



SADHANA NITRO CHEM LTD


Our Company was incorporated on July 21, 1973, as a public limited company, in the name and style 'Sadhana Nitro Chem Limited' under the provisions of the Companies Act, 1956, with the Registrar of Companies, Mumbai, Maharashtra, India.

Registered Office: Hira Baug, 1st floor Kasturba chowk (C.P. Tank), Mumbai, Maharashtra, India, 400004

Tel: +912268663300, **Website:** - www.sncl.com

Contact Person: -Nitin Jani, Company Secretary and Compliance Officer, **Email:** sadhananitro@sncl.com

Corporate Identity Number: L24110MH1973PLC016698

OUR PROMOTER :- ASIT DHANKUMAR JAVERI & MANEKCHAND PANACHAND TRADING INVESTMENT CO PVT LTD FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY ONLY	
ISSUE OF UP TO [•] FULLY PAID-UP EQUITY SHARES WITH A FACE VALUE OF ₹ 1/- EACH ("RIGHTS EQUITY SHARES") OF OUR COMPANY FOR CASH AT A PRICE OF ₹ [•] /- EACH INCLUDING A SHARE PREMIUM OF ₹ [•] PER RIGHTS EQUITY SHARE ("ISSUE PRICE") FOR AN AGGREGATE AMOUNT UP TO ₹ 49.95 CRORES ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF [•] RIGHTS EQUITY SHARES FOR EVERY [•] FULLY PAID-UP EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON [•], [•] (THE "ISSUE"). THE ISSUE PRICE FOR THE RIGHTS EQUITY SHARES IS [•] TIMES THE FACE VALUE OF THE EQUITY SHARES. FOR FURTHER DETAILS, SEE "TERMS OF THE ISSUE" ON PAGE 73 OF THIS DRAFT LETTER OF OFFER.	
WILFUL DAFALTERS	
Neither our Company, our Promoters nor Directors are categorized as Willful Defaulters or Fraudulent Borrowers.	
GENERAL RISK	
Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the 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 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 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 contents of this Draft Letter of Offer. Specific attention of the investors is invited to "Risk Factors" beginning on page 21 of this Draft Letter of Offer before making an investment in this Issue.	
ISSUER'S ABSOLUTE RESPONSIBILITY	
Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Letter of Offer 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 Draft Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Letter of Offer as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect.	
LISTING	
The existing Equity Shares of the company are listed on n BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") (BSE and NSE together the "Stock Exchanges"). Our Company has received 'in-principle' approvals from the BSE and NSE for listing the Rights Equity Shares to be allotted pursuant to this Issue vide their letters dated [•] and [•] respectively. For the purpose of this Issue, the Designated Stock Exchange is BSE.	
REGISTRAR TO THE ISSUE	
 Link Intime India Pvt. Ltd C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai, Maharashtra, 400083 Telephone: +91 22 6263 8200 Email: mumbai@linkintime.co.in Investor grievance email: - sadhananitro.rights2024@linkintime.co.in Website: www.linkintime.co.in Contact Person: Ms. Shanti Gopalakrishnan SEBI Registration No.: INR000004058	
ISSUE PROGRAMME	
ISSUE OPENS ON	[•]*
LAST DATE FOR MARKET RENUNCIATION	[•]*
ISSUE CLOSSES ON	[•]**

**Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date.*

***Our Board or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that this Issue will not remain open in excess of 30 (Thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

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TABLE OF CONTENTS

SECTION I – GENERAL	
DEFINITIONS AND ABBREVIATIONS	4
NOTICE TO INVESTORS	12
CERTAIN CONVENTIONS, USE OF FINANCIAL INDUSTRY & MARKET DATA, AND CURRENCY PRESENTATION	14
FORWARD - LOOKING STATEMENTS	16
SUMMARY OF THIS DRAFT LETTER OF OFFER.....	17
SECTION II - RISK FACTORS	21
SECTION III – INTRODUCTION.....	
THE ISSUE	29
GENERAL INFORMATION	31
CAPITAL STRUCTURE.....	35
OBJECTS OF THE ISSUE	38
SECTION IV – ABOUT THE COMPANY	
OUR BUSINESS	43
OUR MANAGMENT	47
INDUSTRY OVERVIEW.....	56
DIVIDEND POLICY.....	59
OUR PROMOTERS.....	60
SECTION V – FINANCIAL INFORMATION	61
SECTION VI – LEGAL AND OTHER INFORMATION	
OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS	62
GOVERNMENT AND OTHER APPROVALS	64
OTHER REGULATORY AND STATUTORY DISCLOSURES	68
SECTION VII – ISSUE INFORMATION	
TERMS OF THE ISSUE	73
RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES.....	102
SECTION VIII – STATUTORY AND OTHER INFORMATION	
MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION	104
DECLARATION	106

SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Letter of Offer uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, or unless otherwise specified, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines or policies shall be to such legislation, act, regulation, rules, guidelines or policies 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 Draft Letter of Offer but not defined herein shall have, to the extent applicable, the same meaning ascribed to such terms under the SEBI ICDR Regulations, the Companies Act, the SCRA, the Depositories Act and the rules and regulations made thereunder. Further, Issue related terms used but not defined in this Draft Letter of Offer shall have the meaning as described to such terms under the General Information Document.

Notwithstanding the foregoing, the terms used in “Industry Overview”, “Financial Information”, “Outstanding Litigation and Material Developments” beginning on pages 56, 61,62 respectively, shall have the meaning ascribed to them in the relevant section.

General Terms

Term	Description
“our Company”, “the Company”, “Company”, “SNCL”, “Sadhana” or “Issuer”	Unless the context otherwise indicates or implies, “Sadhana Nitro Chem Limited”, a public limited company incorporated under the Companies Act, 1956 and having its Registered Office at Hira Baug, 1 st Floor, Kasturba Chowk (C. P. Tank), Mumbai – 400 004, Maharashtra, India
“we”, “us” or “our”	Unless the context otherwise indicates or implies, refers to our Company

Company related terms

Term	Description
AoA /Articles of Association or Articles	Unless the context otherwise requires, refers to the Articles of Association of our Company, as amended from time to time.
Audit Committee	The committee of the Board of Directors constituted as our Company’s audit committee in accordance with Regulation 18 of the SEBI Listing Regulations and Section 177 of the Companies Act, 2013.
Auditors/ Statutory Auditors	The statutory auditors of our Company, currently being M/s. Jayesh Dadia & Associates LLP, Chartered Accountants
Board/ Board of Directors	The Board of Directors of our Company or a duly constituted committee thereof
Chief Financial Officer/ CFO	Chief financial officer of our Company, being Shri. Rakesh R. Kothari
Company Secretary and Compliance Officer	Shri. Nitin R. Jani, the Company Secretary and the Compliance Officer of our Company.
Director(s)	Directors on our Board as described in “ <i>Our Management</i> ”, beginning on page 47,
Equity Shares	The equity shares of our Company of face value of ₹ 1 each.
Executive Director(s)/ Whole-time Directors(s)	Executive Directors or Whole-time Directors(s) on our Board, as described in “ <i>Our Management</i> ”, beginning on page 47
Independent Directors	Independent directors on our Board, and who are eligible to be appointed as independent directors under the provisions of the Companies Act and the SEBI Listing Regulations. For details of the Independent Directors, please see “ <i>Our Management</i> ” on page 47,

Term	Description
KMP/ Key Managerial Personnel	Key managerial personnel of our Company in accordance with Regulation 2(1) (bb) of the SEBI ICDR Regulations and Section 2(51) of the Companies Act, 2013 as applicable and as further disclosed in “ <i>Our Management</i> ” on page 47,
MOA/ Memorandum of Association	The memorandum of association of our Company, as amended from time to time.
Promoter Group	The promoter group of our Company as determined in terms of Regulation 2(1) (pp) of the SEBI ICDR Regulations
Promoters	Shall mean promoters of our Company as mentioned in this Draft Letter of Offer.
Registered Office	The Registered Office of our Company, situated at Hira Baug, 1st Floor, Kasturba Chowk (C. P. Tank), Mumbai – 400 004, Maharashtra, India
Financial Statement/	The financial statement of our Company comprises of the Financial Statements of our Company, which comprise of the summary statement of Assets and Liabilities as at , 31 st March, 2023, the summary statements of profit and loss (including other comprehensive income), the summary statement of cash flows and the statement of changes in equity for the year ended 31 st March, 2023.
ROC/Registrar of Companies	The Registrar of Companies, Maharashtra at Mumbai.
Shareholder(s)	Shareholders of our Company, from time to time
Stakeholders Relationship Committee	The committee of the Board of Directors constituted as our Company’s Stakeholders’ Relationship Committee in accordance with Regulation 20 of the SEBI Listing Regulations.
Subsidiary	Subsidiary as defined under section 2(87) of Companies Act, 2013

Issue Related Terms

Term	Description
Additional Rights Shares	The Equity Shares applied or allotted under this Issue in addition to the Rights Entitlement.
Allot/ Allotment/ Allotted	Allotment of Equity Shares pursuant to the Issue.
Allotment Advice	A note or advice or intimation of Allotment sent to all the Investors who has been allotted or is to be allotted the Equity shares in the Issue after approval of the Basis of Allotment by the Designated Stock Exchange.
Allotment Date	Date on which the Allotment is made pursuant to the Issue.
Allottee	A successful Investor to whom the Equity Shares are Allotted
Applicant(s) / Investor(s)	Eligible Equity Shareholder(s) and/or Renouncee(s) who make an application for the Rights Equity Shares pursuant to the Issue in terms of the Draft Letter of Offer, including an ASBA Applicant.
Application Form	Unless the context otherwise requires, an application form (including online application form available for submission of application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process) used by an Applicant to make an application for the Allotment of Rights Equity Shares in this Issue.
Application Supported by Blocked Amount/ ASBA	An application, whether physical or electronic, used by ASBA Applicants to make an application authorizing a SCSB to block the Application Money in the ASBA Account.
ASBA Account	Account maintained with a SCSB and specified in the Application Form or plain paper application, as the case may be, for blocking the amount mentioned in the Application Form or the plain paper application, in case of Eligible Equity Shareholders, as the case may be.
Banker(s) to the Issue	Collectively, the Escrow Collection Bank(s), Refund Bank(s) to the issue, in this case being [•], Sponsor Bank, as the case may be
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Applicants under the Issue and as described in “ <i>Terms of the Issue</i> ” beginning on page 73
Client ID	Client identification number maintained with one of the Depositories

