shares shall have some reference or special advantages as regards dividend, capital or otherwise over or as compared with the others or other, Subject as aforesaid, the Company in general Meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its shares capital by the amount of the shares so cancelled.

**AUTHORISING COMPANY TO BUY BACK ITS OWN SHARES**

13. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the Company may purchase its own shares or other specified securities.

**SHARE AND CERTIFICATES AND VARIATION OF RIGHTS**

14. Subject to the provisions of the Act and these Articles, the shares in the capital of the company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons and in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of section the Act) and at such time as they may from time to time think fit and with sanction of the company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the directors thinks fit, and may issue ad allot shares in the capital of the company on payment in full or part of any property sold and transferred or for any services rendered to the company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares.

(i) Unless the shares have been issued in dematerialized form in terms of applicable laws, every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided,—

(a) one certificate for all his shares without payment of any charges; or

(b) several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.

(ii) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.

(iii) In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.

(iv) a) Where a new certificate has been issued in pursuance of this Articles, particulars of every such share certificate shall be entered in a Register of renewed and duplicate certificate indicating against the names of the persons to whom the certificate is issued, the number and date of issue of the share certificate in lieu of which the new certificate is issued, and the necessary changes in the Register of Members by suitable cross reference in the "Remarks" column.

b) Every member shall be entitled, without payment to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the directors so approve (upon paying such fee as the Directors so time determine) to several certificates, each for one or more of such shares and the company shall complete and have ready for delivery such certificates within two months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares as the case may be. Every certificates of shares shall be under the seal or the company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe and approve, provided that, in respect of a share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one or several joint holders shall be a sufficient delivery to all such holder.

15. (i) If any share certificate be worn out, defected, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every certificate under this Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.2/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above the Directors shall comply with such rules or regulation or requirements of any Stock Exchange or the rules made under the Act or rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable thereof in this behalf.

(ii) The provisions of this Articles shall mutatis mutandis apply to debentures of the company.

16. Except as required by law, no person shall be recognised by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as recognised in accordance with the Act) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder. If any shares stands in the names of two or more persons, the person first named in the register shall be regards receipt of dividends or bonus or service of notice and all or any other matters connected with the company, except voting at meetings be deemed the sole holder thereof, but the joint holders of the share, shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such shares for all incidents thereof according to the company regulations.

17. Except as ordered by a Court of competent jurisdiction or as by law required, the company shall not bound to recognize any equitable, contingent, future or partial interest in any share, or (except provided) any rights in respect of a share other than absolute rights thereto, in accordance with these Article, in the person from time to time registered as the holder thereof, but the Board shall be at liberty at their sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.

18. If by the conditions of allotment of any share the whole or part of the amount or issue price thereof shall be payable by instalment, every such instalment shall when due be paid to the Company by the person who for the time being and from time to time shall be the registered holder of the share or his legal representative.

19. None of the funds of the company shall be applied for the purchase of any share of the company, and it shall not give any financial assistance for or in connection with the purchase or subscription of any shares in the company or in its holding company save as provided by section 67 of the Act.

20. i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the company is being wound up, 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.

ii) To every such separate meeting, the provisions of these regulations relating general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.

The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith.

## DEMATERIALISATION OF SECURITIES

21. The provisions of this Article shall apply notwithstanding anything to the contrary contained in any other Articles.

22. The Board or any Committee thereof shall be entitled to dematerialize Securities or to offer securities in a dematerialized form pursuant to the Depositories Act, 1996, as amended. The provisions of this Section will be applicable in case of such Securities as are or are intended to be dematerialized.

23. Every holder of or subscriber to Securities of the Company shall have the option to receive certificates for such securities or to hold the securities with a Depository. Such a person who is the Beneficial Owner of the securities can at any time opt out of a Depository, if permitted by law, in respect of any securities in the manner provided by the Depositories Act, 1996, and the Company shall, in the manner and within the time prescribed by law, issue to the Beneficial Owner the required certificates for the Securities.

24. If a person opts to hold his securities with the Depository, the Company shall intimate such Depository the details of allotment of the securities, and on receipt of the information, the Depository shall enter in its record the name of the allottee as the Beneficial Owner of the securities.

25. All securities held by a Depository shall be dematerialized and be in fungible form. Nothing contained in Sections 89 of the Act shall apply to a Depository in respect of the securities held by

on behalf of the Beneficial Owners.

26. (i) Notwithstanding anything to the contrary contained in these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of Securities of the Company on behalf of the Beneficial Owner.

(ii) Save as otherwise provided in sub-clause above, the Depository as the registered owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.

(iii)Every person holding Securities of the Company and whose name is entered as the Beneficial Owner of securities in the record of the Depository shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of the Securities which are held by a Depository and shall be deemed to be a Member of the Company.

27. Notwithstanding anything to the contrary contained in these Articles, where Securities of the Company are held in a Depository, the records of the beneficiary ownership may be served by such Depository on the Company by means of Electronic Mode or by delivery of floppies or discs.

28. Nothing contained in Section 56 of the Act or anything to the contrary contained in these Articles shall apply to a transfer of Securities effected by a transferor and transferee both of whom are entered as Beneficial Owners in the records of a Depository.

29. Notwithstanding anything to the contrary contained in these Articles, where Securities are dealt with by a Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such Securities.

30. Notwithstanding anything to the contrary contained in these Articles regarding the necessity of having distinctive numbers for Securities issued by the Company shall apply to securities held with a Depository.

31. The Register and Index of Beneficial Owners maintained by Depository under the Depositories Act, 1996, as amended shall be deemed to be the Register and Index of Members and Security holders for the purposes of these Articles.

## UNDERWRITING AND BROKERAGE

32. Subject to the provisions of section 40 of the Act:

(i) The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.
(ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.
(iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

33. The company may pay a reasonable sum for brokerage.

## CALL ON SHARES

34. (i) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:

Provided that no call shall exceed one-fourth of the nominal value of the share (or such other per cent. determined the Board or prescribed under applicable law) or be payable at less than one month or such other period prescribed under applicable law from the date fixed for the payment of the last preceding call.

(ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.

(iii) A call may be revoked or postponed at the discretion of the Board.

35. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.

36. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

37. (i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent. per annum or at such lower rate, if any, as the Board may determine.

(ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.

38. (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

(ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

39. The Board—
(a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and
(b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent. per annum, as may be agreed upon between the Board and the member paying the sum in advance.

The provisions of these Articles shall mutatis mutandis apply to the calls on debentures of the company.

## LIEN

40. (i) The company shall have a first and paramount lien:

(a) upon all share/debenture (not being a fully paid share/debenture), (other than fully paid-up shares/debentures) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share/debenture; and no equitable interest in any share shall be created except upon the footing and condition that this Article will have full effect and such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures.

(b) Unless otherwise agreed the registration of a transfer of shares/debentures shall operate as a waiver of the company's lien If any, on such shares/debentures. The Directors may at any time declare any shares/debentures wholly or in part to be exempt from the provisions or this Article.

(c) The fully paid up shares shall be free from all lien and in the case of partly paid up shares the Company's lien shall be restricted to moneys called or payable at a fixed time in respect of such shares.

41. The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien:

Provided that no sale shall be made:

(i) unless a sum in respect of which the lien exists is presently payable; or

(ii) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

42. (i)To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.

(ii)The purchaser shall be registered as the holder of the shares comprised in any such transfer.

(iii)The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

43. (i) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.
(ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

## FORFEITURE OF SHARES

44. If a member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.

45. The notice aforesaid shall:

(i) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and

(ii) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.

46. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of forfeited shares and not actually paid before the forfeiture.

47. When any shares shall have been so forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture, with the date thereof, shall forthwith be made in any manner invalidated, by any omission or neglect to give such notice or to make any such entry as aforesaid.

48. The forfeiture of a share shall involve extinction, at the time of the forfeiture, of all interest in all claims and demands against the Company in respect of the share and all other rights, incidental to the share except only such of those rights as by these Articles are expressly saved.

49. (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.

(ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

50. (i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies (calls, installments, interest and expenses) which, at the date of forfeiture, were presently payable by him to the company in respect of the shares and Board may enforce the payment thereof or any part thereof, without any deduction or allowance for the value for the shares at the time of forfeiture, but shall not be under any obligation to do so.

(ii) The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.

51. (i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;

(ii) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;

(iii) The transferee shall thereupon be registered as the holder of the share; and

(iv)The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

52. Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the company have been seen previously surrendered to it by the defaulting member) stand cancelled and became null and void and of no effect, and the Directors, shall be entitled to issue a duplicate certificate or certificates in respect of the said shares to the person or persons, entitled thereto.

53. The provisions of these regulations as to forfeiture shall apply in the case of nonpayment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

## TRANSFER AND TRANSMISSION OF SHARES

54. (i) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.

(ii)The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

(iii)The Instrument of transfer shall be in writing and all provisions of Section 56 of the Act, and statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof.

(iv) No fee shall be charged for registration of transfer, transmission, probate, succession certificate and Letters of administration, Certificate of Death or Marriage, Power of Attorney or similar other document.

55. The Board may, subject to the right of appeal conferred by section 58 decline to register:

(i) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or
(ii) any transfer of shares on which the company has a lien.

56. The Board may decline to recognise any instrument of transfer unless:
(i) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;
(ii) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
(iii) the instrument of transfer is in respect of only one class of shares.

57. On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:
Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

58. (i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognized by the company as having any title to his interest in the shares.

(ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

59. (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either:
(a) to be registered himself as holder of the share; or
(b) to make such transfer of the share as the deceased or insolvent member could have made.

(ii)The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

60. (i) If the person becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency of any member of the marriage of a female member, or by any lawful means other than by a transfer in accordance with these presents may with the consent of Board of Directors (which shall not be under any obligation to give) upon producing such evidence that he sustains the character in respects of which he proposes to act under his article of his title, as the Board of Directors thinks sufficient, either be registered himself as holder of the shares or elect to have some person nominated by him and approved by the Board of Directors registered as such holder.

(ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

(iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

61. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

62. No share shall in any circumstances be transferred to any infant, insolvent or persons of unsound mind.

63. Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by such evidence as the Board of Directors may require to prove the title of the transferor, his right to transfer the shares and generally under and subject to such conditions and regulations as the board of Directors shall from time to time prescribe, and every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board of Directors. The Company shall also use a common form of transfer. Subject to applicable law, the Board may delegate the power of transfer of securities to a committee or to compliance officer or to the registrar to an issue and/or share transfer agent(s).

64. The Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer and may have entered such notice, or referred thereto, in any book or the Company, and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do, though it may been entered or referred to in some book of the Company, but the company shall nevertheless be at liberty to regard and attend to any such notice and given effect thereto, if the Board of Directors shall so think fit.

65. Subject to the provisions of the Act, these Articles, or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to any shares or interest of a Member in or debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal. Provided that the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on shares.

**BOARD TO RECOGNIZE BENEFICIAL OWNERS OF SECURITIES**

66. Notwithstanding anything to the contrary contained in these Articles, a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of Securities on behalf of a Beneficial Owner.

67. Save as otherwise provided hereinabove, the Depository as a registered owner shall not have any voting rights or any other rights in respect of securities held by it, and the Beneficial Owner shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of its securities held by a Depository.

68. Except as ordered by a Court of competent jurisdiction or as required by law, the Company shall be entitled to treat the person whose name appears as the Beneficial Owner of the securities in the records of the Depository as the absolute owner thereof and accordingly the Company shall not be bound to recognise any benami, trust or equitable, contingent, future or partial interest in any Security or (except otherwise expressly provided by the Articles) any right in respect of a Security other than an absolute right thereto, in accordance with these Articles on the part of any other person whether or not it shall have express or implied notice thereof.

**NOMINATION**

69. Every holder of Shares in, or Debentures of the Company may at any time nominate, in the manner prescribed under the Act, a person to whom his shares in or Debentures of the Company shall vest in the event of death of such holder.

70. Where the Shares in, or Debentures of the Company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, a person to whom all the rights in the shares or Debentures of the Company, as the case may be, held by them shall vest in the event of death of all joint holders.

71. Notwithstanding anything to the contrary contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, or in these Articles, in respect of such shares in or Debentures of the Company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the shares in, or Debentures of the Company, the nominee shall, on the death of the shareholders or holder of Debentures of the Company or, as the case may be, on the death of all the joint holders become entitled to all the rights in the shares or Debentures of the Company to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner under the provisions of the Act.

72. Where the nominee is a minor, it shall be lawful for the holder of the shares or holder of Debentures

to make the nomination to appoint, in the prescribed manner under the provisions of the Act, any person to become entitled to the shares in or Debentures of the Company, in the event of his death, during the minority.

## COPIES OF MEMORANDUM AND ARTICLES TO BE SENT TO MEMBERS

73. Copies of the Memorandum and Articles of Association of the Company and of other documents referred to in Section 17 of the Act shall be sent by the Board to every Member at his request, within 7 days of the request, on payment of rupee one hundred for each copy.

## BORROWING POWER

74. The Board may, from time to time at its description subject to the provisions of Sections 179 and of the Act, raise or borrow, either from the Directors or from elsewhere and secure the payment of any sum or sums of money for the purpose of the Company, provided that the Board shall not without the sanction of the Company in General Meeting borrow any sum of money which together with money borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate for the time being of the paid up capital of the Company and its free reserves, that is to say, reserves not set aside for any specific purpose.

75. The Board may raise or secure the repayment of such sum or sums in such manner and upon such terms and conditions in all respects as it may think fit, and in particular by the issue of bonds, perpetual or redeemable, debentures or debenture-stock, or any mortgage, or other security on the undertaking of the whole or any part of the property of the Company (both present and future), including its uncalled capital for the time being.

76. Any debentures, debenture-stock, bonds or other securities may be issued at a premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at the General Meeting, appointment of Directors and otherwise Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in General Meeting by a Special Resolution.

77. Save as provided in Section 56 of the Act no transfer of debentures shall be registered unless a proper instrument of transfer duly stamped and executed by the transferor and transferee has been delivered to the Company together with the certificate or certificates of the debentures.

78. If the Board refuses to register transfer of any debentures the company shall, within one month from the date on which the instrument of transfer was lodged with the Company send to the transferee and to the transferor notice of the refusal.

79. The Board shall cause a proper Register to kept in accordance with the provisions of Section 85 of the Act of all mortgages, debentures and charges specifically affecting the property of the Company, and shall cause the requirements of the Act in that behalf to be duly complied with, so far as they fail to be complied with by the Board.

80. The Company shall if at any time it issues debentures, keep a Register and Index of Debenture holders in accordance with Section 88 of the Act. The Company shall have the power to keep in any state or Country outside India a branch of Debenture-holders resident in that State or country.

## CONVERSION OF SHARES INTO STOCK AND RECONVERSION

81. The Company in General Meeting may convert any paid-up shares into stock, and when any shares shall have been converted into stock, the several holders of such stock may henceforth transfer their respective interest therein, or any part of such interest, in the same manner and subject to the same regulations as, and subject to which shares from which the stock arose might have been transferred, if no such conversion had taken place or as near thereto as circumstance will admit. The company may at any time reconvert any stock into paid-up shares of any denomination.

82. The holders of stock shall, according to the amount of stock held by them have the same rights, privileges and advantages as regards dividends, voting at meeting of the Company and matters as if they held the shares from which the stock arose, but no such privileges or advantage (except participation in the Dividends and profits of the Company and in the assets of winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

## MEETINGS OF MEMBERS

83. The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year. All General Meetings other than Annual general meetings shall be Extra-ordinary General Meetings. The first Annual General Meeting shall be held within a period of nine month from the date of closing of the first financial year of the Company and in any case, within a period of six months, from the date of closing of the year, provided that not more than fifteen months shall elapse between the date of one annual general meeting of a Company and that to the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the register under provisions of Section 96(1) of the Act to extend the time within which any Annual General Meeting may be held. Every Annual General Meeting shall be called during business hours, that is between 9.00 AM to 6.00 PM on any day that is not a National Holiday and shall be held at the registered office of the Company or at some other place within the city in which the registered office of the Company is situated, as the Board may determine and the Notices calling the Meeting shall specify it as the Annual General Meeting. The Company may in any one Annual General Meeting fix the time for its Subsequent Annual General Meetings. Every member of the Company shall be entitled to attend either in person or by proxy and the Auditor of the Company shall be entitled to attend and to be heard at any General Meeting which he attends on any part of the business, concerns him as auditor. At every Annual General Meeting of the Company there shall be laid on the table the Director's Report (if not already incorporated in the Audited Statement of Accounts) the proxy Register with proxies and the Register open and accessible during the continuance of the meeting. The Board shall cause to be prepared the Annual List of Members, Summary of the Share Capital, Balance Sheet and Profit and Loss Account and forward the same to the Register in accordance with Section 92 and 137 of the Act.

84. The Board may, whenever it deems fit, call an extra ordinary general meeting of the Company.

85. The extraordinary general meeting shall be called by the Board, at the requisition in writing made by such number of members who hold, on the date of receipt of requisition, not less than one-tenth of such of paid-up capital of the Company as on the date carries the right of voting in regard to the matter in respect of which the requisition has been made.

86. Any valid requisition so made by members must state the object or objects of the meeting proposed to be called, and must be signed by the requisitions and be deposited at the registered office of the Company, provided that such requisition may consist of several documents in loose form and each

shall be signed by one or more requisistionists.

87. Upon the receipt of any such requisition the Board shall within twenty-one days from the date of receipt of a valid requisition in regard to any matter, proceed to call an extra ordinary general meeting for the consideration of that matter on a day not later than forty -five days from the date of receipt of such requisition. The requisitionists, or such of their number as represent either a majority in value of the paid-up share capital held by all of them or not less than one-tenth of the paid-up share capital of the Company as is referred to section 100 of the Act, whichever is less, may themselves call the meeting, but in either case, any meeting so called may be held within three months from the date of the delivery of the requisition as aforesaid.

88. Any reasonable expenses incurred by the requisitionist in calling an extraordinary meeting shall be reimbursed to the requisitionists by the company and the sums so paid shall be deducted from any fee or other remuneration under section 197 payable to such directors who were in default in calling the meeting.

89. Any meeting called under the foregoing Articles by the requisitionists shall be called and held in the same manner, as nearly as possible, as that in which meeting is to be called and held by the Board.

90. A general meeting of the Company may be called by giving not less than clear twenty-one days' notice either in writing or through electronic mode in such manner as may be prescribed.

Provided that a general meeting may be called after giving a shorter notice if consent is given in writing or in electronic mode by not less than 95% of the members entitled to vote at such meeting.

Notice shall, specifying the day, place and hour of meeting, and the general nature of the business to be transacted thereat, shall be given in the manner hereinafter provided, to such persons as are under these Article entitled to receive notice from the Company.

91. A notice calling the meeting shall be annexed with the statement setting out the following material facts concerning each item of special business to be transacted at a general meeting:

(i) The nature of concern or interest, financial or otherwise, if any, in respect of each items of
(a) Every director and the manager, if any;
(b) Every other key managerial personnel; and
(c) Relatives of the persons mentioned in sub-clause (i) and (ii) hereinabove;

(ii) Any other information and facts that may enable members to understand the meaning, scope and implications of the items of business and to take decision thereon.

92. In the case of an Annual General Meeting, all business to be transacted thereat shall be deemed special, other than:

(i) the consideration of the financial statements, and the reports of the Board of Directors and auditors.
(ii) the declaration of any dividend.
(iii) the appointment of Directors in place of those retiring.
(iv) the appointment of, and fixing of the remuneration of, the auditors, and in case of any other meeting, all business shall be deemed to be special.