Term	Description
Controlling Branches / Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the , the Registrar to the Issue and the Stock Exchanges, a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and / or such other website(s) as may be prescribed by the SEBI / Stock Exchange(s) from time to time
Designated Branches	Such branches of the SCSBs which shall collect the Application Form or the plain paper Application, as the case may be, used by the Investors and a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
Designated Stock Exchange	BSE Limited
Draft Letter of Offer/ DLOF	This Draft Letter of Offer dated 14 th June, 2024
Eligible Equity Shareholder(s)	Holder(s) of Equity Shares of our Company as on the Record Date
Equity Share Capital	Equity share capital of our Company
Escrow Account(s)	One or more no-lien and non-interest-bearing accounts with the Escrow Collection Bank(s) for the purposes of collecting the Application Money from resident Investors making an Application through the ASBA
Issue/ Rights Issues	Issue of up to [●] fully paid-up equity shares with a face value of ₹ [●] each at a premium of ₹ [●] per Equity Share for an amount aggregating up to ₹ 49.95 Crores on a rights basis to the existing Equity Shareholders in the ratio of [●] Equity Share for every [●] fully paid-up Equity Share(s) (i.e., [●]) held by the existing Equity Shareholders on the Record Date. The issue price is [●] times the face value of the Equity Shares. On Application, Investors will have to pay ₹ [●] per Rights Equity Share which constitutes [●]% of the Issue Price and the balance ₹ [●] per Rights Equity Share which constitutes [●]% of the Issue Price, will have to be paid, on one or more subsequent Call(s), as determined by our Board at its sole discretion, from time to time.
Issue Price	₹ [●] (Rupees [●]) per Equity On Application, Investors will have to pay ₹ [●] per Rights Equity Share which constitutes [●]% of the Issue Price and the balance ₹ [●] per Rights Equity Share which constitutes [●]% of the Issue Price, will have to be paid, on one or more subsequent Call(s), as determined by our Board at its sole discretion, from time to time
Issue Opening Date	[●]
Issue Closing Date	[●]
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants/Investors can submit their applications, in accordance with the SEBI ICDR Regulations.
Issue Proceeds	The proceeds of the Issue shall be available to our Company. For further information about the use of the Issue Proceeds, please see “ <i>Objects of the Issue</i> ” beginning on page 38
Letter of Offer/LOF	The final letter of offer to be filed with the BSE and NSE after incorporating the BSE and NSE observations received from the BSE and NSE on the Draft Letter of Offer;
Listing Agreement	The listing agreements entered into between our Company and the Stock Exchanges in terms of the SEBI Listing Regulations.
Multiple Application Forms	Multiple application forms submitted by an Eligible Equity Shareholder/Renouncee in respect of the Rights Entitlement available in their demat account. However supplementary applications in relation to further Equity Shares with/without using additional Rights Entitlement will not be treated as multiple application
Non-ASBA Investor	Investors other than ASBA Investors who apply in the Issue otherwise than through the ASBA process
Non-Resident	A person resident outside India, as defined under FEMA and includes NRIs, FPIs and FVCIs registered with SEBI
NSE	National Stock Exchange of India Limited

Term	Description
Off Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by transferring them through off market transfer through a depository participant in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Depositories, from time to time, and other applicable laws.
On Market Renunciation	The renunciation of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchanges through a registered stock broker in accordance with the SEBI Rights Issue Circulars and the circulars issued by the Stock Exchanges, from time to time, and other applicable laws, on or before [●].
Qualified Institutional Buyers/ QIBs	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
Record Date	A record date fixed by our Company for the purposes of determining the names of the Equity Shareholders who are eligible for the issue of Rights Equity Shares i.e. [●]
Refund Bank(s)	The Banker(s) to the Issue with whom the Refund Account(s) will be opened, in this case being [●]
Renounees	Any persons who have acquired Rights Entitlements from the Equity Shareholders through renunciation;
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date. Such period shall close on [●], [●] in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounee prior to the issue closing date.
Registrar Agreement	The agreement entered into amongst 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 to the Issue/ Registrar	Link Intime India Pvt Ltd
Retail Individual Investors or RII(s)	An individual Investor (including an HUF applying through Karta) who has applied for Rights Equity Shares and whose Application Money is not more than ₹2,00,000 in the Issue as defined under Regulation 2(1)(vv) of the SEBI ICDR Regulations.
Rights Entitlement(s)	The number of Equity Shares that an Investor is entitled to in proportion to the number of Equity Shares held by the Investor(s) on the Record Date, being [●] Rights Equity Shares for every [●] Equity Shares held on [●], [●].
Rights Entitlement Letter/ Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders
Rights Equity Shares	Equity Shares of our Company to be Allotted pursuant to this Issue, on partly paid-up basis
SCORES	Securities and Exchange Board of India Complaints Redress System
SEBI Listing Regulations/ SEBI (LODR) Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time
SEBI Master circular	Master Circular dated June 21, 2023 issued by the Securities and Exchange Board of India in order to enable stakeholders to have access to all circulars/directions issued under the relevant provisions of the SEBI ICDR Regulations, 2018 at one place.
SEBI Regulations/ SEBI ICDR Regulations	The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments thereto
SEBI Takeover Regulations/ Takeover Code/ Regulations	The SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and amendments thereto
Stock Exchanges	Stock Exchanges where the Equity Shares are presently listed, BSE Limited & National Stock Exchanges Limited.
SCSB(s)	A Self Certified Syndicate Bank registered with SEBI under the SEBI (Banker to an Issue) Regulations, 1994 and offers the facility of ASBA, including blocking of bank account. A

Term	Description
	list of all SCSBs is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
Working Day	All days on which commercial banks in Mumbai, India are open for business. Further in respect of Issue Period “Working Day” shall mean all days, excluding Saturdays, Sundays and public holidays on which commercial banks in Mumbai, Maharashtra, India is open for business. Furthermore, the time period between the Issue Closing Date and listing of the Equity Shares on Stock Exchanges, “Working Day” shall mean all trading days of Stock Exchanges excluding Sundays and bank holidays in India in accordance with circulars issued by SEBI

Conventional and General Terms and Abbreviations

Term	Description
A/c	Account
AGM	Annual general meeting
Air Act	Air (Prevention and Control of Pollution) Act, 1981, as amended
BIS	Bureau of Indian Standards
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
Calendar Year or year	Unless the context otherwise requires, shall refer to the twelve-month period ending December 31
CDSL	Central Depository Services (India) Limited
Companies Act, 1956	Companies Act, 1956, and the rules, regulations, notifications, modifications and clarifications made thereunder, as the context requires
Companies Act, 2013/ Companies Act	Companies Act, 2013 and the rules, regulations, notifications, modifications and clarifications thereunder
Competition Act	Competition Act, 2002, and the rules, regulations, notifications, modifications and clarifications made thereunder, as the context requires
CST	Central Sales Tax
Depositories Act	Depositories Act, 1996.
Depository Depositories	or NSDL and CDSL.
DIN	Director Identification Number
DP ID	Depository Participant’s Identification Number
DP/ Participant	Depository A depository participant as defined under the Depositories Act
DPIIT	The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry
EBITDA	Earnings before Interest, Tax, Depreciation and Amortisation
EGM	Extraordinary General Meeting
EMS	Environmental Management System
EOU	Export Oriented Unit
EPS	Earnings per share
EUR/ €	Euro
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
Financial Year/ FY/ F.Y.	Fiscal/ Period of twelve months ending on March 31 of that particular year, unless stated otherwise
FPI(s)	A foreign portfolio investor who has been registered pursuant to the SEBI FPI Regulations
FVCI	Foreign Venture Capital Investors as defined under SEBI FVCI Regulations
FVTPL	Fair Value Through Profit or Loss
FY	Financial Year

Term	Description
GDP	Gross Domestic Product
GOI	Government of India
GST	Goods and services tax
GVA	Gross value added
Hazardous Waste Rules	Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016
HUF	Hindu undivided family
I.T. Act	The Income Tax Act, 1961, as amended
IALM	Indian Assured Lives Mortality
IBC	Insolvency and Bankruptcy Code
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Ind AS	The Indian Accounting Standards notified under Section 133 of the Companies Act and referred to in the Ind AS Rules
Ind AS Rules	Companies (Indian Accounting Standards) Rules, 2015
Indian GAAP	Generally Accepted Accounting Principles in India notified under Section 133 of the Companies Act, 2013 and read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) Amendment Rules, 2016
INR	Indian National Rupee
IRDAI	Insurance Regulatory Development Authority of India
IT	Information technology
ITC	Input Tax Credit
LC	Letter of Credit
MAT	Minimum Alternate Tax
MCA	Ministry of Corporate Affairs, Government of India
MDQMS	Medical Device Quality Management System
MEIS	Merchandise Exports from India Scheme
MIDC	Maharashtra Industrial Development Corporation
Mn/ mn	Million
MPCB	Maharashtra Pollution Control Board
MSME	Micro, Small & Medium Enterprises
NSE	National Stock Exchange of India Limited
Mutual Fund(s)	A mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
N.A. or NA	Not applicable
NACH	National Automated Clearing House
NAV	Net Asset Value
NCDs	Non-Convertible Debentures
NEFT	National Electronic Fund Transfer
NFE	Net Foreign Exchange
NPCI	National Payments Corporation of India
NRE Account	Non-resident External Account established in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016
NRI/ Non-Resident Indian	A person resident outside India who is a citizen of India as defined under the Foreign Exchange Management (Deposit) Regulations, 2016 or is an 'Overseas Citizen of India' cardholder within the meaning of section 7(A) of the Citizenship Act, 1955
NRO Account	Non-resident ordinary account established in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016
NSDL	National Securities Depository Limited
OCB/ 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 had taken benefits under the general permission granted to OCBs under the FEMA. OCBs are not allowed to invest

Term	Description
	in the Issue
OCED	Organization for Economic Co-operation and Development
OHSMS	Occupational Health and Safety Management System
P/E Ratio	Price/Earnings ratio
PAN	Permanent Account Number allotted under the I.T. Act
PIAI	Packaging Industry Association of India
QMS	Quality Management System
R&D	Research and development
RBI	Reserve Bank of India
Regulation S	Regulation S under the U.S. Securities Act
RoDETP Scheme	Remissions of Duties and Taxes on Exported Products Scheme
RONW	Return on Net Worth
Rs./ Rupees/ ₹ / INR	Indian Rupees
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
State Government	Government of a State of India
STT	Securities Transaction Tax
TCS	Tax Collected at Sources
TDS	Tax Deducted at Sources
US GAAP	Generally Accepted Accounting Principles in the United States of America
U.S. Securities Act	U.S. Securities Act of 1933, as amended
USA/ U.S. / US	The United States of America
USD / US\$	United States Dollars
VCFs	Venture capital funds as defined in, and registered with SEBI under, the SEBI VCF Regulations
Water Act	Water (Prevention and Control of Pollution) Act, 1974
Wilful Defaulter or Fraudulent Borrower	Wilful Defaulter or Fraudulent Borrower as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations

Technical and Industry Related Terms

Terms	Description
BIS	Beureau of Indian Standards
BTCA	Butane Tera Carbolic Acid
B.V.B.A.	Besloten Vennootschap met Beperkte Aansprakelijkheid
CHEMEXIL	Basic Chemicals, pharmaceuticals and cosmetics promotion council
EOU	Export Oriented Unit
CAS No.	Chemical Abstracts Serial Number
M.W.	Molecular Weight
MPCB	Maharashtra Pollution Control Board
USD	U S Dollar

NOF	Net Owned Funds
FIPB	Foreign Investment Promotion Board
MICR	Magnetic Ink Character Reader
SICA	Sick Industrial Companies Act

NOTICE TO INVESTORS

The distribution of this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlements Letter and any other Issue material and the issue of Rights Entitlements and the Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India are restricted by legal requirements prevailing in those jurisdictions.

In accordance with the SEBI ICDR Regulations, this Draft Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and any other material relating to the Issue (collectively, the “**Issue Materials**”) will be sent/ dispatched only to the Eligible Equity Shareholders who have provided an Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be physically dispatched, on a reasonable effort basis, to the Indian addresses provided by them. Those overseas Shareholders, who do not update our records with their Indian address or the address of their duly authorised representative in India, prior to the date on which we propose to send e-mail or send a physical copy of this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form and other applicable Issue materials, shall not be sent the above Issue materials.

Investors can also access this Draft Letter of Offer and the Application Form from the websites of our Company and the Registrar to Issue.

Our Company, and the Registrar will not be liable for non-dispatch of physical copies of Issue materials, including this Draft Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, in the event the Issue materials have been sent on the registered email addresses of such Eligible Equity Shareholders.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose, except that this Draft Letter of Offer is being filed with SEBI and the Stock Exchanges. In particular, the Rights Entitlements and the Rights Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”), or the securities laws of any state of the United States and may not be offered or sold as per U.S. Securities Act, 1933 except in a transaction not subject to, or exempt from, the registration requirements of the Securities Act and applicable state securities laws. The Rights Entitlements and Rights Equity Shares are being offered and sold only to persons outside the United States in offshore transactions as defined in and in reliance on Regulations under the Securities Act (“Regulation S”). Accordingly, the Rights Entitlement and the Rights Equity Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer and any other Issue Materials may not be distributed, in whole or in part, in or into in (i) the United States or (ii) or any jurisdiction other than India except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Draft Letter of Offer or any other Issue Materials (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone (i) in the United States or (ii) in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorized or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, this Draft Letter of Offer and any other Issue Materials must be treated as sent for information only and should not be acted upon for subscription to Rights Equity Shares and should not be copied or re-distributed. Accordingly, persons receiving a copy of this Draft Letter of Offer and any other Issue Materials should not distribute or send this Draft Letter of Offer or any such documents in or into any jurisdiction where to do so, would or

might contravene local securities laws or regulations, or would subject our Company to any filing or registration requirement (other than in India). If this Draft Letter of Offer or any other Issue Material is received by any person in any such jurisdiction or the United States, they must not seek to subscribe to the Rights Equity Shares.

Rights Entitlements may not be transferred or sold to any person outside India.

Any person who makes an application to acquire Rights Equity Shares will be deemed to have declared, represented, warranted and agreed that such person is outside the United States and is authorized to acquire the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company to make any filing or registration (other than in India).

Our Company reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States or jurisdictions where the offer and sale of the Rights Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is outside the United States and such person is eligible to subscribe for the Rights Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; or (iii) where either a registered Indian address is not provided or where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or allot any Rights Equity Shares in respect of any such Application Form.

Neither the receipt of this Draft Letter of Offer nor any sale of Rights Equity Shares hereunder, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Draft Letter of Offer or the date of such information.

The contents of this Draft Letter of Offer should not be construed as legal, tax, business, financial or investment advice. Prospective investors may be subject to adverse foreign, state or local tax or legal consequences as a result of the offer of Rights Equity Shares or Rights Entitlements. As a result, each investor should consult its own counsel, business advisor and tax advisor as to the legal, business, tax and related matters concerning the offer of the Rights Equity Shares or Rights Entitlements. In addition, our Company is not making any representation to any offeree or purchaser of the Rights Equity Shares regarding the legality of an investment in the Rights Entitlements or the Rights Equity Shares by such offeree or purchaser under any applicable laws or regulations.

Investors are advised to make their independent investigations and ensure that the number of Rights Equity Shares applied for do not exceed the applicable limits under laws or regulations.

No offer in the United States

The Rights Entitlements and the Rights Equity Shares have not been approved or disapproved by the Stock Exchange(s), nor has any regulatory authority passed upon or endorsed the merits of the offering of the Rights Entitlements, the Rights Equity Shares or the accuracy or adequacy of this Draft Letter of Offer. Any representation to the contrary is a criminal offence in certain jurisdictions.

This Draft Letter of Offer and its accompanying documents are supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose.

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

Certain Conventions

All references to “India” contained in this Draft Letter of Offer 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 or the context otherwise requires, all references in this Draft Letter of Offer to the ‘US’ or ‘U.S.’ or the ‘United States’ are to the United States of America and its territories and possessions.

Unless otherwise specified, any time mentioned in this Draft Letter of Offer is in Indian Standard Time (“IST”). Unless indicated otherwise, all references to a year in this Draft Letter of Offer are to a calendar year.

A reference to the singular also refers to the plural and one gender also refers to any other gender, wherever applicable.

Unless stated otherwise, all references to page numbers in this Draft Letter of Offer are to the page numbers of this Draft Letter of Offer.

Financial Data

Unless stated otherwise, the financial data in this Draft Letter of Offer is derived from the Audited Financial Statements as of and for the Fiscal ended March 31, 2023, March 31, 2022 and March 31, 2021. For further details, please refer to the section titled “Financial Information” beginning on page no 61 of this DLOF.

The fiscal year of our Company begins on April 1 of each calendar year and ends on March 31 of the following calendar year. Unless otherwise stated, references in this Draft Letter of Offer to a particular ‘Financial Year’ or ‘Fiscal Year’ or ‘Fiscal’ are to the financial year ended March 31.

In this Draft Letter of Offer, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding- off, and unless otherwise specified, all financial numbers in parenthesis represent negative figures.

Currency of Presentation

All references in this Draft Letter of Offer to ‘Rupees’, ‘Rs.’, ‘₹’, ‘Indian Rupees’ and ‘INR’ are to Rupees, the official currency of the Republic of India.

All references to ‘U.S. \$’, ‘U.S. Dollar’, ‘USD’ or ‘\$’ are to United States Dollars, the official currency of the United States of America.

Our Company has presented certain numerical information in this Draft Letter of Offer in “lakh” or “Lac” units. One lakh represents 1,00,000 and one million represents 1,000,000. All the numbers in the document have been presented in lakh or in whole numbers where the numbers have been too small to

present in lakh. Any percentage amounts, as set forth in “Risk Factors”, “Our Business”, “Management’s Discussion and Analysis of Financial Conditions and Results of Operation” and elsewhere in this Draft Letter of Offer, unless otherwise indicated, have been calculated based on our Audited Financial Statements.

References to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable. Unless stated otherwise, throughout this Draft Letter of Offer, all figures have been expressed in Lakhs.

Industry and Market Data

Unless stated otherwise, the industry and market data and forecasts used throughout this Draft Letter of Offer has been obtained from industry sources as well as Government Publications. Industry sources as well as Government 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 and underlying assumptions are not guaranteed and their reliability cannot be assured.

Further, the extent to which the industry and market data presented in this Draft Letter of Offer is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

Conversion Rates of Foreign Currency

This Draft Letter of Offer does not contain conversions of certain other currency amounts into Indian Rupees that have 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.

FORWARD-LOOKING STATEMENTS

We have included statements in this Draft Letter of Offer which contain words or phrases such as ‘will’, ‘may’, ‘aim’, ‘is likely to result’, ‘believe’, ‘expect’, ‘continue’, ‘anticipate’, ‘estimate’, ‘intend’, ‘plan’, ‘contemplate’, ‘seek to’, ‘future’, ‘objective’, ‘goal’, ‘project’, ‘should’, ‘pursue’ and similar expressions or variations of such expressions. Similarly, statements that describe our strategies, objectives, plans or goals are also forward - looking statements.

Further, actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties or assumptions associated with the expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company operates and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes, changes in competition in its industry and incidents of any natural calamities and/or acts of violence. Important factors that could cause actual results to differ materially from our Company’s expectations include, but are not limited to, the following:

1. General economic and business conditions in India and in the markets in which we operate and in the local, regional, and national economies;
2. Changes in laws and regulations relating to the sectors and industry in which we operate;
3. Our ability to successfully implement strategy, growth and expansion plans and technological initiatives;
4. Crystallisation of wage pressures, hiring patterns and the time required to train and productively utilize new employees;
5. Realization of contingent liabilities;
6. Occurrence of environmental problems and uninsured losses;
7. Increased competition in industries and sector in which we operate;
8. Factors affecting the industry in which we operate;
9. Our ability to meet our capital expenditure requirements;
10. Our ability to successfully implement our growth strategy and launch and execute the expansion plans and implement various projects and business plans for which funds are being raised through this Issue; Fluctuations in operating costs;
11. Our ability to attract and retain qualified personnel;
12. Our failure to keep pace with rapid changes in technology;
13. Changes in political and social conditions in India or in countries that we may enter, the monetary and interest rate policies of India and other countries, inflation, deflation, unanticipated turbulence in interest rates, equity prices or other rates or prices;
14. Occurrence of Pandemics, natural disasters or calamities affecting the areas in which we have operations;
15. Any adverse outcome in the legal proceedings in which we are involved;
16. Other factors beyond our control and our”,
17. Our ability to manage risks that arise from these factors;
18. Changes in Government policies and Regulatory actions that apply to or affect our business;
19. The performance of the financial markets in India and globally; and
20. We are affected by volatility in interest rates, adversely affecting our net interest income.
21. The company’s inflow may be affected from the fluctuation in foreign exchange rate
22. The business of the company may be affected from the global wars.

SUMMARY OF DRAFT LETTER OF OFFER

The following is a general summary of the certain disclosures included in this Draft Letter of Offer and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Letter of Offer when filed, or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Letter of Offer, including the sections titled “Risk Factors”, “Capital Structure”, “Objects of the Issue”, “Industry Overview”, “Our Business”, “Our Promoters”, “Financial information”, “Outstanding Litigation and Other Material Developments” on pages 21,35,38,56,60,43,62 respectively of this Draft Letter of Offer.

Primary business of our Company

The Company was incorporated on July 21, 1973. The Company is engaged in Manufacturing of chemical intermediates, heavy organic chemicals and performance chemicals and wireless network equipment and services,

As on 31st March, 2024 Manekchand Panachand Trading Investment Company Pvt Ltd, holding company held 61.91 % of the company's equity share capital. The Company's registered office is located at Mumbai, Maharashtra India and manufacturing facility is located at Roha, Raigad District, Maharashtra, India, the company's equity shares are listed on the BSE and NSE. For further information, please see “*Our Business*” on page 43.

Industry in which our Company operates:

Chemical industry is one of the oldest industries in India. It not only plays a crucial role in meeting the daily needs of the common man, but also contributes significantly towards industrial and economic growth of the nation.

The global chemical industry is one of the fastest growing sectors of the manufacturing industry. Despite the challenges of escalating crude oil prices and demanding international environmental protection standards now adopted globally, chemicals industry has still grown at a rate higher than the overall manufacturing segment.

For further information, please see “*Industry Overview*” beginning on page 56

Our Promoters and Promoter Group

As on the date of this Draft Letter of Offer, our Promoters are Asit Javeri, Abhishek Asit Javeri, Chandrika Dhankumar Javeri, Sadhana Rajiv Jain, Anuradha Merchant, Seema Asit Javeri, Rahat Sandeep Shah, Amita Vijayraj Parekh, Molina Dhankumar Javeri, Nisheeta Sanjay Agarwal, Asit D. Javeri (HUF), Manekchand Panachand Trading Investment Co Pvt Ltd, Hg Partners LLP, Lifestyle Net Works Limited, Chandra Net Limited and M.P. & Co. For further details, please see “*Our Promoters*” on page 60

Issue Size

Issue ⁽¹⁾	Issue of up to [●] Equity Shares aggregating up to ₹ 49.95 crores
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⁽¹⁾ *The Issue has been authorized by our Board pursuant to resolution dated December 02, 2023*

Objects of the Issue

The intended use of the Net Proceeds of the Issue by our Company is set forth in the following table: -
(In Crores)

Sr. No.	Particulars	Amount
1.	Acquisition of Land	Approx 49.95
2.	(Less) Issue related expense	Approx 0.39
Total		Approx 49.56

**To be finalised upon determination of the Issue Price and to be updated in the Letter of offer*

For further details, please see “Objects of the Issue” beginning on page 38

Aggregate pre-issue shareholding of Promoters and Promoter Group

The aggregate pre-Issue shareholding of our Promoters and Promoter Group as a percentage of the pre-Issue paid-up equity share capital of our Company as on March 31, 2024, date being closer to date of this Draft Letter of Offer is set out below:

S. No	Name of the Shareholder	No. of Equity Shares held	% of the pre-Issue paid up Equity Share capital
Promoters			
1.	Manekchand Panachand Trading Investment Co Pvt Ltd	15,29,58,115	61.91
2.	Asit Javeri	46,05,811	1.86
Promoter Group			
1.	Abhishek Asit Javeri	20,14,729	0.82
2.	Chandrika Dhankumar Javeri	7,49,210	0.30
3.	Sadhana Rajiv Jain	7,49,210	0.30
4.	Anuradha Merchant	4,77,400	0.19
5.	Seema Asit Javeri	4,70,393	0.19
6.	Rahat Sandeep Shah	1,08,027	0.04
7.	Amita Vijayraj Parekh	26,180	0.01
8.	Molina Dhankumar Javeri	25,666	0.01
9.	HG Partners LLP	500	0.00
	Total	162185241	65.63

For further details, please see “Capital Structure” beginning on page 35

Intention and extent of participation by our Promoter(s) and Promoter Group in the Issue:

Pursuant to the letter dated (*), our Promoters and members of the Promoter Group, have undertaken to:

- subscribe, jointly and/or severally to the extent of their Rights Entitlements;
- subscribe, jointly and/or severally to the extent of any Rights Entitlement that may be renounced in their favor by any other Promoters or Member(s) of the Promoter Group of our Company;
- may renounce their Right Entitlements fully or in part in favour of any third party other than the Promoters and members of the Promoter Group; and
- at their sole discretion, apply for and subscribe to additional Rights Equity Shares, and any such subscription for Rights Equity Shares shall be over and above their Rights Entitlement.