Provided, that where any item of special business to be transacted at a meeting of the company relates to or affects any other company, the extent of shareholding interest in that other company of

every promoter, director, manager, if any, and of every other key managerial personnel of the first mentioned company shall, if the extent of such shareholding is not less than two percent of the paid up share capital of the company, also be set out in the statement.

93. Any accidental omission to give notice to, or the non-receipt of such notice as aforesaid by, any member or other person who is entitled to such notice for any meeting shall not invalidate the proceedings of the meeting.

94. Where any item of business refers to any document, which is to be considered at the meeting, the time and place where such document can be inspected shall be specified in the statement as referred in Article 79.

95. The notice of every meeting of the company shall be given to:
(i) every member of the Company, legal representative of any deceased member or the assignee of an insolvent member;
(ii) the auditor or auditors of the Company; and
(iii) every director of the Company.

96. No General Meeting, Annual or Extraordinary, shall be competent to enter upon discuss or transact any business, which has not been mentioned in the notice or notices upon which it was convened.

97. Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103 of the Act.

98. A body corporate being a member shall be deemed to be personally present if it is represented in accordance with Section 113 of the Act.

99. If, at the quorum is not present within half-an-hour form the time appointed for holding a meeting of the company:
(i) the meeting shall stand adjourned to the same day in the next week at the same time and place or to such other date and such other time and place as the Board may determine; or
(ii) the meeting called by requisitionist under section 100 of the Act, shall stand cancelled.

Provided, that in case of an adjourned meeting or of a change of day, time or place of meeting under clause (i), the company shall give not less than three days notice to the members either individually or by publishing an advertisement in the newspapers (one in English and one in vernacular language) which is in circulation at the place where the registered office of the company is situated.

If at the adjourned meeting also, a quorum is not present within half-an-hour from the time appointed for holding meeting, the members present shall be the quorum.

100. The Chairman (if any) of the Board shall be entitled to take the chair at every General Meeting, whether Annual or Extraordinary. If there be no such Chairman of the Board, or if at any meetings he shall not be present within fifteen minutes of the time appointed for holding such meeting, or if he shall be unable or unwilling to take the chair, then the directors present may choose one of their member to be the Chairman of the meetings. If no director be present or if all the director present decline to take the chair, then the Members present shall elect one of themselves to be the Chairman thereof on a show of hands. If a poll is demanded on the election of the Chairman, it shall be taken forthwith in accordance with the provisions of the Act and the Chairman elected on a show of hands under sub-section (1) of section 104, shall continue to be the Chairman of the meeting until some other person is elected as Chairman as a result of the poll, and such other person shall be the Chairman for the rest of the meeting.

101. No business shall be discussed at any General Meeting except the election of a chairman, while the Chair is vacant.

102. The chairman with the consent of the members may adjourn any meeting from time to time and from place to place in the city in which it is held but, no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

## VOTING RIGHTS AND PROXY

103. No member shall be entitled to vote either personally or by proxy, at any General Meeting or meeting of class of shareholders either upon show of hands or upon a poll in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or, in regard to which the Company has, and has exercised any right of lien.

104. Subject to the provisions of these Articles and without prejudice to any special privileges or restriction as to voting for the time being attached to any class of shares for the time being forming part of the Capital of the Company every member not disqualified by the last preceding Article shall be entitled to be present, and to speak and vote at such meeting, and on show of hands every member present in person shall have one vote and upon a poll the voting rights of every member present in person or by proxy shall be in proportion to his shares of the paid-up equity share capital of the Company provided, however if any preference shareholder be present at any meeting of the Company, save as provided in clause (b) of sub-section (2) of Section 47, he shall have a right to vote only on resolutions placed before the meeting which directly affect the rights attached to his preference shares.

105. On a poll taken at meeting of the Company a member entitled to more than one vote or his proxy or other person entitled to vote for him as the case may be need not if he votes, use all his votes or cast in the same way all the votes he used.

106. Subject to the provisions of these Articles votes may be given either personally or by proxy. A body corporate being a member may vote either by a proxy or by a representative duly authorized in accordance with Section 113 of the Act and such representative shall be entitled to exercise the same rights and powers including the rights to vote by proxy on behalf of the body corporate which he represents as the body could exercise if it were an individual member.

107. Any person entitled under these Articles to transfer any share may vote at any General Meeting in respect thereof in the same manner as if he were the register holder of such shares provided that forty eight hours at least before the time for holding the or adjourned meeting, as the case may be, at which he proposes to vote he shall satisfy the Directors of his right transfer such shares and give such indemnity (if any) as the Directors may require or the Directors shall have previously admitted his right to vote at such meeting in respect thereof.

108. Every proxy (whether a member or not) shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a corporation under the common seal of such corporation or be signed by an officer or any attorney duly authorized by it, and any Committee or guardian may appoint such proxy. The proxy so appointed shall not have any right to speak at the meetings.

109. An instrument of proxy may appoint a proxy either for the purpose of particular meeting specified in the instrument and any adjournment thereof or it may appoint for the purpose of every meeting

of the Company, or of every meeting to be held before a date specified in the instrument and every adjournment of any such meeting.

110. A member present by proxy shall be entitled to vote only on a poll.

111. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.

112. At any General Meeting, a Resolution put to the vote at the Meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result on a show of hands) demanded under section 109 or voting is carried out electronically:

(i) by the Chairman of the Meeting; or
(ii) by the member or Members present in person or by proxy and holding shares in the Company which confer a power to vote on the Resolution being not less than one-tenth of the total voting power in respect of the Resolution; or
(iii) by any Member or Members present in person or by proxy and holding shares in the company on which as aggregate sum of Five Lakh Rupees has been paid up; or
(iv) by any Member or Members present in person or by proxy and holding shares in the Company conferring a right to vote on the resolution being shares on which an aggregate sum has been paid up which is not less than one-tenth of the total sum paid on all the shares conferring that right.

Unless a poll be so demanded, a declaration by the chairman of the meeting that a resolution has, on a show of hands, been carried unanimously or by a particular majority, or lost or not carried by a particular majority and an entry to that effect in the book containing the minutes of the proceedings of the Meeting of the company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against that resolution.

The demand for a poll may be withdrawn at any time by the person or persons who made the demand.

113. In the case of an equality of votes, the Chairman shall both on a show of hands and at a poll (if any) have a casting vote in addition to the vote or votes to which he may be entitled as a member.

114. The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of poll shall be sole judge of the validity of every vote tendered at poll.

115. If a poll is demanded as aforesaid the same shall, subject to Articles be taken at such time (not later than forty-eight hours from the time when the demand was made) and place in the city or town in which the office of the Company is for the time being situate and either at once or after an interval or adjournment or otherwise, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.

116. Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutineers to scrutinize the vote given on the poll and to report thereon to time. Once the scrutineers so appointed shall always be a member (not being an officer or employee of the Company) present at the meeting provided such a member is available and willing to be appointed. The Chairman shall have power at any time before the result of the poll is declared to remove a scrutineer from office and fill vacancies in the office of scrutineer arising from each removal or from any other cause.

117. The demand for a poll except on the questions of the election of the Chairman and of an adjournment shall prevent the continuance of a meeting for the transaction of any business other than the question

on which the poll has been demanded.

118. If there be joint holders of any shares, any one of such person may vote at any meeting or may appoint another person (whether a member or not) as his proxy in respect of such shares, as if he were solely entitled thereto but the proxy so appointed shall not have any right to speak at the meeting and, if more than one of such joint holders be present at any meeting, that one of the said persons so present whose name stands higher on the Register shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint holders shall be entitled to be present at the meeting, several executors or administrators of a deceased member in whose name shares stand shall for the purpose of these Articles to be deemed joint holders thereof.

119. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy, if any member be a minor the vote in respect of his share or shares shall be by his guardian or any of his guardian if more than one to be selected in case of dispute by the Chairman of the meeting.

120. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

121. (i)No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.

(ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

122. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.

123. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.

124. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy of any power of attorney under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given, provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

125. (i) The Company shall cause minutes of all proceedings of every General Meeting to be kept by making within thirty days of the conclusion of every such meeting concerned, entire thereof in books kept for that purpose with their pages consecutively numbered.

(ii) Each page of every such book shall be initialled or signed and the last page of the record of proceedings of such meeting in such books shall be dated and signed by the Chairman of the same meeting within the aforesaid period of thirty days or in the event of the death or liability of that Chairman within that period by a Director duly authorised by the Board for the purpose.

(iii) In no case the minutes of proceedings of a meeting shall be attached to any such book as

aforesaid by pasting or otherwise.

(iv)The minutes of each meetings shall contain a fair and correct summary of the proceedings thereat.

(v)All appointments of officers made at any meeting aforesaid shall be included in the minutes of the meetings.

(vi) Nothing herein contained shall require or be deemed to require the inclusion in such minutes of any matter which in the opinion of the Chairman of the meeting:

(a) is or could reasonably be regarded, as, defamatory of any person; or
(b) is irrelevant or immaterial to the proceeding; or
(c) is detrimental to the interest of the Company.

The Chairman of the meeting shall exercise on absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the aforesaid grounds.

(vii)Any such minutes shall be evidence of the proceedings recorded therein.

(viii)The book containing that minutes of proceedings of general meetings shall be kept at the registered office of the Company and shall be open during business hours for such periods not being less in the aggregate than two hours in each day as the directors determine, to the inspection of any member without charge.

## BOARD OF DIRECTORS

126.

(i) Until otherwise determined by a General Meeting of the Company and subject to the provisions of Sections 2(10), 149, 162 and 152 of the Act, the company shall have a Board of Directors consisting of individuals as directors and shall have a minimum of three directors and a maximum of fifteen directors.

Provided, that the Company in General Meeting by passing a special resolution, may appoint more than fifteen directors.

Provided further that the Company shall have at least one women director.

(ii) The first directors of the Company shall be:

(a) Mr. Venkata Sai Kiran Nandigala

(b) Mrs. Venkata Lakshmi Nandigala

(c) Mr. Venkata Sai Harish Nandigala

A Director of the Company shall not be bound to hold any Qualification Shares in the Company.