The aforementioned subscription of Rights Equity Shares and Additional Rights Shares by our Promoter, if allotted shall not result in a change of control of the management of our Company and shall not result in an obligation on our Promoter to make an open offer to the public shareholders of our

Company in terms of the SEBI Takeover Regulations. Further, as on the date of this Draft Letter of Offer, our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable laws, pursuant to this Issue.

Summary of Financial Information

A summary of the financial information of our Company as per the Financial Statements is as follows:

(in ₹ lakhs, except per share data)

Particulars	As at and for the Fiscal		
	31 st March, 2023	31 st March, 2022	31 st March, 2021
Equity Share Capital	2470.58	2021.39	1956.18
Net worth ⁽¹⁾	22344.42	21970.33	16426.12
Revenue from operations	18885.47	14585.16	12074.21
Earnings per Equity Share (Basic) (in ₹) ⁽²⁾	0.30	0.23	0.30
Earnings per Equity Share (Diluted) (in ₹) ⁽³⁾	0.30	0.23	0.30
Net asset value per Equity Share (in ₹) ⁽⁴⁾	9.04	10.87	
Total Borrowings	22072.74	13185.82	10557.59

- (1) "Net Worth" means the aggregate value of the paid-up share capital of our Company and all reserves created out of profits and securities premium account, as per the statement of assets and liabilities of our Company in the Financial Statements;
- (2) Basic EPS = Net Profit after tax, attributable to equity shareholders divided by weighted average no. of equity shares outstanding during the year/ period
- (3) Diluted EPS = Net Profit after tax, attributable to equity shareholders divided by weighted average no. of diluted equity shares outstanding during the year/ period.
- (4) Net Asset Value per share = Net Worth at the end of the year/period divided by total number of equity shares outstanding at the end of year / period.

For further details, please see "Financial Information" on page 61

Qualifications by the Statutory Auditors which have not been given effect to in the Financial Statements

There are no qualifications by the Statutory Auditors which have not been given effect to in the Financial Statements. For further details, please see "Financial Information" on page 61

Summary of outstanding litigations

A summary of outstanding litigation proceedings involving our Company, Subsidiary, Directors and Promoters, to the extent applicable, as on the date of this Draft Letter of Offer is provided below:

(₹ in lakhs)

Sr. No.	Name of Entity	Criminal Proceedings	Tax proceedings	Statutory/Regulatory proceedings	Disciplinary actions by the SEBI or stock Exchanges against our Promoter	Material civil litigation	Aggregate amount involved
1.	Company						
	By the	NIL	Nil	1	Nil	Nil	174.168

Sr. No.	Name of Entity	Criminal Proceedings	Tax proceedings	Statutory/Regulatory proceedings	Disciplinary actions by the SEBI or stock Exchanges against our Promoter	Material civil litigation	Aggregate amount involved
	Company						
	Against the Company	Nil	1	2	Nil	Nil	91.63684
2.	Promoters						
	By the Promoter	Nil	Nil	Nil	Nil	Nil	Nil
	Against the Promoter	Nil	Nil	Nil	Nil	Nil	Nil

**Not quantifiable*

For further details, please see “*Outstanding Litigation and Material Developments*” beginning on page No. 62

Risk factors

Investors should read “*Risk Factors*”, beginning on page 21 to have an informed view before making an investment decision.

Summary of contingent liabilities and commitments

For disclosure of contingent liabilities as per Ind AS 37 as at March 31, 2023 please see Financial Statements.

Summary of related party transactions

For details of related party transactions of our Company, as per the requirements under Ind AS 24 ‘Related Party Disclosures’ for the financial year ending March 31, 2023 please see Financial Statements.

SECTION II

RISK FACTOR

An investment in our Equity Shares involves a high degree of risk. You should carefully consider each of the following risk factors and all other information set forth in this Draft Letter of Offer, including in “Our Business”, “Industry Overview”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations”, “Selected Statistical Information” and “Financial Statements” before making an investment in our Equity Shares.

The risks and uncertainties described below are not the only risks that we currently face. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also adversely affect our business, financial condition, results of operations and cash flows. If any or some combination of the following risks, or other risks that are not currently known or believed to be adverse, actually occur, our business, financial condition and results of operations could suffer, the trading price of, and the value of your investment in, our Equity Shares could decline and you may lose all or part of your investment. In making an investment decision with respect to this Issue, you must rely on your own examination of our Company and the terms of this Issue, including the merits and risks involved. You should consult your investment, tax, financial and legal advisors about the consequences of an investment in our Equity Shares and its impact on you.

This Draft Letter of Offer also contains certain forward-looking statements that involve risks and uncertainties. Our results could differ materially from such forward-looking statements as a result of certain factors, including the risk factors described below and elsewhere in this Draft Letter of Offer.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section.

The following risk factors have been determined by our the Finance and Admin Committee of Board of Directors on the basis of their materiality. In accordance with Clause (VI) in Part B of Schedule VI of the SEBI ICDR Regulations, the following factors have been considered for determining the materiality: (i) Some events may not be material individually, but may be found material collectively, (ii) some events may have material impact qualitatively instead of quantitatively; and (iii) some events may not be material at present but may have material impact in the future.

RISK RELATED TO THE OBJECTS OF THE ISSUE

1. The Company is entering in the green hydrogen sector without any prior manufacturing experience, highlighting an opportunity for growth and learning in a rapidly evolving industry.

Given the Company's venture into the green hydrogen sector, it's important to note that the company currently lacks a track record in the actual manufacturing processes of green hydrogen. Absence of prior experience presents an opportunity for the Company to actively engage in a learning curve, leveraging industry insights and refining strategies to successfully establish themselves in this burgeoning field. While the initial phase may involve overcoming challenges associated with unfamiliar manufacturing intricacies, it also positions the Company to adapt swiftly, capitalize on industry advancements, and carve a niche in the growing market for green hydrogen.

2. The Company's dependence on third parties for project completion poses a risk, as external factors beyond its direct control may impact timelines and outcomes.

As the Company enters the realm of green hydrogen manufacturing, it embraces both the challenge and opportunity of relying on external expertise. With no prior experience in hydrogen production, the Company strategically leverages the specialized knowledge of third-party collaborators for various project facets. From acquiring cutting-edge technology to ensuring compliance and infrastructure implementation, the Company's approach optimizes efficiency. While this reliance on external entities introduces an element of complexity, it also underscores a strategic and adaptive approach, allowing the Company to navigate potential challenges and ensure the successful realization of its green hydrogen projects.

3. The Company has not concluded the finalization of additional parties for the project.

As of the filing of the draft letter of offer, the Company has not finalized its selection of additional parties for the project. Ongoing discussions are in progress with various potential collaborators to identify those best aligned with the project requirements and Company values. It's important to note that the Company is committed to concluding these discussions and finalizing the parties before the final issue, mitigating any perceived risk associated with this aspect of the green hydrogen initiatives.

4. If we are unable to develop and register intellectual property rights and protect them or if we infringe on the intellectual property rights of others, we may be subject to legal proceedings. Such failure to obtain registration/ protect our intellectual property rights or legal proceedings could adversely affect our competitive position, business, financial condition.

The success of our projects, including those related to the solar power facility, wind energy installation, and manufacturing of hydrogen, is contingent upon our ability to obtain, establish and safeguard intellectual property rights while avoiding infringement on others' intellectual property rights. Although we take necessary measures to protect our intellectual property, especially patents, there is no assurance that these safeguards will always be sufficient to prevent unauthorized use by third parties or infringement on our intellectual property rights. Competitors may hold patents that compete with our developments, potentially limiting our business in specific geographic areas.

Securing patent registrations across intended jurisdictions may not be guaranteed, and failure to protect our intellectual property rights could adversely impact our competitive standing. If a third party registers any of our unregistered proprietary rights, we might be unable to utilize them in our business, hindering the value associated with such intellectual properties.

The absence of patent registrations may necessitate significant resources for developing new processes/products. Inadequate intellectual property protection or failure to detect unauthorized use may lead to costly litigation, negatively affecting our business, prospects, and financial condition. Any disclosure of confidential technical information could harm our competitive advantage in the pharmaceuticals industry. Reproduction or capitalization on our technology by competitors may hinder legal protection efforts, posing a potential threat to our business, results of operations, financial condition, and future prospects.

5. We are required to obtain, renew or maintain statutory and regulatory permits, licenses and approvals to operate our research centres and any delay or inability in obtaining, renewing or maintaining such permits, licenses and approvals could result in an adverse effect on our results of operations.

Our operations are subject to extensive government regulation and we are required to obtain and maintain a number of statutory and regulatory permits and approvals under central, state and local government rules in the geographies in which we operate, generally for carrying out our business.

Several of these approvals are granted for a limited duration. Some of these approvals have expired and we have either made applications or are in the process of obtaining the approval for renewal. Further, while we have applied for some of these approvals, we cannot assure you that such approvals will be issued or granted to us in a timely manner, or at all. If we do not receive such approvals or are not able to renew the approvals in a timely manner, our business and operations may be adversely affected. The approvals required by us are subject to numerous conditions and we cannot assure you that these would not be suspended or revoked in the event of non-compliance or alleged noncompliance with any terms or conditions thereof, or pursuant to any regulatory action. If there is any failure by us to comply with the applicable regulations or if the regulations governing our business are amended, we may incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business. In addition, these registrations, approvals or licenses are liable to be cancelled. In case any of these registrations, approvals or licenses are cancelled, or its use is restricted, then it could adversely affect our business, results of operations, cash flows, financial condition or growth prospects.

6. If our backward integration strategy does not progress as anticipated, it may adversely affect the benefits/returns from the project.

Establishment of solar energy facility and wind energy installation is a backward integration strategy. While the success of our planned backward integration strategy is crucial for the overall project, it's reassuring to note that any setbacks in its implementation will not adversely affect our existing business. The solar power facility and wind energy installation, integral components of our diversified portfolio, remain robust revenue generators even in the absence of successful backward integration. While the non-implementation of backward integration poses a risk, its potential impact is mitigated by the resilience and revenue contribution of our existing renewable energy assets."

7. Any non-compliance with and changes in, safety, health, environmental and labor laws and other applicable regulations, may adversely affect our business, results of operations, financial condition and cash flows.