127. If at any time the company obtains any loans or any assistance in connection therewith by way of guarantee or otherwise from any person, firm, body corporate, local authority or public body (hereinafter called “the institution”) or if any time the Company issues any shares, debentures and enters into any contract or arrangement with the institution whereby the institution subscribes for or underwriters the issue of the Company’s shares or debentures or provides any assistance to the Company in any manner and it is a term of the relative loan, assistance, contract or agreement that

the institution shall have the right to appoint one or more nominee directors at the Board the Company, then provisions of Section 161 of the Act and subject to the term and conditions of such loan, assistance, contract or arrangement with the institution shall be entitled to appoint one or more nominee Director or Directors, as the case may be, to the Board of the company and to remove from office of Board of Directors, any Director so appointed and to appoint another in his place or in the place of Director so appointed who resigns or otherwise vacates his office. Any such appointment or removal shall be made in writing and shall be served at the office of the Company. The nominee Director or Directors so appointed shall neither be required to hold any qualification share nor be liable to retire by rotation and shall continue on office for so long as the relative loan, assistance, contract or arrangement as the case may be, subsists.

128. If it is provided by the Trust Deed, securing or otherwise in connection with any issue of debentures of the Company, that any person or persons shall have power to nominate a Director of the company, then in the case of any and every such issue of Debenture, the person or persons having such power may exercise such power from time to time and appoint a Director accordingly. A Debenture Director may be removed from office at any time by the person or persons in whom for the time being is vested the power under which he was appointed and another Director may be appointed in his place. A debenture director shall not be appointed in his place. A debenture director shall not be liable to retire by rotation. A Debenture director shall not be bound to hold any qualification shares.

129. The Company shall have at least one director who has stayed in India for total period of not less than one hundred and eighty-two days in the previous calendar year.

130. The Company shall have at least two directors as Independent Directors in terms of provisions of Companies (Appointment and Qualification of Directors) Rules, 2014.

131. Every Independent director shall at the first meeting of the Board in which he participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect his status as an Independent Director, give a declaration that he meets the criteria of independence as provided in sub-section (6) of section 149 of the Act.

132. Subject of the provisions of section 152, an Independent Director shall hold office for a term upto five consecutive years on the Board of the Company, but shall be eligible for re-appointment on passing of a special resolution by the company and disclosure of such appointment in the Board's report.

133. Notwithstanding anything contained hereof, no Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after the expiration of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not during the said period of three years, be appointed in or be associated with the company in any other capacity, either directly or indirectly.

134. The Board of Directors of the Company may, by resolution passed by the company in general meeting, appoint a person, not being a person holding any Alternate Directorship for any other director in the company, to act as an Alternate Director for a director during his absence for a period of not less than three months from India.

Provided that no person shall be appointed as an alternate Director for an Independent Director unless he is qualified to be appointed as an Independent Director under the provisions of the Act.

Provided further that an Alternate Director shall not hold office for a period longer than that permissible to the Director in whose place he has been appointed and shall vacate office if and when the Director in whose place he has been appointed returns to India.

Provided also that if the term of office of the original director is determined before he so returns to India, any provisions in the Act or in these Articles for his automatic reappointment of any retiring Director in default of another appointment shall apply to the original Director and not to the Alternate Director.

135. Subject to the provisions of Section 161 and 152 of the Act, the Board shall have power at any time and from time to time to appoint any other qualified person to be an additional Director, but so that the total number of Directors shall not, at any time exceed the maximum fixed under these Articles, and any such additional Director shall hold office only up to the date of the next Annual General Meeting or the last date on which the Annual General Meeting should have been held, whichever is earlier.

136. Until otherwise determined by the Company in General Meeting, a Director shall not be required to hold any shares in the capital of the Company as his qualification.

137. Subject to the provisions of Sections 161, 152 and 169(7)) of the Act, the Board shall have power at any time and from time to time to appoint any other qualified person to act as a Director to fill a casual vacancy. Any person so appointed shall hold office only up to the date to which the Director is whose place he is appointed would have held office if it has not been vacated by him.

138. (i) Subject to the provisions the section 197 and Schedule V, a Managing Director, Whole time Director or Manager shall be appointed and the terms and conditions of such appointment and remuneration, either be payable monthly or at a specified percentage of the net profits of the company or partly by one way and partly by the other, be approved by the Board of Directors at a meeting which shall be subject to approval by a resolution at the next general meeting of the company and by the Central Government in case such appointment is at variance to the conditions specified in that Schedule.

Provided that a notice convening Board or general meeting for considering such appointment shall include the terms and conditions of such appointment, remuneration payable and such other matters including interest, of a Director or Directors in such appointments, if any.

(ii) Subject to the provisions of the Act, a Director who is neither in the whole-time employment nor a managing Director, may be paid remuneration either:

(a) by way of monthly payment or at a specified percentage of the net profits of the company or partly by one way or partly by another way;
(b) the sitting fee payable to a Director (including Managing Director or Whole time Director, if any), for attending each meeting of the Board or Committee thereof or for any other purpose whatsoever, shall not be more than the amount prescribed by the Act and Rules made thereunder.

Provided that for Independent Directors and Women Directors, the sitting fee shall not be less than the sitting fee payable to other directors.

139. The Board may allow and pay to any Director who is not a bonafide resident of the place where the meetings of the Board are ordinarily held and who shall come to such place for the purpose of attending any meeting, such sum as the Board may consider fair compensation for traveling, boarding, lodging and other expenses, in addition to his fee for attending such meeting, as above specified; and if any Director by called upon to go or resided out of the ordinary place of his residence on the Company's business, he shall be entitled to be repaid and reimbursed any traveling or other expenses incurred in connection with business of the Company.

140. The continuing Directors may act notwithstanding any vacancy in their body but if and so long as

their number is reduced below the minimum number fixed by these Articles hereof, the continuing Directors not being less than two, may act for the purpose of increasing the number of directors to the number or for summoning a General Meeting but no other purpose.

141. The office of a Director shall ipso facto be vacated if:

(i) he incurs any of the disqualifications specified in section 164 of the Act, 2013;

(ii) he absent himself from all the meetings of the Board of Directors held during a period of twelve months with or without seeking leave of absence of the Board;

(iii) he act in contravention of the provisions of Section184 of the Act, relating to entering into contracts or arrangements in which he is directly or indirectly interested;

(iv) he fails to disclose his interest in any contract or arrangements in which he is directly or indirectly interested, in contravention of the provisions of Section 184 of the Act;

(v) he becomes disqualified by an order of a court or the tribunal;

(vi) he is convicted by a court of any offence, whether involving moral turpitude or otherwise and sentenced in respect thereof to imprisonment for not less than six months.

Provided that the office shall be vacated by the director even if he has filed an appeal against the order of such court;

(vii) he has been removed in pursuance of the provisions of the Act;

(viii) he, having been appointed a director by virtue of his holding any office or other employment in the holding, subsidiary, or associate company, ceases to hold such office or other employment in that company.

142. Company shall not enter into any contract or arrangements with a related party with respect to:

(i) sale, purchase or supply of any goods or materials

(ii) selling or otherwise disposing of, or buying property of any kind;

(iii) leasing of property of any kind;

(iv) availing or rendering of any services;

(v) appointment of any agent for purchase or sale of goods, materials, services or property;

(vi) such related party's appointment to any or place of profit in the company, its subsidiary company or associate company; and

(vii) underwriting the subscription of any securities or derivatives thereof, of the company.

Provided that no contract or arrangement shall be entered into by the company, in accordance with the provisions of the Section 188 of the Act and Companies (Meetings of Board and its Powers) Rules, 2014, except with the prior approval of the company by a special resolution.

Provided further that no member of the company shall vote on such special resolution, to approve any contract or arrangements which may be entered into by the company, if such member is a related party.

Provided also that nothing in these Articles shall apply to any transactions entered into by the company in its ordinary course of business other than transactions which are not on an arm's length basis.

143. Where any contract or arrangement is entered into by a director or any other employee, without obtaining the consent of the Board or approval by a special resolution in the general meeting, and if it is not ratified by the Board or, as the case may be, by the shareholders at a meeting within three months from the date on which such contract or arrangement was entered into, such contract or arrangement shall be voidable at the option of the Board and if the contract or arrangement is with a related party to any director, or is authorized by any other director, the directors concerned shall indemnify the company against any loss incurred by it.

144. Without prejudice to above, it shall be open to the company to proceed against a director or any other employee who had entered into such contract or arrangement in contravention of the provisions of Section 188 of the Act for recovery of any loss sustained by it as a result of such contract or arrangement.

145. Every director shall at the first meeting of the Board of Directors in which he participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the disclosures already made, then at the first Board meeting held after any such change, disclose his concern or interest in any company or companies or bodies corporate, firms or other association of individuals which shall include the shareholding, in such manner as may be prescribed.

146. Every Director of the Company who is in any way, whether directly or indirectly, concerned or interested in a contract or proposed contract or arrangement entered into or to be entered into by or on behalf of the company, shall disclose the nature of his concern or interest at a meeting of the Board in the manner provided in the provisions of Section 184 of the Act;

Provided that it shall not be necessary for a Director to disclose his concern or interest in any contract or arrangement entered into or to be entered into with any other company where any of the directors of the Company or two or more of them together holds or hold not more than two percent of the paid-up share capital in any such other company.

147. A contract or arrangement entered into by the company without disclosure or with participation by a director who is concerned or interested in any way, directly or indirectly, in the contract or arrangement, shall be voidable at the option of the company.

148. A General Notice given to the Board by the Directors, to the effect that he is a Director or member of a specified bodies corporate or is a partner of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may, after the date of the notice, be entered into with that body corporate or firm shall be deemed to be a sufficient disclosure of concern or interest in relating to any contract or arrangement so made. All such notices shall be kept at the registered office of the company and shall be preserved for a period of eight years from the end of the financial year to which it relates and shall be kept in the custody of the Company secretary or any other person as authorized by the Board.