As we venture into new sectors of manufacturing, we become subject to an array of laws and government regulations governing safety, health, environmental protection, and labor practices in the regions where we conduct our business. These regulations encompass controls on air and water discharge, storage handling, and employee exposure to hazardous substances, among other operational aspects. Given our engagement in the handling and use of hazardous materials for R&D and manufacturing, the improper management of these substances carries the potential for accidents, posing risks to personnel, property, and the environment. While we implement preventive measures, including personnel training and industrial hygiene assessments, we cannot guarantee the absence of accidents in the future. Any mishap at our facilities may result in personal injury, property damage, equipment destruction, and the suspension of operations.

Furthermore, we must adhere to laws and regulations governing employment, covering aspects such as minimum wage, maximum working hours, overtime, working conditions, hiring, termination, and work permits. Complying with these regulations incurs costs, including ongoing capital expenditures. The landscape of environmental, health, safety, and labor laws has become increasingly stringent, with the potential for further tightening in the future. We cannot provide assurance that we will consistently remain in compliance with all applicable laws and regulations or avoid instances of non-compliance.

8. Our business strategies and expansion plans may be subject to various unfamiliar risks and may not be successful.

Our business strategies include establishment of both a solar power facility and a wind energy installation. These sustainable energy sources will be harnessed to generate electricity, which, in turn, will be utilised for the production of green hydrogen via water electrolysis. For further details, see “Object of the Issue” on page 38. These strategies require us to expand our operations to other geographical areas and in new industry verticals. Risks that we may face in implementing our business strategy in these markets may substantially differ from those previously experienced, thereby exposing us to risks related to new markets, industry verticals and clients. The commencement of operations beyond our current markets and industry verticals is subject to various risks including unfamiliarity with pricing dynamics, competition, service and operational issues as well as our ability to retain key management and employees. There can also be no assurance that we will not experience issues such as capital constraints, difficulties in expanding our existing operations and challenges in training an increasing number of personnel to manage and operate our expanded business, or that we will be able to successfully manage the impact of our growth on our operational and managerial resources and control systems. We may not be able to successfully manage some or all of the risks associated with such an expansion into new geographical areas and new industry verticals, which may place us at a competitive disadvantage, limit our growth opportunities and materially and adversely affect our business, results of operations and financial condition.

RISK RELATED TO THE BUSINESS

9. Our business is dependent on approvals from both Indian and foreign governmental authorities and health regulatory bodies. We may be unable to obtain, renew or maintain our statutory and regulatory permits and approvals required to operate the business.

Chemical manufacturers are subject to significant regulatory scrutiny in many jurisdictions. We own and operate manufacturing facilities in India which need to comply with extensive regulations including compliance with environmental laws, cGMP stipulated by the WHO, the Central Drugs Standard Control Organization of India and other regulatory agencies.

We require product registrations, marketing authorisations and other approvals granted by Indian and various foreign governmental authorities and health regulatory bodies. Regulatory authorities in many of our markets must approve our products before we or our distribution agents can market them, irrespective of whether these products are approved in India. The cost of acquiring such authorisations and approvals is substantial. Governmental authorities in various countries regulate research, development, manufacture, and testing to ensure the safety of pharmaceutical products. The regulations applicable to our existing and future products may change. There can be long delays in obtaining required clearances from regulatory authorities in any country after applications are filed. Our products, as well as the facility where we manufacture them, require extensive testing, government reviews and approvals before they can be marketed. Whether or not a product is approved in India, regulatory authorities in many of the markets to which we export products must approve that product before we can begin to market it in those countries. The time required to obtain such approvals may be longer than we anticipate. While we believe that we will be able to renew or obtain such registrations and approvals, as and when required, there can be no assurance that the relevant authorities will renew or issue any such registrations or approvals in the time frame anticipated by us or at all. Any failure or delay in obtaining regulatory approvals, or any implementation of new standards or conditions that have to be met in order to obtain such approvals, could impact the marketing of our products and, in turn, affect our business, prospects, results of

operations and financial condition. Failure by us to renew, maintain or obtain the required permits or approvals may result in the interruption of our operations and may have a material adverse effect on our business, prospects, results of operations and financial condition. Further, any failure to comply with the various conditions attached to such approvals, licenses, registrations and permissions once received, may cause the relevant regulatory body to suspend or revoke our business license or impose fines and sanctions in the relevant jurisdictions.

Moreover, in the event of any future expansion, our expansion plans may require certain further government and statutory approvals. Any delay in getting these approvals or inability to obtain them may adversely affect the implementation of such projects, resulting in a cost and time overrun, and accordingly adversely affect our business, prospects, results of operations and financial condition.

10. Any delay in production at, or shutdown of, our manufacturing facility could adversely affect our business, prospects, results of operations and financial condition.

Any significant malfunction or breakdown of our machinery, our equipment, our automation systems, our IT systems or any other part of our manufacturing processes or systems (together, our “Manufacturing Assets”) may entail significant repair and maintenance costs and cause delays in our operations. Although we have not experienced such significant malfunction or break down in the past, if we are unable to repair Manufacturing Assets in a timely manner or at all, our operations may need to be suspended until we procure the appropriate Manufacturing Assets to replace them. Although we have backup for lower value machinery, this is not always possible for capital intensive machinery, and as such, when such equipment fails, we have and may into the future experience operational downtime. We may also experience loss of, or a decrease in, revenue due to lower production levels. Further, the capacity utilisation at our manufacturing facility is subject to various factors such as availability of raw materials, power, water, efficient working of machinery and equipment and optimal production planning. Although we have implemented technology improvements in the past without interruption of our operations, we cannot assure you that we will successfully implement new technologies effectively or adapt its systems to emerging industry standards. In addition, we may be required to carry out planned shutdowns of our facility for maintenance, statutory inspections, customer audits and testing, or may shut down certain operations for capacity expansion and equipment upgrades.

Further, we may be subject to manufacturing disruptions due to contraventions by us of any of the conditions of our regulatory approvals, which may require our manufacturing facility to cease, or limit, production until the disputes concerning such approvals are resolved.

Although we have not experienced any significant disruptions at our manufacturing facility in the past, we cannot assure you that there will not be any disruptions in our operations in the future. Our inability to effectively respond to such events and rectify any disruption, in a timely manner and at an acceptable cost, could lead to the slowdown or shutdown of our operations or the under-utilization of our manufacturing facility, which in turn may have an adverse effect on our business, financial condition and results of operations.

11. We operate in a competitive business environment, both globally and domestically. If our Company is unable to respond effectively to competition, our business, prospects, results of operations and financial condition may be adversely affected.

We operate in a competitive business environment. The pharmaceutical industry is constantly evolving, primarily due to factors such as but not limited to technological advances, regulations of

both governments and bilateral treaties and arrangements and consolidation of resources by industry players. Growing competition may subject us to pricing pressures and require us to reduce the prices of our products and services in order to retain or attract customers, which may have a material adverse effect on our revenues and margins. Further, several of our competitors are larger international and national companies and have access to greater resources, wider geographical reach, broader product ranges or may be able to develop or acquire technology or partner with innovators or customers at terms which are not presently feasible for us, due to our current scale of operations. Further, they may succeed in developing products that are more effective, more popular or cheaper than our products. Any of these factors may have a material adverse effect on our business, prospects, results of operations and financial condition.

12. Any inability to comply with repayment and other covenants in our financing agreements could adversely affect our business, financial condition, cash flows and credit rating.

13. Our Company may not be successful in penetrating new export markets.

Expansion into new export markets subjects us to various challenges, including those relating to our lack of familiarity with the culture and economic conditions of these new regions, language barriers, difficulties in staffing and managing such operations, and the lack of brand recognition and reputation in such regions. As part of our strategy, we are planning to expand into Europe and the United States for bromine derivative performance products and into the United States for industrial salt and sulphate of potash. In addition, the risks involved in entering new geographic markets and expanding operations, may be higher than expected, and we may face significant competition in such markets. By expanding into new geographical regions, we could be subject to additional risks associated with establishing and conducting operations, including compliance with a wide range of laws, regulations and practices; exposure to expropriation or other government actions; and political, economic and social instability.

14. We are subject to certain risks consequent to our operations involving the manufacture, usage and storage of various hazardous substances.

Our manufacturing processes involve manufacturing, storage and transportation of various hazardous substances including bromine and certain raw materials that we use in production 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.

15. 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 manufacturing operations. Further, our products, 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 manufacturing 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 are also subject to the laws and regulations governing employees, including in relation to minimum wage and maximum working hours, overtime, working conditions, hiring and termination of employees, contract labour and work permits. We have incurred and expect to continue incurring costs for compliance with such laws and regulations. We have also made and expect to continue making capital expenditures on an on-going basis to comply with all applicable environmental, health and safety and labour 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

16. 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 operations are subject to various laws, the compliance of which is supervised by multiple regulatory authorities and government bodies. In order to conduct our business, we are required to obtain multiple licenses, approvals, permits and consents. For further information, see “Government and Other Approvals” on page 64. Additionally, our government approvals and licenses are subject to numerous conditions, some of which are onerous including making an application for amending the existing approval and require us to make substantial expenditure. Most of these approvals and licenses are subject to ongoing inspection and compliance requirements and are valid only for a fixed period of time subject to renewal and accreditation. Additionally, we may need to apply for more approvals in the future including renewal of approvals that may expire from time to time. If we fail to renew, obtain or retain any of such approvals, in a timely manner, or at all, our business and operations may be adversely affected. Failure to obtain or renew such registration in future, in a timely manner, or at all, our business and operations may be adversely affected.

Amongst the laws that we must adhere to, environmental, health and safety laws and regulations are one of the most critical laws. These include laws and regulations that limit the discharge of pollutants into the air and water and establish standards for the treatment, storage and disposal of hazardous waste materials, amongst others. Significant fines and penalties may be imposed for non-compliance

with such environmental laws. We are also inspected at regular intervals by various environmental protection agencies to ensure our compliance with applicable laws and regulations. We are also required to obtain permits from governmental authorities for certain aspects of our operations. These laws, regulations and permits often require us to purchase and install expensive pollution control equipment or to make operational changes to limit impacts or potential impacts on the environment and/or health of our employees. Further, our compliance with these laws and regulations and our obtaining the necessary governmental permits are often a prerequisite for customer orders. Any actual or alleged failure on our part to comply with the terms and conditions of such regulatory licenses, registrations and approvals could expose us to legal action, compliance costs or liabilities, or could affect our ability to continue to operate at the locations or in the manner in which we have been operating thus far.

17. We face competition from both domestic as well as multinational corporations and our inability to compete effectively may have a material adverse impact on our business, financial condition and results of operations.

Competition in our business is based on pricing, relationships with customers, product quality, customisation and innovation. Our competitors may have greater financial, manufacturing, marketing and other resources, more experience in obtaining regulatory approvals, greater geographic reach, broader product ranges or a stronger sales force. Our competitors may succeed in developing products that are more effective, popular or cheaper than ours, which may render our products uncompetitive and adversely affect our business, results of operations and financial condition. Further, some of our competitors, which include major multinational corporations, may consolidate and integrate their operations, and the strength of combined companies could affect our competitive position. Consolidated corporations may have greater financial, manufacturing, marketing and other resources, broader product ranges and larger, stronger sales forces, which may make them more competitive than us.