149. No Director shall as direct to take any part in the discussion of, or vote on any contract or arrangement entered into by or on behalf of the company, if he is in any way, whether directly or indirectly concerned or interested in such contract or arrangement not shall his presence count for

the purpose of forming a quorum at the time of any such discussion or vote; and if he does vote, his vote shall be void; provided however, that nothing herein contained shall:

(i) be taken to prejudice the operation of any rule of law restricting a director of a company from having any concern or interest in any contract or arrangement with the company;

(ii) apply to any contract or arrangement entered into or to be entered into between two companies where any of the directors of the one company or two or more of them together holds or hold not more than two percent of the paid-up share capital in other company.

150. The Company shall keep one or more Registers under Section 189 of the Act, giving separately the particulars of all contracts or arrangements in compliance with the provisions of Section 184 and 188, in such manner and containing such particulars as required by the Act and shall within the time specified in the section, entering the particulars, such register shall be placed before the next meeting of the Board and signed by all the directors present at the meeting.

The Register aforesaid shall also specify, in relation to each director of the company the names of the bodies corporate and firms of which notice has been given by him under these Articles. The Register shall be kept at the registered office of the Company and shall be open for inspection at such office during business hours and extracts may be taken therefrom and copies thereof as may be required by any member of the company, shall be furnished by the company to such extent, in same manner, and on payment of the same fee as in the case of the Register of Members of the Company and the provisions of Section 94 of the Act shall apply accordingly.

151. A Director may be or become a director of any company promoted by the company or in which it may be interested as a vendor, shareholder, otherwise, and no such Director shall be accountable for any benefits received as Director or shareholder of such Company except in so far as Section 197(14) or Section 188 of the Act may be applicable.

152. At every Annual General Meeting of the Company, one third of such of the directors for the time being, as are liable to retire by rotation or if their number is neither three nor a multiple of three, the number nearest to one-third shall retire from office.

153. Subject to Section 152 of the Act, the Directors to retire by rotation under Article 135 at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who became Directors on the same day, those who are to retire, shall in default of and subject to any agreement among themselves, be determined by lot.

154. At the Annual General Meeting at which a director retires under Article 135, the company may fill up the vacancy by appointing the retiring director or some other person thereto.

155. A director may resign from his office by giving a notice in writing to the company and the Board shall on receipt of such notice take note of the same and the company shall intimate the registrar in such manner, within such time and such form as prescribed in the Act, and shall also place the fact of such resignation in the report of Directors laid in the immediately following general meeting by the company. The company shall follow the provisions of Section 168 of the Act.

Provided that a director shall also forward a copy of his resignation alongwith detailed reasons for the resignation, if required under the Act, to the registrar within thirty days of resignation in such manner as prescribed in the Act.

156.

(i) If the vacancy of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned until the same day in the next week, at the same time and place or if that day is a national holiday, till the next

succeeding day which is not a holiday, at the same time and place.

(ii) If at the adjourned meeting also, the vacancy of the retiring Director is not so filled up and the meeting also has not expressly resolved not to fill the vacancy, the retiring director shall be deemed to have been reappointed at the adjourned meeting, unless:

a) at that meeting or at the previous meeting the resolution for the re-appointment of such Director has been put to the meeting and lost;

b) the retiring director has, by a notice in writing addressed to the Company or its Board of Directors, expressed his unwillingness to be so re-appointed;

c) he is not qualified or is disqualified for appointment;

d) a resolution whether special or ordinary, is required for the appointment or re-appointment by virtue of any provisions of the Act; or

e) the provisions of Section 162 of the Act is applicable to the case.

157.

(i) No person not being a retiring Director, shall be eligible for appointment to the office of Director at any General meeting unless he or some member intending to propose him has, not less than fourteen days before the meeting left at the office of the company a notice in writing under his hand signifying his candidature for the office of Director or as the case may be, the intention of such member to propose him as a candidate for that office.

(ii) Every person (other than a director retiring by rotation or otherwise or a person who has left at the office of the company a notice under Section 160 of the Act Signifying his candidature for the office of a Director) proposed as candidate for the office of a Director shall sign and file with the Company, the consent in writing to act as a Director if appointed along with the deposit of rupees one lakh.

(iii) A person other than a Director reappointed after retirement by rotation or immediately on the expiry of his term of office, or an Additional or Alternate Director, or a person filling a casual vacancy in the office of a Director under Section 161 of the Act, appointed as a Director or re-appointed as an Additional or Alternate Director, immediately on the expiry of his term of office, shall not act as a director of the Company unless he has within thirty days of his appointment signed and filed with the Register his consent in writing to act as such Director.

158. The Company shall keep at its registered office a register containing the particulars of its directors and key managerial personnel mentioned in Section 170 of the Act, and shall otherwise comply with the provisions of the said Section in all respects.

159. Company shall file a return containing particulars and documents as prescribed by the Act, for appointment or changes, if any, of the directors and key managerial personnel of the company, as the case may be, with the Registrar of the Companies within a period of thirty days any such appointment or changes.

## REMOVAL OF DIRECTORS

160.

(i) The Company may (Subject to the provisions of Section 169 and other applicable provisions of the Act and these Articles) remove any Directors before the expiry of his period of office.

(ii) Special notice as provided by Section 115 of the Act shall be given for any resolution to remove a Director under this Article or to appoint some other person in place of a Director so removed, at the meeting at which he is removed.

(iii) On receipt of notice of a resolution to remove a Director under this article, the Company shall forthwith send a copy thereof to the Director concerned and the Director, whether or not he is a member of the Company, shall be entitled to be heard on the resolution at the meeting.

(iv) Where notice has been given of a resolution to remove a Director under this Article and the director concerned makes with respect thereto representations in writing to the Company (not exceeding a reasonable length) and requests its notification to members of the Company, the company shall, unless the representations are received by it too late for it to do so:

(a) in the notice of the resolutions given to members of the company, state the fact of the representations having been made, and
(b) send a copy of the representations to every member of the company to whom notice of the meeting is sent (whether before or after receipt of the representation by the company),

and if a copy of the representation is not send as aforesaid because they were received too late or because of the company's default, the Director may (without prejudice to his right to be heard orally) require that the representations shall be read out at the meeting,

provided that copy of the representation need not be sent out and the representation need not be read out at the meeting if, on the application either of the Company or of any other person who claims to be aggrieved, the Court is satisfied that the rights conferred by this sub-clause are being abused to secure needless publicity for defamatory matter and tribunal may order the company's cost on the application to be paid in whole or in part by the director notwithstanding that he is not a party to it.

(v) A vacancy created by the removal of a Director under this Article may, if he had been appointed by the company in General Meeting or by the Board, be filled by the appointment of another director in his place at the meeting at which he is removed,

Provided special notice of the intended appointment has been given.

A Director so appointed shall hold office till the date up to which his predecessor would have held office if he had not been removed.

(vi) If the vacancy is not filled, it may be filled as a casual vacancy in accordance with the provisions of the Act, in so far as they are applicable

Provided that the Director who was removed from office under these Articles shall not be reappointed as a Director by the Board of Directors.

(vii) Nothing contained in this Article shall be taken:

(a) as depriving a person removed under these Articles of any compensation or damages payable to him in respect of the termination of his appointment as director as per the terms of contract or terms of his appointment as Director, or of any other appointment terminating with that as director; or

(b) as derogating from any power to remove a Director under other provisions of the Act.

**MANAGING DIRECTOR**

161. The Company shall not appoint or employ at the same time a managing director and a manager.

162. The Company shall appoint or re-appoint any person as its managing director, whole-time director or manager for term not exceeding five years at a time;

Provided that no re-appointment shall be made earlier than one year before the expiry of his term.

163. Subject to the provisions the section 197 and Schedule V, a Managing Director, Whole time Director or Manager shall be appointed and the terms and conditions of such appointment and remuneration, either be payable monthly or at a specified percentage of the net profits of the company or partly by one way and partly by the other, be approved by the Board of Directors at a meeting which shall be subject to approval by a resolution at the next general meeting of the company and by the Central Government in case such appointment is at variance to the conditions specified in that Schedule.

Provided that a notice convening Board or general meeting for considering such appointment shall include the terms and conditions of such appointment, remuneration payable and such other matters including interest, of a Director or Directors in such appointments, if any.

164. The Company shall not appoint or employ, or continue the appointment or employment of a person as its managing director, whole-time Director or manager who:

(i) is below the age of twenty-one years or has attained the age of seventy years:

Provided that appointment of a person who has attained the age of seventy years may be made by passing a special resolution in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such person;

(ii) is an undischarged insolvent; or has at any time been adjudged as an insolvent;

(iii) has at any time suspended payment to his creditors or makes, or has at any time made, a composition with them; or

(iv) has at any time been convicted by a court of an offence and sentenced for a period of more than six months

165. Subject to the provisions of the Act, where an appointment of managing director, whole-time director or manager is not approved by the company at a general meeting, any act done by him before such approval shall not be deemed to be invalid.

166. The Board of Directors may appoint Managing or Whole Time Director, Director or Manager to manage the affairs of the company and/or a secretary or other officers for such remuneration and on such terms and conditions with the sanctions of the Board and / or shareholders in General Meeting and also approved by the Central Government. A Managing Director cannot be appointed for a term exceeding five years at a time.

167. Notwithstanding anything contain under section 203 of Companies Act 2013 read with rules framed there under as applicable if any, the Managing Director shall also act as Chairman of the Company, Chairman of the Board Meetings and General Body Meetings of Members of the Company.

168. The Directors may appoint a Vice chairman of the Board of Directors to preside at meetings of the directors at which the chairman not be present and determine the period for which he is hold office.

169. All meeting of the Directors shall be presided over by the chairman if present, but if at any meeting of Directors the Chairman be not present at the time appointed for holding the same or the chairman refuse to preside, the Vice-Chairman, if present, shall preside and if the Vice-Chairman be not present at such time or if the Vice- Chairman refuses to preside or if no Chairman or Vice Chairman has been appointed under the Article and in that case the Directors shall choose one of the Directors then present to preside at the meeting.

## PROCEEDINGS OF THE BOARD OF DIRECTORS

170. The Directors may meet together as a Board for the conduct of business from time to time, and shall so meet at least four times in a year in such manner, that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board. The Directors may adjourn and otherwise regulate their meetings as they think fit.

171. The participation of directors in a meeting of the Board may be either in person or through video conferencing of other audio-visual means, as prescribed in the Companies (Meeting of Board and its Powers) Rules, 2014, which are capable of recording and recognizing the participation of the directors and recording and storing the proceedings of such meeting along with date and time.

172. The Secretary or any officer of the Company, by order of the Board, shall sent notice in writing of every Board meeting called, to every Director, not less than seven days before the meeting at his address registered with the company and such notice shall be sent by hand delivery or by post or by electronic means.

Provided that a meeting of the Board may be called at a shorter notice to transact urgent business subject to the condition that at least one Independent Director, if any, shall be present at the meeting;

Provided further that in case of absence of Independent Directors from such a meeting of the Board, decisions taken at such a meeting shall be circulated to all the directors and shall be final only on ratification thereof by at least one Independent Director, if any.

173. The Board shall appoint a Chairman of its meetings and determine the period for which he is to hold office. If no Chairman is appointed or if any meeting of the Board the Chairman is not present within five minutes after the time appointed for holding the same, the Directors present shall choose someone of them to be Chairman of such meeting.

174. The quorum for a meeting of the Board shall be determined from time to time in accordance with the provisions of Section 174 of the Act. If a quorum shall not be present within the Board, the meeting stand adjourned to the same day at the same time and place in the next week or if that day is a national holiday, till the next succeeding day, which is not a national holiday, at the same time and place.

175. A Meeting of the Board at which a quorum be present shall be competent to exercise all or any of the authorities, powers and discretions by or under these articles for the time being vested in or exercisable by the Board.

176. Subject to the provisions of Section 203 and 196 of the Act, questions arising at any meeting shall be decided by a majority of votes, and in case of any equality of votes, the Chairman shall have a second or casting vote.

177. The Board shall exercise the following powers on behalf of the company by means of resolution passed at the meetings of the Board, namely:

(i) to make calls on shareholders in respect of money unpaid on the shares;
(ii) to authorise buy-back of securities under section 68 of the Act;
(iii) to issue securities, including debentures, whether in or outside India;
(iv) to borrow monies;
(v) to invest the funds of the company;
(vi) to grant loans or give guarantee or provide security in respect of loans;
(vii) to approve financial statements and the Board's Report;
(viii) to diversify the business of the company;
(ix) to approve amalgamation, merger or reconstruction;
(x) to take over a company or acquire a controlling or substantial stake in another company;
(xi) any other matter which may be prescribed.

Provided that the Board may, by a resolution passed at a meeting, delegate to any committees of directors, the managing director, the manager or any other principal officer of the company or in case of a branch office of the company, the principal officer of the branch office, the powers specified in clause (iv) to (vi) on such conditions as it may specify:

178. The meetings and proceedings of any such Committee consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Board so far the same are applicable thereto, and are not superseded by any regulations made by the Board under these Articles.

179. Save in those case where a resolution is required by Sections 161,179,188,203, and 386 of the Act, to be passed at a meeting of the Board, a resolution shall be a valid and effectual as if it had been passed at a meeting of the Board or committee of the board, as the case may be, duly called and constituted, if a draft thereof in writing is circulated, together with the necessary papers, if any, to all the directors, or to all the member of the Committee of the board as the case may be, then in India (not being less in number than the quorum fixed for a meeting of the Board or Committee as the case may be) and to all other Directors or members of the Committee at their usual address in India and has been approved by such of them as are then in India or by majority of them as are entitled to vote on the resolution.

180. All acts done by any meeting of the Board or by a Committee of the Board or by any person acting as a Director shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be a Director and had not vacated his office or his appointment had not been terminated; provided that nothing in this Article shall be deemed to give validity to acts done by a director after his appointment has been shown to the Company to be invalid or to have been terminated.

181.

(i) The Company shall cause minutes of all proceedings of every meeting of the Board and

Committee thereof to be kept by making within thirty days of the conclusion of every such meeting entries thereof in book kept for that purpose with their pages consecutively numbered.

(ii) Each page of every such book shall be initialed or signed and the last page of the record of proceeding of each meeting in such book shall be dated and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting.

(iii) In no case shall the minutes of proceedings of a meeting be attached to any such book as aforesaid by a pasting or otherwise.

(iv) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.

(v) All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meetings

(vi) The minutes shall also contain:

a) The name of the Directors present at the meeting; and

b) In the case of each resolution passed at the meeting the names of the Directors, if any, dissenting from or not concurring in the resolution.

(vii) Nothing contained in sub-clauses (i) to (vi) shall deemed to require the inclusion in any such minutes of any matter which, in the opinion of the Chairman of the meeting;

(a) is, or could reasonably be regarded as defamatory of any person;

(b) is irrelevant or immaterial to the proceedings; or

(c) is detrimental to the interest of the Company.

The Chairman shall exercise an absolute discretion with regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in this sub-clause.

(viii) Minutes of meetings kept in accordance with the aforesaid provisions shall be evidence of the proceedings recorded therein.

182. The Board may exercise all such powers of the Company and do all such acts, and things as are not, by the Act, or any other Act, or by the Memorandum, or by the Articles of the Company, required to be exercised by the Company in General Meeting subject nevertheless to these Articles, to the provisions of the Act, or any other Act and to such regulation being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the Company in General Meeting but no regulations made by the Company in General Meeting shall invalidate any prior to act of the Board which would have been valid if that regulation had not been made. Provided that the Board shall exercise the powers as specified in section 180 of the Act only with the consent of the company by a special resolution in General Meeting, namely:

(i) to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the company or where the company owns more than one undertaking, of the whole or substantially the whole of any of such undertaking.

(ii) to invest otherwise in trust securities the amount of compensation received by it as a result of any merger or amalgamation.

(iii) to borrow money, where the money to be borrowed, together with the money already borrowed by the company will exceed aggregate to its paid-up capital and free reserves, apart from temporary loans obtained from the company's bankers in the ordinary course of business.

(iv) to remit, or give time for the repayment of, any debt from a director.

(v) contribute to bona fide chartable and other funds not directly relating to the business of the company or the welfare of its employees, any amount the aggregate of which, in any financial year, exceed five percent of its average net profits for the three immediately preceding financial years.

183. Without prejudice to the general powers conferred by the last preceding Article and so as not in any way to limit or restrict those powers, and without prejudice to the other powers conferred by these Articles, it is hereby declared that the Directors shall have the following powers, that is to say, power;

(i) to pay the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company;

(ii) to pay any charge to the capital amount of the Company and Commission or interest lawfully payable thereout under the provisions of the Act;

(iii) subject to Section 179 and 188 of the Act to purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorized to acquire, at for such price or consideration and generally on such terms and conditions as they may think fit; and in any such purchase or otherwise acquisition to accept such title as the Directors may believe or may be advised to a reasonably satisfactory;

(iv) at their discretion and subject to the provisions of the Act to pay for any (property, rights or privileges acquired by or services rendered to the Company, either wholly or partially, in case of shares, bonds, debentures, mortgages, or other securities of the Company, and such shares may be issued either as fully paid up or with such amount credited as paid up or with such amount credited as paid up thereon as may be agreed upon, and any such bonds, debentures, mortgages or other securities may be either specially charged upon all or any part of the property of the company and its uncalled capital or not so charged;

(v) to secure the fulfillment of any contacts or engagement entered into by the company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the firm being or in such manner as they may think fit;

(vi) to accept from any members, as far as may be permissible by law, a surrender of his shares or any part thereof, on such terms and conditions as shall be agreed;

(vii) to appoint any person to accept and hold in trust for the Company any property belonging to the Company, in which it is interested, or for any other purposes; and execute and do all such deeds and things as may be required in relation to any trust, and to provide for the remuneration of such trustee or trustees;

(viii) to institute, conduct, defend, compound, or abandon any legal proceedings by or against the Company or its officers, or otherwise concerning the affairs of the Company, and also to compound and allow time for payment or satisfaction of any debts due, and of any claim or demands by or against the Company and to refer any differences to arbitration, and observe and perform any awards made thereon;

(ix) to act on behalf of the Company in all matters relating to bankrupts and insolvents;

(x) to make and give receipts releases, and other discharge for moneys payable to the Company and for the claims and demands of the Company.

(xi) subject to the provisions of Sections 179 and 185 of the Act, to invest and deal with any

moneys of the Company not immediately required for the purposes thereof upon such security (not being shares of this Company), or without security and in such manner as they think fit, and from time to time vary or realize such investments save as provided in Section 187 of the Act, all investments shall be made and held in the Company's own name;

(xii) to execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or surety, for the benefit of the Company, such mortgages of the Company's property (present and future) as they think fit, and any such mortgage may contain a power of sale and such other powers, provisions, covenants and agreements as shall be agreed upon;

(xiii) to determine from time to time who shall be entitled to sign, on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, dividends, warrants, releases, contracts, and documents and to give the necessary authority for such purpose.