We face pricing pressures from foreign companies, principally in Israel (Dead Sea area), China and North America, that are able to produce chemicals at competitive costs and consequently, may supply their products at cheaper prices. We are unable to assure you that we shall be able to meet the pricing pressures imposed by such multinational competitors which would adversely affect our business, financial condition and results of operations. Additionally, some of our competitors in specialty marine chemicals industry may have greater financial, research and technological resources, larger sales and marketing teams and more established reputation. They may also be in a better position to identify market trends, adapt to changes in industry, innovative new products, offer competitive prices due to economies of scale and also ensure product quality and compliance. Any failure by us to compete effectively, including in terms of pricing or providing quality products, which may adversely affect our business, results of operations and financial condition.

SECTION III

THE ISSUE

The present Issue of [●] Equity Shares in terms of this Draft Letter of Offer has been authorized pursuant to a resolution of our Board of Directors in their meeting held on December 02, 2023, passed under Section 62(1)(a) and other applicable provisions of the Companies Act, 2013. The terms of the Issue including the Record Date and Rights Entitlement Ratio, have been authorised by the Board via resolution passed by our Finance and Admin Committee at its meeting held on [●].

The following is a summary of this Issue and should be read in conjunction with and is qualified entirely by, the information detailed in “*Terms of the Issue*” on page no.73 of this DLOF.

Rights Equity Shares being offered by our Company	[●] Equity shares issued on fully paid-up basis.
Rights Entitlement	[●] Rights Equity Share(s) for every [●] fully paid-up Equity Share(s) held on the Record Date
Record Date	[●]
Face value per Equity Share	₹ 1/- each
Issue Price per Rights Equity Share	₹ [●]/- each
Issue Size	Issue of up to [●] Equity Shares of face value of Rs. 1 each for cash at a price of Rs. [●] (including a premium of Rs. [●] per Rights Equity Share) per Equity Share for an amount aggregating to ₹ 49.95 Crores (Assuming Full Subscription)
Equity Shares issued, subscribed and paid-up prior to the Issue	24,70,58,452 Equity Shares
Equity Shares issued, subscribed and paid-up after the Issue (assuming full subscription for and allotment of the Rights Entitlement)	[●] Equity Shares
Voting Rights and Dividend	The Equity Shares issued pursuant to the Rights issue shall rank pari passu in all respects with the existing Equity Shares of our Company.
Security Codes	BSE: 506642 NSE: SADHNANIQ ISIN: INE888C01040 ISIN for Rights Entitlement: [●]
Use of Issue Proceeds	For details, see “Objects of the Issue” on page 38 of this Draft Letter of Offer.
Terms of the Issue	For details, see “Terms of the Issue” on page .73 of this Draft Letter of Offer.
Issue Open Date	[●]

Last date for On Market Renunciation of Rights	[●]
Issue Close Date	[●]

**As per SEBI Rights Issue Circulars, the fractional entitlements are to be ignored, hence the fractional entitlement of such Eligible Equity Shareholders shall be ignored for computation of the Rights Entitlement. For Rights Equity Shares being offered under this Issue, if the shareholding of any of the Eligible Equity Shareholders is less than [●] Equity Shares or is not in multiples of [●], the fractional entitlement of such Eligible Equity Shareholders shall be ignored for computation of the Rights Entitlements. However, Eligible Equity Shareholders whose fractional entitlements are being ignored earlier will be given preference in the Allotment of one additional Equity Share each, if such Eligible Equity Shareholders have applied for additional Equity Shares over and above their Rights Entitlement, if any.*

For details in relation to fractional entitlements, please see the section entitled “Terms of the Issue – Basis for this Issue and Terms of this Issue – Fractional Entitlements” on page 91.

Issue Schedule

The subscription will open upon the commencement of the working hours and will close upon the close of working hours on the dates mentioned below:

Event	Indicative Date
Issue Opening Date	[●]
Last Date for On Market Renunciation of Rights	[●]
Issue Closing Date	[●]

Terms of Payment

Amount payable per Rights Equity Shares (including premium)	Face Value (₹)	Premium (₹)	Total (₹)
On the Issue application (i.e. along with the Application Form)	Rs. [●] per Rights Equity Share	Rs. [●] per Rights Equity Share	Rs. [●] per Rights Equity Share
On Call (One or more) as determined by our Board at its sole discretion, from time to time	NA	NA	NA
Total	Rs. [●] per Rights Equity Share	Rs. [●] per Rights Equity Share	Rs. [●] per Rights Equity Share

GENERAL INFORMATION

Our Company was incorporated on July 21, 1973, as a public limited company, in the name and style 'Sadhana Nitro Chem Limited' under the provisions of the Companies Act, 1956, with the Registrar of Companies, Mumbai, Maharashtra, India.

BRIEF OF COMPANY AND ISSUE INFORMATION	
Name & CIN	Sadhana Nitro Chem Limited L24110MH1973PLC016698
Registered Office	Hira Baug, 1 st floor Kasturba chowk (C.P. Tank), Mumbai, Maharashtra, India, 400004
Corporate Office	10, Bruce Street, 1st Floor, 8/12, Sir Homi Modi Street, Fort, Mumbai, Mumbai, Maharashtra, India, 400001
Factory Address	47, MIDC, Roha-402116, District. Raigad (M.S) Dhatav, Maharashtra
Registration Number	16698
Address of Registrar of Companies	100, Everest, Marine Drive, Mumbai- 400002
Company Secretary & Compliance Officer	Mr. Nitin R. Jani, Address: - Hira Baug, 1 st floor Kasturba Chowk (C.P. TANK), Mumbai, Maharashtra, India, 400004 Tel:- 91-022-6660 4881-5 Fax: - 91-022-6660-4147 Email: - sadhananitro@sncl.com
Statutory Auditor of the Company	Jayesh Dadia & Associates LLP Chartered Accountant Address: - 422, Arun Chambers, Tardeo, Mumbai-400034. Tel + 91-22-66602417/66601056 Fax: - +91-22-66602418 E-mail:- info@jdaca.com

CHANGES IN OUR REGISTERED OFFICE	
Date of change of Registered office	Details of the address of Registered Office
Not Applicable	Not Applicable

KEY INTERMEDIARIES		
REGISTRAR TO THIS ISSUE	BANKER TO THE ISSUE/REFUND BANK	LEGAL ADVISOR TO THE ISSUE
Link Intime India Pvt. Ltd	[•]	M/s. MMJB & Associates LLP

<p>Address: - C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai, Maharashtra, 400083 Contact details: - +91 810811494 Fax: - +91-22 - 4918-6060 Email: - mumbai@linkintime.co.in Website: - www.linkintime.co.in Contact Person: - Ms. Shanti Gopalakrishnan</p>		<p>Address: Ecstasy, 803/804, 8th, Citi Of Joy, JSD, Tambe Nagar, Ashok Nagar, Mulund West, Mumbai, Maharashtra 400080 Phone: 022 2167 8100 Website: https://www.mmjc.in/ Contact Person: - Kumudini Paranjape</p>
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***Note:** Investors may contact our Company Secretary and Compliance Officer and/or the Registrar to the Issue, 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, etc. All grievances in relation to the application may be addressed to the Registrar to the Issue, with a copy to the relevant Designated Intermediary, giving full details such as name, address of the Applicant, contact number(s), e-mail address of the sole/ first holder, folio number or demat account, number of Equity Shares applied for, amount blocked, ASBA Account number and the Designated Branch of the SCSB where the Application Forms, or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgement slip.*

SELF-CERTIFIED SYNDICATE BANKS (“SCSBS”)

The lists of banks that have been notified by SEBI to act as SCSB for the ASBA process are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>. For details of the Designated Branches which shall collect Application Forms, please refer to the above-mentioned SEBI link.

COLLECTING DEPOSITORY PARTICIPANTS

The list of the CDPs eligible to accept Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the website of Stock Exchange at BSE and NSE, as updated from time to time. The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the Application Forms from the Designated Intermediaries will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

INTER SE ALLOCATION OF RESPONSIBILITIES

Since no Lead Manager is required to be appointed for the purpose of this Issue, there is no requirement of an inter-se allocation of responsibilities.

CREDIT RATING

As the Issue is of Equity Shares, there is no requirement of credit rating for the Issue.

DEBENTURE TRUSTEE

As the Issue is of Equity Shares, the appointment of debenture trustee is not applicable.

MONITORING AGENCY

As the Issue Size is below ₹ 100 Crores, the appointment of a monitoring agency is not required. However, the Board of Directors and Audit Committee of our Company, would be monitoring the utilisation of the proceeds of the Issue.

UNDERWRITING

This Issue of Rights Equity Shares is not being underwritten and no standby support is being sought for the said Issue.

FILING OF DRAFT LETTER OF OFFER

The DLOF has been filed with BSE and NSE for obtaining their in-principle approval.

The DLOF shall not be filed with SEBI, nor will SEBI issue any observation on the DLOF as the size of issue is less than ₹ 50 Crores. However, a copy of the Letter of Offer shall be filed with the SEBI for the purpose of their information and dissemination.

However, a copy of the Letter of Offer shall be filed with the SEBI for the purpose of their information and dissemination on its website through the SEBI intermediary portal at <https://siportal.sebi.gov.in> in terms of the SEBI Circular No. SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018 issued by the SEBI. and in light of the SEBI notification dated March 27, 2020, our Company will submit a copy of the Letter of Offer to the email address: cfddil@sebi.gov.in.

MINIMUM SUBSCRIPTION

Our Promoters and Promoter Group have undertaken that they will subscribe to the full extent of their Rights Entitlements and that they shall not renounce their Rights Entitlements (except to the extent of renunciation by any of them in favour of any other Promoters or member of the Promoter Group) subject to the aggregate shareholding of our Promoters and Promoter Group being compliant with the minimum public shareholding requirements under the SCRR and the SEBI Listing Regulations. Accordingly, in terms of Regulation 86 of the SEBI ICDR Regulations, the requirement of minimum subscription is not applicable to the Issue.

Any participation by our Promoters and Promoter Group, over and above their Rights Entitlements, shall not result in a breach of the minimum public shareholding requirements prescribed under applicable law.

ISSUE SCHEDULE

The subscription will open upon the commencement of the banking hours and will close upon the close of banking hours on the dates mentioned below:

Last date for credit of Rights Entitlement	[●]
Issue Opening Date	[●]
Last Date for On Market Renunciation*	[●]
Issue Closing Date	[●]
Finalisation of Basis of Allotment (on or about)	[●]
Date of Allotment (on or about)	[●]
Date of Credit (on or about)	[●]
Date of Listing (on or about)	[●]

Note: The above timetable is indicative in nature and does not constitute any obligation on the Company. While our Company shall ensure that all the steps for completion of all the necessary formalities for the listing and trading of our equity shares on the BSE and NSE main board platform are taken within the prescribed timelines, the time table may change due to various factors such as

extension of the issue period by the Company or any delay in receiving final listing and trading approval from the BSE and NSE. The Commencement of the trading of Equity shares will be entirely at the discretion of BSE and NSE in accordance with the applicable laws.

** Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed by this date*

The Board of Directors or the Finance and Admin Committee will have the right to extend the Issue period as it may determine from time to time, provided issue will not remain open in excess of 30(Thirty) days from the issue Opening Date. Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

Please note that of eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, who have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date [●] to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date [●] Further, in accordance with the SEBI Rights Issue Circulars, (a) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date, or (b) the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, desirous of subscribing to Rights Equity Shares may also apply in this Issue during the Issue Period. For details, see "Terms of the Issue" on page 73 of this DLOF.

Investors are advised to ensure that the Applications are submitted on or before the Issue Closing Date. Our Company or the Registrar to the Issue will not be liable for any loss on account of non-submission of Applications on or before the Issue Closing Date. Further, it is also encouraged that the applications are submitted well in advance before Issue Closing Date. Please note that if no application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed and shall be extinguished after the Issue Closing Date. No Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited with the Rights Entitlements are required to make an application to apply for Equity Shares offered under Rights Issue for subscribing to the Equity Shares offered under issue.

CAPITAL STRUCTURE

The Equity Share capital of our Company, as on the date of this Draft Letter of Offer and after giving effect to the Issue is set forth below:

Rs. In Lakhs

Sr. No.	Particulars	Aggregate Nominal Value	
A.	Authorized Share Capital		
	60,00,00,000 Equity Shares of ₹ 1.00 each	6000.00	
B.	Issued, Subscribed and Paid-Up Share Capital before the Issue		
	24,70,58,452 Equity Shares of ₹ 1.00 each	2470.58	
		Aggregate Nominal Value	Aggregate value at Issue Price
C.	Present Issue in terms of this Draft Letter of Offer¹		
	Issue of [●] Equity Shares of ₹ 1.00 each for cash at a price of ₹ [●] per Equity Share ³ aggregating up to ₹ 49.95 crores	[●]	[●]
D.	Issued, Subscribed and Paid-up Share Capital after the Issue³		
	[●] Equity Shares of ₹ 1.00 each	[●]	[●]
E.	Securities Premium Account		
	Before the Issue		(*)
	After the Issue		[●]

Notes:

¹The Issue has been authorised by a resolution passed by our Board of Directors at its meeting held on December 02, 2023 pursuant to Section 62(1)(a) and all other applicable provisions of the Companies Act.

²Investors will have to pay the entire Issue Price i.e. ₹ [●] per Rights Equity Share at the time of Application.

³Assuming full subscription to the Rights Entitlements and its Allotment of the Rights Equity Shares.

Notes to the Capital Structure

- a) The Company does not have any outstanding warrants, options, convertible loans, debentures or any other securities convertible at a later date into Equity Shares, as on the date of this Draft Letter of Offer, which would entitle the holders to acquire further Equity Shares.
- b) All Equity Shares are fully paid-up and there are no partly paid Equity Shares outstanding as on the date of this Draft Letter of Offer. The Rights Equity Shares, when issued, shall be fully paid-up.
- c) At any given time, there shall be only one denomination of the Equity Shares.

d) Intention and extent of participation by our Promoter and Promoter Group in the Issue:

Our Promoter and Promoter Group have undertaken to subscribe, jointly and/ or severally to the full extent of their Rights Entitlement and subscribe to the full extent of any Rights Entitlement that may be renounced in their favour by any other Promoter or member(s) of the Promoter Group of our Company. Any subscription for Equity Shares over and above their Rights Entitlement, if allotted, may result in an increase in their percentage shareholding. Any such acquisition of additional Rights Equity Shares is exempt in terms of Regulation 10(4)(b) of the Takeover Regulations as conditions mentioned therein have been fulfilled and shall not result in a change of control of the management of our Company in accordance with provisions of the Takeover Regulations.

The additional subscription by the promoters shall be made subject to such additional subscription not resulting in the minimum public shareholding of the issuer falling below the level prescribed in Regulation 38 of the LODR/ SCRR. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements pursuant to the Issue.

- e) The ex-rights price of the Rights Equity Shares as per Regulation 10(4)(b) of the Takeover Regulations is ₹ [●] per equity share.
- f) Shareholding Pattern of our Company as per the last filing with the Stock Exchanges in compliance with the provisions of the SEBI Listing Regulations:
 - i. The shareholding pattern of our Company, as on December 31, 2023, can be accessed on the website of the BSE (<https://www.bseindia.com>) and the NSE (<https://www.nseindia.com>).
 - ii. The statement showing holding of Equity Shares of persons belonging to the category “Promoter and Promoter Group” including the details of lock-in, pledge of and encumbrance thereon, as on December 31, 2023, can be accessed on the website of the BSE (<https://www.bseindia.com>) and the NSE (<https://www.nseindia.com>)
 - iii. The statement showing holding of securities (including Equity Shares, warrants, convertible securities) of persons belonging to the category “Public” including Equity Shareholders holding more than 1% of the total number of Equity Shares as on December 31, 2023, as well as details of shares which remain unclaimed for public can be accessed on the website of the BSE (<https://www.bseindia.com>) and the NSE (<https://www.nseindia.com>)
- g) **The statement showing specified securities acquired by the promoter and promoter group in the last one year immediately preceding the date of filing of the draft letter of offer with the designated stock exchange:**

Except as disclosed below (bonus issue through resolution approved by shareholders on June 25, 2023), in the ratio of 2 number of shares against 9 number of shares held), no Equity Shares have

been acquired by our Promoter or members of the Promoter Group in the last one year immediately preceding the date of this Letter of Offer:

Name of the Promoter	Details of Acquisition			Post Transaction Holding	
	Date of Transaction	Number of Equity shares	Percentage of Equity shares acquired	Number of Equity Shares Post Transaction	Percentage of Equity shares post transaction
Not Applicable					

No. of Shares Allotted to the Promoter & members of the Promoter Group through Bonus Issue are as follows:

Date of Allotment	Name of the Shareholder	No. of Equity Shares Allotted
July 06, 2023	Manekchand Panachand Trading Investment Co Pvt Ltd	2,78,16,184
July 06, 2023	Asit Javeri	26,08,025
July 06, 2023	Abhishek Asit Javeri	13,11,725
July 06, 2023	Chandrika Dhankumar Javeri	1,36,220
July 06, 2023	Sadhana Rajiv Jain	1,36,220
July 06, 2023	Seema Asit Javeri	89,528
July 06, 2023	Anuradha Javeri	86,800
July 06, 2023	Rahat Sandeep Shah	19,641
July 06, 2023	Amita Vijayraj Parekh	4,760
July 06, 2023	Molina Dhankumar Javeri	4,666

OBJECTS OF THE ISSUE

The objects of the issue are as under:

- I. Financing the acquisition of a 126-acre plot of land.
- II. Issue related expenses

The main objects and objects incidental or ancillary to the main objects as stated in the Memorandum of Association enable the Company to undertake its existing activities. Further, our objects as stated in the Memorandum of Association do not restrict us from undertaking the activities for which the funds are being raised by our Company through this Issue.

Details of Net Proceeds of the Issue

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

(In Crores)		
Sr. No.	Particulars	Amount
1.	Gross Proceeds of the Issue*	Approx. 49.95
2.	(Less) Issue related Expenses	Approx 0.39
	Net Proceeds of the Issue	Approx 49.56

*Assuming full subscription to the Issue.

Utilization of Net Proceed

The intended use of the Net Proceeds of the Issue by our Company is set forth in the following table: -

(In Crores)		
Sr. No.	Particulars	Amount
1.	Acquisition of Land**	Approx 49.56
2.	Issue Expenses	Approx 0.39
Total		Approx 49.95

** Assuming full subscription to the Issue and subject to finalization of the Basis of Allotment and adjusted per the Rights Entitlement ratio. In the event the Issue is not fully subscribed, the Company shall first utilize the Net Proceeds towards the objects mentioned at serial number I and II in the above table named 'utilization of Net proceeds'.

The total cost of the aforementioned land plot is approximately ₹63 crores. Out of this, ₹49.56 crores will be raised through the proceeds of the rights issue, and the remainder will be paid through internal accruals by the Company.

Details of the Use of the Proceeds

a. Financing the acquisition of a 126-acre plot of land.

The acquisition of 126-acre plot of land will be strategically employed for the establishment of Green Energy Plant (Solar power/wind energy). These sustainable energy sources will be harnessed to generate electricity, which, in turn, will be utilized for the production of green hydrogen via water electrolysis.

The green hydrogen manufactured via electrolysis will play a pivotal role as an integral component of our backward integration strategy, specifically tailored to support the Para Aminophenol Plant ('PAP').

The integration of Green Energy aligns with our dedication to harnessing renewable resources and reducing our carbon footprint. This venture being part of our backward integration strategy, supports key components of our production infrastructure, reinforcing our position as pioneers in green hydrogen production. The ongoing discussions with potential vendors emphasize collaborative efforts, spreading risks and responsibilities, while leveraging diverse expertise to bring this vision to life.

Our endeavors foray into green hydrogen manufacturing not only enhances our self-reliance but also positions us at the forefront of sustainability. This strategic move encapsulates our vision for a more sustainable, interconnected, and environmentally conscious future, marking a transformative phase for our company.

b. Estimated Issue Related Expenses

The Issue related expenses include fees payable to the legal advisors, amounts payable to the stock exchanges, Registrar's fees, printing and distribution of issue stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing of the Equity Shares on the Stock Exchanges which is estimated to be approximately ₹ 39,35,000., which is mentioned below:

(₹ in Lakhs)

Activity	Estimated	As a % of Total Estimated Issue Expenses	As a % of the Total Issue Size
Lead manager(s) fees including underwriting commission	NA	NA	NA
Brokerage, selling commission and upload fees	NA	NA	NA
Fee of Registrars to the issue	3,00,000	7.62	0.06
Fee of Legal Advisors	10,00,000	25.41	0.20
Advertising and marketing related expenses	1,00,000	2.54	0.02
Expenses related to Regulators including stock exchanges	23,20,000	58.96	0.46
Printing and distribution of Issue related stationery	2,15,000	5.46	0.04
Others, if any (to be specified)	NA	NA	NA
Total	39,35,000	100.00	0.79

As the Object of the issue is to fund a project please find the following data as required under the SEBI (ICDR) Regulations:

1. Cost of the project

Money raised through rights issue will be primarily used for acquisition of land required for setting up Green Energy Project which will be by way of setting up Solar Power Generation Project combined with Wind Power Generation on Build Operate and Transfer (BOT) basis.

Fund required:

(Rupees in crores) (Approx Figures)	
Particulars	Amount
Acquisition of a 126-acre plot of land	Rs 63.00
Stamp Duty & Registration	Rs. 2.32
Right Issue related Expenses	Rs.0.39
Total	Rs 65.71

2. Means of Finance

The Company proposes to acquire 126 acres of land for which the Company has advanced an amount of Rs. 9 crores towards down-payment which will be utilized for setting up Green Energy Project on this identified land.

On acquisition of land the company is working with Solar Energy Project — Supply and Operating companies for setting up on Green Energy Project on Build Operate and Transfer (BOT) basis. Hence funds raised through the issue and internal generation of funds is sufficient to acquire the land as per the Means of Finance to cover the Cost of Projects and as per the objective of the issue.

Balance portion of financing will be met from Internal Accruals of the Company,

Funds From Right Issue	Approx Rs.49.95
Internal Generation /Accruals	Approx Rs.15.76 Cr
Total	Approx Rs 65.71 Cr

We propose to meet the requirement of funds for the stated objects of the Issue from the Issue Proceeds and from the internal accruals from existing identifiable sources. Hence, no further amount is required to be raised through means other than mentioned herein above. Accordingly, the requirements under Regulation 62(1)(c) of the SEBI ICDR Regulations (which requires firm arrangements of finance through verifiable means equal to for 75% of the stated means of finance, excluding the Issue Proceeds and the internal accruals) are not applicable.

Any escalation or additional amount to be incurred over and above the sum as mentioned above for acquisition of the specified land plot will be taken care and be covered through additional internal accruals. In the event of any cost savings, the surplus amount will be deducted from the internal accruals.

Our Promoters have deposited application money amounting to Rupees (as detailed in the the below mentioned table) with the Company as an advance towards the application money for the rights issue. Upon exercising their entitlements, the Company will allot shares to the Promoters. The funds deposited by the Promoters are currently being utilized by the Company and will be utilized for the object of the issue.

Sr. No	Name of the Promoter/Promoter Group	Amount
1	Mr. Asit Dhankumar Javeri	Rs. 37.11 Cr
2	Mr. Abhishekh Asit Javeri	Rs. 10.07 Cr.
Total		Rs. 47.18 Cr.