(xiv) to distribute by way of bonus amongst the staff of the Company, share or shares in the profits of the Company, and to give to any officer or other persons employed by the Company a commission on the profits of any particular business or transaction; and to charge such bonus or commission as part of the working expenses of the Company;

(xv) to provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and their wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of houses, dwellings or by grants of money, pension, gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing to provident and other associations, institutions, funds or trusts and by providing or subscribing or contributing towards places of instructions and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board shall think fit, and to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national or other institutions or objects which shall have any moral or other claim to support or aid by the Company, either by reason or locality of operation, or of public and general utility or otherwise;

(xvi) Before recommending any dividend, to set aside out of the profits of the Company such sums as they may think proper for depreciation to depreciation fund, or to an Insurance Fund, or as a Reserve Fund, or sinking fund or any special fund to meet contingencies or to repay debentures or Debenture-stock, or for special dividends or for equalizing dividends or for repairing, improving extending and maintaining any of the property of the Company and such for other purpose (including the purposes referred to in the preceding clause), as the Board may, in their absolute discretion, think conducive to the interest of the Company, and subject to Section 179 of the Act, to invest the several sums so set aside or so much thereof as required to be invested, upon such investments (other then shares of the Company) as they may think fit, and from time to time to deal with and vary such investments and dispose of and apply and expend all or any part thereof for the benefit of the Company in such manner and for such purpose as the Board in their absolute discretion think conducive to the interest of the company, notwithstanding that the matters to which the Board apply or upon which they expend the same, or any part thereof, may be matters to or upon which the capital monies of the company might rightly be applied or expended; and to divide the reserve fund into such special funds as the Board may think fit, with full power to transfer the whole or any portion of a reserve fund or division of a reserve fund to another reserve fund or division of a reserve fund and with full power to employ the assets constituting all or any of the above funds, including the depreciation, fund, in the business of the company or in the purchase or re-payment of debentures or debenture stock and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with power however to the Board at their discretion to

pay or allow to the credit of such funds interest at such rate as the Board may think proper;

(xvii) to appoint, and at their discretion remove or suspend such general managers, secretaries, assistants, supervisors, clerks, agents and servants of permanent temporary or special services, as they may from time to time think fit and to determine their powers and duties, and fix their salaries or emoluments or remuneration, and to require security in such instances and to such amounts as they may think fit. Also form time to time provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit; and the provisions contained in the four next following sub-clause shall be without prejudice to the general powers conferred by this sub-clause;

(xviii) to comply with requirements of any local law which in their opinion it shall, in the interests of the Company, be necessary or expedient to comply with;

(xix) from time to time and at any time to establish any local Board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any persons to be members of such local Boards and to fix their remuneration;

(xx) subject to Section 179 of the Act, from time to time and at any time, to delegate to any person so appointed any of the powers, authorities and discretion for the time being vested in the Board, other than their power to make calls or to make loans or borrow or moneys, and to authorize the Members for the time being of any such Local Board, or any of them to fill up any vacancies therein and to act notwithstanding vacancies, and any such appointment or delegation may be made on such terms and subject to such conditions as the Board may think fit, and the Board may at any time remove any person so appointed, and may annual or vary any such delegation.

(xxi) at any time and from time to time by power of Attorney under the Seal of the Company, to appoint person or persons to be the Attorney or attorneys of the Company, for such purposes and with such powers, authorities and discretion (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make calls and excluding also except in their limits authorized by the Board, the power to make loans and borrow moneys) and for such period and subject to such conditions as the Board may from time to time think fit; and any such appointment may (if the Board thinks fit) be made in favour of the members or any of the Members of any Local Board, established as aforesaid or in favour of any company, or the shareholders, Directors, nominees, or managers of any company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly by the Board any such Power of Attorney may contain such powers for the protection or convenience of persons dealing with such attorneys as the Board may think fit, and may contain powers enabling any such delegates or attorneys as aforesaid to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them;

(xxii) subject to Sections 188 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company to enter into all such contracts, and execute and do all such acts, deeds, and things in the name and on behalf of the Company as they may consider expedient;

(xxiii) from time to time to make vary and repeal by law for the regulation of the business of the Company, its officer and servants.

## CHIEF EXECUTIVE OFFICER, MANAGER, SECRETARY or CHIEF FINANCE OFFICER

184. (1) Subject to the provisions of the Act:

(i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may thinks fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;

(ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.

185. A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

## THE SEAL

186.

(i) The Board shall provide a Common Seal for the purpose of the company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof and provide for the safe custody of the seal.

(ii) The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors or one director and the secretary or such other person as the Board may appoint for the purpose; and those two directors or one director and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

## DIVIDENDS AND RESERVES

187. The company in general meeting may declare dividends to be paid to members according to their respective rights, but no dividend shall exceed the amount recommended by the Board, but the company in general meeting may declare a smaller dividend.

188. Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.

189. No dividend shall be declared or paid by the company for any financial year except, Out of the profits of the company for that year arrived at after providing for depreciation in accordance with the provisions of schedule II of the Act, or out of the profits of the company for any previous financial year or years arrived at after providing for depreciation in accordance with the provisions of that schedule and remaining undistributed, or out of both, provided that;

(i) The company may, before the declaration of any dividend in any financial year, transfer such percentage of its profits for that financial year as it may consider appropriate to the reserves of the company:

(ii) Where owing to inadequacy or absence of profits in any financial year, the company proposes to declare dividend out of the accumulated profits earned by it in previous year and transferred by the company to the reserves, such declaration of dividend shall not be made except in accordance with Companies (Declaration and Payment of Dividend) Rules, 2014.

(iii) No dividend shall be declared or paid by the company from its reserves other than free reserves.

190. The Board of Directors of the Company may declare interim dividend during any financial year out the surplus in the profit and loss account and out of profits of the financial year in which such interim

dividend is sought to be declared.

Provided that in case the company has incurred loss during the current financial year upto the end of the quarter immediately preceding the date of declaration of interim dividend, such interim dividend shall not be declared at a rate higher than the average dividends declared by the company during the immediately preceding three financial years.

191.

(i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.

(ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.

(iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

192. No member shall be entitled to receive payments of any interest or dividend in respect of his share or shares, while any money may be due or owing from him to the company in respect of such share or shares or otherwise however, either alone or jointly with any other person or persons and the Board may deduct from any dividend or interest payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.

193.

(i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.

(ii) No dividend shall be paid by the company in respect of any share therein except to the registered shareholder of such share or his order or to his banker and shall not be payable except in cash.

Provided that nothing in this Article shall be deemed to prohibit the capitalization of profits or reserves of the company for the purpose of issuing fully paid-up bonus shares or paying up any amount for the time being unpaid on any shares held by the members of the company.

Provided further that any dividend payable in cash may be paid by cheque or warrant or in any electronic mode to the shareholder entitled to the payment of the dividend.

194. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.

195. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.

196. Where the Company has declared a dividend but which has not been paid or claimed within 30 days from the date of declaration, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of 30 days, to a special account to be opened by the company in that behalf In any scheduled bank, to be called “Unpaid Dividend Account”. The company shall

transfer any money transferred to the unpaid dividend account of a company that remains unpaid or unclaimed for a period of seven years from the date of such transfer, to the Fund known as Investor Education and Protection Fund established under section 125 of the Act

There shall be no forfeiture of unclaimed dividends before the claim becomes barred by law and such forfeiture, if effected, shall be annulled in appropriate cases. The company shall comply with the provisions the Act in respect of all unclaimed or unpassed dividend.

197. No dividend shall bear interest against the company.

## CAPITALISATION OF PROFITS

198.

(i) The company in general meeting may, upon the recommendation of the Board, resolve:

(a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company's reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and

(b) that such sum be accordingly set free for distribution in the manner specified in clause (ii)amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

(ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards:

(a) paying up any amounts for the time being unpaid on any shares held by such members respectively;
(b) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
(c) partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b);
(d) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;
(e) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.

199.

(i) Whenever such a resolution as aforesaid shall have been passed, the Board shall:

(a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issues of fully paid shares if any; and

(b) Generally do all acts and things required to give effect there to.

(ii) The Board shall have power:

(a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and

(b) to authorize any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalization, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalized, of the amount or any part of the amounts remaining unpaid on their existing shares;

(iii) Any agreement made under such authority shall be effective and binding on such members.

## ACCOUNTS

200. The Company shall keep at the registered office or at such other place in India as the Board thinks fit, proper books of Account in accordance with Section 128 the Act.

201. Where the Board decides to keep all or any of the Books of Accounts at any place other that the office of the company the Company shall within (seven days of the decision file with the Register a notice in writing given the full address of that other place.

202. The Company may keep the books the accounts or other relevant papers in accordance with Section 128 of the Act, in electronic mode in such manner as prescribed.

203. The Company shall preserve in good order the Books of Accounts relating or period of not less eight year immediately preceding the financial year together with the vouchers relevant to any entry in such books of Account.

204. Where the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with this Article if proper Books of Account relating to the transactions effected at the branch office are kept at the branch office and proper summarized return made up to date at intervals of not more than three months are sent by the branch office to the Company at its office or other place in India, at which the company's Books of Account are kept as aforesaid.

205. The Books of Account shall give a true and fair view of the state of affairs of the Company or branch office, as the case may be, and explain its transaction; The Books of Account and other books and papers shall be open to inspection by any Directors during business hours.

206. The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of he company or any of them shall be open to the inspection of members not being Directors

207. No member (not being a Director) shall have any right of inspecting any account or books or document of the Company except as conferred by law or authorized by the Board or by the company in general meeting.

208. The Directors shall from time to time, in accordance with Sections 129, 133 and 134 of the Act, cause to be laid before the company in General Meeting, such Balance Sheets, profits and loss account and reports as are required by these Sections.

209. A Copy of every Balance Sheet and Profit and loss account (including the Auditors Report and every other document required by law to be annexed or attached to the Balance Sheet) or a Statement containing salient features of such documents in the prescribed form, as laid down under Section 136 of the Companies Act, 2013 as the Company may deem fit, shall not less than twenty-one days before the Meeting a which the Balance Sheet and the profit and loss Account are to be laid before the Members, be sent to every person entitled thereto pursuant to the provisions of the Section 136 of the Companies Act, 2013 provided this Article shall not require a copy of the documents to be sent to any person of whose address the Company is not aware of or to more than one of the joint holders of any shares.

## AUDIT

210. Auditors shall be appointed and their rights and duties regulated in accordance with Section 139 to 145 of the Act.

211. The first Auditor or auditors of the company shall be appointed by the board within one month of the date of registration of the company and the Auditor or Auditors so appointed shall hold office until the conclusion of the first annual general meeting:

Provided that the Company may, at a General Meeting remove and such auditor or all of such auditors and appoint in his or their place any other person or persons who have been nominated for appointment by any member of the Company and of whose nominated notice has been given to the members of the Company not less than fourteen days before the date of the meeting.

Provided further that if the Board fails to exercise its powers under this Article, the Company in General meeting may appoint the first Auditor or Auditors.

Provided also that before such appointment is made, the written consent of auditor to such appointment and a certificate from him or it that the appointment if made, shall be in accordance with the conditions as prescribed, shall be obtained from the auditor.

Provided also that the certificate shall also indicate whether the auditor satisfies the criteria provided in section 141 of the Act.

Provided also that the company shall inform the auditor concerned of his or its appointment, and also file a notice of such appointment with the registrar within fifteen days of the meeting in which the auditor is appointed.

## DOCUMENTS AND NOTICES

212.

(i) A document or notice may be served or given by the Company or any member either personally or sending its by post to him to his registered address, if he has no registered address in India, to the address, if any, in India supplied by him to the Company for serving documents of notice on him.

(ii) Where a documents or notice is sent by post, services of the documents or notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document or notice provided that where a member has intimated to the Company in advance that documents or notices should be sent him under a certificate of posting or by registered post with or without acknowledgement due and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the documents or notice shall not be the manner intimated by the member and; such service shall be deemed to have been effected in the case of Notice of a meeting, at the expiration of forty eight hours after the letter containing the document or notice is posted and in any other case at the time at which the letter would be delivered in the ordinary course of post.

213. A document or notice advertised in a newspaper circulating in the neighborhood of the office shall be duly served or sent on the day on which the advertisement appears on or to every member who has no registered address in India and has not supplied to the Company any address within India for serving of documents or the sending of notices to him.

214. A document or notice may be served or given by the Company on or given to the joint-holders of a share by serving or giving the document or notice or on or to the joint-holders named first in the Register of members in respect of the share.

215. A document or notice may be served or given by the Company on or to the person entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to them by name or by the title of representatives of the deceased or assignee of the insolvent or by any like description, at the address (if any) in India supplied for the purpose by the persons claiming to be entitled, or (until such an address has been so supplied) by serving the document or notice in any manner in which the same might have been given if the death or insolvency had not occurred.

216. Document or notices of every General Meeting shall be served or given in the same hereinbefore authorized on or to (a) every member, (b) every person entitled to a share in consequence of the death or insolvency of a member, and (c) the Auditor of Auditors for the time being of the Company.

217. Every person whom by operation of law, transfer or other means whatsoever, shall become entitled to any share, shall be bound by every document or notice in respect of such shares, previously to his name and address being entered on the Register of members, shall have been duly served on or given to the person from whom he drives his title to such share.

218. Any document or notice to be served or given by the Company may be signed by a director or some person duly authorized by the Board of directors for such purpose and the signatures thereto may be written printed or lithographed.

219. All documents or notices to be served or given by members on or to the Company or any office thereof shall be served or given by sending it to the Company or any officer at the office by post under a certificate of posting or by registered post or by speed post or by courier or by delivering at his office or address, or by such by electronic or other mode.

## RECONSTRUCTION

220. On any sale of the undertaking of the company the Board or the Liquidators on a winding-up may, if authorized by a Special Resolution accept fully paid or partly paid-up shares, debentures or securities of any other company whether incorporated in India or in part of the property of the Company and the Board (if the profits of the Company permit) or the Liquidators (in a winding-up) may distribute such shares or securities or any other property of the Company amongst the members without realization or vest the same in trustees for them and any special Resolution may provide for the distribution or appropriation of the cash shares or other securities, benefits or property otherwise than in accordance with the strict legal right of the member or contributories of the company and for the valuation of any such securities or property at such price and in such manner as the meeting may approve and all holders of shares shall be bound to accept and shall be bound by any valuation or distribution so authorized and waive all rights in relation the course of being wound up, such statutory right (if any) under of the Act as are incapable of being varied excluded by these Articles.

## WINDING UP

221. Subject to the provisions of Chapter XX of the Act and rules made thereunder:

(i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.

(ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.

(iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

## INDEMNITY AND RESPONSIBILTY

222. Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

## SECRECY

223. Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the Company shall, if so declaration pledging himself to observe strict secrecy regarding all customers and the state of account with individuals and in matters relating thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required to do so by the Board as by Court of Law and except so far as be necessary in order to comply with any; of the provisions of these presents constituted.

## GENERAL AUTHORITY

224. Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorized by its articles, then and in that case this Article authorizes and empowers the Company to have such rights, privileges or authorities and to carry such transactions as have been permitted by the Act, without there being any specific Article in that behalf herein provided.

*Substituted vide special resolution passed by Shareholders in Extra-Ordinary General Meeting held on December 18, 2024.

***Note:*** *No material clause of Article of Association have been left out from disclosure having bearing on the IPO/disclosure.*

***Remainder of this page has been left blank intentionally***

# SECTION X: OTHER INFORMATION

## MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two (2) years before the date of the Red Herring Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which have been attached to the copy of the prospectus delivered to the ROC for filing, and also the documents for inspection referred to hereunder, may be inspected at our Registered Office at Plot No 290 & 291, Dulapally Adjacent to Ida Jeedimetla, Quthbullapur, Rangareddi, Hyderabad, Telangana, India, 500055 between 10.00 a.m. to 5.00 p.m. on all Working Days and will also be available on the website of our Company at https://snehaaorganics.com/ from the date of the filing of Red Herring Prospectus until the Bid/Offer Closing Date

### Material Contracts to the Issue

1. Issue Agreement dated February 28, 2025 entered into among our Company and the Lead Manager.
2. Agreement dated August 12, 2025 entered into among our Company and the Registrar to the Issue.
3. Tripartite Agreement dated February 19, 2025, entered into among our Company, NSDL and the Registrar to the Issue.
4. Tripartite Agreement dated March 21, 2025, entered into among our Company, CDSL and the Registrar to the Issue.
5. Banker to the Issue Agreement August 12, 2025 among our Company, the Lead Manager, Banker to the Issue and the Registrar to the Issue.
6. Market Making Agreement dated August 12, 2025 between our Company, the Lead Manager and the Market Maker.
7. Underwriting Agreement dated August 12, 2025 between our Company and the Underwriter.

### Material Documents

1. Certified copies of the Memorandum of Association and Articles of Association of our Company, as amended from time to time.
2. Certificate of Incorporation of our Company dated July 05, 2022 issued by Registrar of Companies.
3. Certificate of Incorporation of our Company dated January 07, 2025 issued by Registrar of Companies after conversion of the company from Private limited to Public limited company.
4. Resolution of the Board of Directors of our Company and Equity Shareholders of our Company dated February 24, 2025 and February 26, 2025 respectively, authorizing the Issue and other related matters.
5. Copies of Restated Financial Statements of our Company for the financial year ended March 31, 2025, March 31, 2024 and March 31, 2023.
6. Peer Review Auditors Report dated August 14, 2025on Restated Financial Statements of our Company for the financial year ended March 31, 2025, March 31, 2024 and March 31, 2023.
7. Copy of Statement of Possible Tax benefits dated August 14, 2025 from the Peer Review Auditor included in this Red Herring Prospectus.
8. Copy of the resolution of dated August 14, 2025 passed by the Audit Committee approving the key performance indicators for disclosure.
9. Copy of the certificate of the key performance indicators of the Company dated August 14, 2025.
10. The Certificate of working capital dated August 14, 2025 issued by Statutory Auditor, M/s Phanindra & Associates, Chartered Accountants.
11. Consents of Directors, Promoter, Company Secretary & Compliance Officer, Chief Financial Officer, Peer Review Statutory Auditor, Legal Advisor to the Issue, Banker to the Issue, Banker to the Company, Book running Lead Manager, Registrar to the Issue, Underwriter and Market Maker to include their names in the Red Herring Prospectus to act in their respective capacities.
12. In-principle listing approval dated July 17, 2025 from the National Stock Exchange of India Limited for

listing the Equity Shares on the Emerge Platform of NSE.

13. Resolution of the Board of Directors of the Company dated August 21, 2025 taking on record and approving this Red Herring Prospectus.
14. Due Diligence Certificate dated August 21, 2025 which includes the site visit report of issuer prepared by the lead manager(s), submitted to Emerge issued by the BRLM to the issue.

*Any of the contracts or documents mentioned in this Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act, 2013, SEBI (ICDR) Regulations and other relevant statutes.*

***Remainder of this page has been left blank intentionally***

## SECTION XI: DECLARATION

We certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, or the regulations or guidelines issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Securities and Exchange Board of India Act, 1992, as amended or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements in this draft red herring prospectus are true and correct.

**SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:**

| NAME OF DIRECTOR | SIGNATURE |
|---|---|
| **Mr. Nandigala Venkata Sai Kiran**<br>DIN: 07986570<br>Designation: Managing Director | Sd/- |
| **Mr. Nandigala Venkata Sai Harish**<br>DIN: 07967075<br>Designation: Whole Time Director | Sd/- |
| **Ms. Samhitha Reddy Tera**<br>DIN: 10913944<br>Designation: Non-Executive Director | Sd/- |
| **Ms. Khushbu Kachhawa**<br>DIN: 10872432<br>Designation: Independent Director | Sd/- |
| **Mr. Gurprit Kaur**<br>DIN: 10894590<br>Designation: Independent Director | Sd/- |

**SIGNED BY THE COMPANY SECRETARY & COMPLIANCE OFFICER**

Sd/-

**POONAM JAIN**

**SIGNED BY THE CHIEF FINANCIAL OFFICER (CFO)**

Sd/-

**SARATH CHANDRA BHOJANAPALLI**

**Date: August 21, 2025**
**Place: Hyderabad**