Additionally, the Company has already spent Rs. 9 Cr. (Nine Crores) to the owner of the land plot as per the Memorandum of Understanding (MOU) entered into between the Company and the land plot owner.

3. Location of the project

Land is located at Village: Humbarne, Taluka: Patan, Dist.: Satara, State: Maharashtra, India/Bharat

4. Plant and machinery technology process etc.

This is not applicable as the rights issue is for acquisition of land only

5. Collaboration, performance guarantee if any, or assistance in marketing by the collaborators

This being purchase of land for establishing a Green Energy Project, this clause is not applicable.

6. Infrastructure facilities for raw materials and utilities like water, electricity etc.

As this being project for acquisition of land for establishing Green Energy project, does not involve any raw material requirement.

The company is in discussion with Green Energy Establishment Company for establishing the Solar Power (Wind mill project at the aforesaid site) project for supply of power to company's green energy project on BOT basis, where in all costs associated with the project establishment inputs will be incurred by the Green Energy Establishment company, under the Scope of the BOT based project.

7. Strategic or Financial Partners

This is not applicable as the rights issue is for acquisition of land.

8. Schedule of Implementation

The funds proposed to be raised through the issue will be utilized for the intended object of the issue on or before the end of the Financial Year 2024-2025.

9. Deployment of funds

As on the date of this Draft Letter of Offer, the Company has incurred a CAPEX towards the project of the Company amounting to Rs. 9 Crores.

10. Bridge Financing Facilities

The Company has not raised any bridge loans from any bank or financial institution as on the date of this Draft Letter of Offer.

11. Interim use of Net Proceeds

Our Company, in accordance with the policies established by our Board from time to time, will have the flexibility to deploy the Net Proceeds. Pending utilization for the purposes described above, our Company may temporarily deposit the funds in the scheduled commercial banks included in the second schedule of Reserve Bank of India Act, 1934 as may be approved by our Board of Directors.

Our Company confirms that pending utilization of the Net Proceeds for the Objects of the Issue, our Company shall not use the Net Proceeds for any investment in the equity markets.

12. Appraising Entity

The project for which the net proceeds from the issue will be utilized has not been appraised by any external entity.

13. Monitoring Utilization of Funds

As the Issue size is less than ₹ 10,000 Lakhs, under the SEBI (ICDR) Regulations it is not mandatory for us to appoint a monitoring agency.

Our Board and the management will monitor the utilization of the Issue Proceeds through its audit committee. Pursuant to Regulation 32 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, our Company shall on quarterly basis disclose to the Audit Committee the applications of the proceeds of the Issue. On a quarterly basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this Draft Letter of Offer and place it before the Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full. The statement will be certified by the Statutory Auditors of our Company.

14. Key Industry Regulation for the proposed objects of the issue (If different from existing business of issuer)

Not Applicable as the Company intends to acquire a plot of 126-acre of land which will be utilized for backward intergaration of the Companies current operations.

15. Interest of Promoter, Promoter Group and Directors, in the objects of the Issue

Our Promoter, Promoter Group and Directors do not have any interest in the objects of the Issue, except to the extent of their shareholding. No part of the Net Proceeds will be paid by our Company as any consideration to our Promoter, Promoter Group and Directors of our Company.

SECTION IV: - ABOUT THE COMPANY

OUR BUSINESS

Elegance in Chemistry, Symphony in Specialization — welcome to the captivating world of Sadhana Nitro Chem Ltd. (SNCL), where innovation meets legacy since our establishment in 1973. Picture a canvas of creativity, the state-of-the-art facility in Roha, spanning 22 acres, where every molecule tells a tale.

As the proud recipient of the prestigious 2-Star Golden Export House recognition, SNCL orchestrates global success, with 80% of our masterpieces gracing international markets. Step into our narrative, where each chapter unfolds with brilliance.

In 2021, SNCL earned applause under the PLI scheme, crafting 36,000 TPA of PAP, the heartbeat of paracetamol and renowned prescription drugs worldwide. Our current production tempo dances to 3,000 TPA, a rhythm set for excellence.

SNCL isn't just a name; it's a commitment etched in quality and social responsibility. Adorned with ISO certifications (ISO 9001:2008, ISO 14001:2004, OHSAS 18001:2007, SA 8000), we paint a portrait of excellence.

SNCL is listed on the honourable stage of BSE (506642) and NSE (SADHNANIQ), where SNCL is celebrating its golden jubilee. Investing in the journey of a lifetime, where each share narrates a story of resilience and prosperity.

Fulfilling Our Commitment: Core Values and Mission in Action

- We aspire to transcend excellence, ensuring the pinnacle of quality in our products, fostering enduring and sustainable partnerships with our valued clients.
- Fuelling our journey with innovation, we are dedicated to constant improvement, leveraging cutting-edge technologies, and embracing customer feedback to shape products that stand at the forefront of advancement.
- Aspiring to be the gold standard, we champion ethical and moral business conduct, setting a benchmark in our dealings with customers, vendors, and all our esteemed business partners. It is a journey where integrity, innovation, and excellence converge for a brighter tomorrow.

Global Partnerships: A Half-Century of Trust with Multinational Conglomerates

Over the past five decades, we have proudly served an array of distinguished multinational clients in the realm of quality control, predominantly consisting of esteemed conglomerates. This enduring journey has been marked by the trust and collaboration of industry leaders, a testament to our unwavering commitment to delivering excellence in every aspect of our services.

Our Sales Journey

80% of our sales soar across the globe, spanning Belgium, Netherlands, Thailand, USA, UK, Switzerland, UAE, South Korea, Spain, Hong Kong, China, Japan, Canada, Taiwan, Czech Republic, and Italy, Our domestic sales thrive in Indian states of Punjab, Delhi, Maharashtra, Gujarat, Telangana, and Tamil Nadu,

Evolution Over Time: Our History

1973: Inception and BSE Listing

1975: Initiated Nitrobenzene Production

1979: Advanced Nitrobenzene into Dye Intermediates

1987: Expanded Dye Intermediate Capacities

1995: Launched Meta-Amino Phenol Production

1996: Established European Subsidiary, Introduced 2,5 ANDS and 2,4 ANDS

2000: Unveiled BTCA Plant for the Japanese Market 2002: Added Meta-Amino Phenol (MAP) Plant No. 2

2005: Commenced Colour Former Production (ODB1 and ODB2, 500TPA)

2006: Augmented MAP Capacity to 2000 TPA with a Third Plant 2009: Achieved ISO-9001:2008, (SA) 8000 Certification by L'Oréal 2013: Attained ISO – 14001:2004, OHSAS, 18001:2007. Enhanced MAP Capacity to 2500 tons, Celebrating 40 Years

2017: Expanded Colour Former (ODB2) Capacity

2019: Certified in ISO-9001:2015, ISO-14000:2015, ISO-45001-2018

2019: Initiated Pergafast Developer Production

2021: Honoured with the Government PLI Scheme for Para Amino Phenol Import Substitution

2022: Launched Commercial Production of 3000 TPA Para Amino Phenol

2023: Increased ODB2 Capacity to 2200 TPA

2023 (Oct): Transitioned to Continuous Production of Para Aminophenol (PAP) - an essential component in paracetamol and various prescription drugs.

Premier Clientele Portfolio

Explore our distinguished roster of esteemed clients, comprising globally renowned entities across various industries:

- RICOH
- IPCA
- Koehler Paper Group
- Hoya
- ADEKA
- Mitsui Chemicals
- HUNTSMAN
- DOMTAR
- Clariant

- COTY
- Hansol
- BASF
- Oji Paper
- UNIFIED PHOSPHORUS LIMITED
- TORRASPAPEL
- LOREAL
- TEIJIN
- IHARA CHEMICALS INDUSTRY CO. LTD
- Bayer CropScience
- APPVION

Our extensive clientele reflects our commitment to delivering top-notch products and services to industry leaders worldwide.

Key Highlights and Strategic Advantages

- We have received recognition through the PLI scheme of Government of India for producing 36,000 Tons Per Annum (TPA) of PAP. The company is experiencing rapid growth, currently operating at a run rate of approximately 3,000 TPA.
- Our cost-effective manufacturing is positioned for long-term sustainability, leveraging locally sourced raw materials and the indigenous production of Nitrobenzene. This stands in contrast to PAP manufacturers' dependence on external procurement of PNCB, ensuring a competitive edge to us.
- We are poised to emerge as the world's foremost PAP manufacturer and, consequently, secure a position among the top three global producers of Paracetamol.
- Prior to the shutdowns, China's annual supply stood at 150,000 Tons Per Annum (TPA) of , while post-shutdowns, it has scaled down to a range of 80,000-100,000 TPA of

Versatile Applications of Our Products

Our Products drive Innovation in Agro Chemicals, Pharma, Developers, Hair Colors, Dyes, Specialized Resins, Performance Chemicals, Rubber Chemicals, Aerospace, Electronic Chemicals, Military Applications, and Thermal Paper Intermediates.

Diversified Product Portfolio

Our comprehensive range of high-quality chemical compounds is enunciated below. Each chemical compound is strategically crafted for various industrial applications:

- Nitrobenzene: A foundational component for Aniline dyes, aniline, and other intermediates.
- Metanilic Acid: Essential for dye intermediates.

- Meta Amino Phenol: Versatile intermediaries catering to 12 applications, including Aerospace, Cosmetics, Agro, Pharma, and Military.
- Aniline 2,5 Disulphonic Acid: A crucial intermediate for Optical brightening agents and dyes.
- 1,2,3,4 Butanetetracarboxylic Acid: Key intermediate for Halogen Light Stabilizers.
- 3,3 Dinitro Diphenyl Sulphone: Vital for Aerospace and lightweight resin applications.
- 3,3 Di Amino Diphenyl Sulphone: Integral in Aerospace and lightweight resin industries.
- Para Amino Phenol: Principal active ingredient for Paracetamol production.
- ODB2: A specialized colour former used in thermal paper for labels, Point of Sales, Airline tickets, and baggage tags.
- Aniline Oil: Essential intermediate for dyes and pharmaceutical applications.
- DEAP: Key intermediate for dye manufacturing.
- PFD201: Developer crucial for thermal paper applications.

Safeguarding Well-being and the Environment

Dedicated to Environmental Stewardship and Employee well-being, we uphold stringent standards in compliance with environmental, health, and safety legislation. Our commitment extends to pollution control measures. We prioritize the continual improvement of our workforce's skills and competence through comprehensive training, fostering a culture of enhanced safety across our operations.

Eco-Friendly Solid Waste Management: A Sustainable Approach at SNCL

Our solid waste effluent is channeled to authorized manufacturers, duly approved by the Pollution Control Board (PCB), where it is ingeniously repurposed as raw materials in different industries:

- Gypsum: Applied in both the cement and fertilizer sectors.
- Sodium/Potassium Sulphite: Employed by the paper and leather industries.
- Iron Sludge: Valued as a fundamental raw material in the steel and cement industries.

For the liquid effluent generated during our manufacturing processes, a meticulous treatment process is employed to extract water, leaving behind residual solid waste. This waste is then directed to Bombay Waste Management, a facility nominated by the Maharashtra Pollution Control Board, ensuring a comprehensive and environmentally responsible waste management approach.

Advancements in Research and Development at SNCL

Over the years, SNCL has been dedicated to developing innovative, patent-pending processes for a range of new products. These cutting-edge processes not only contribute to the transition to green chemistry but also optimize production efficiency, resulting in reduced overall costs.

OUR MANAGEMENT

A. Board of Directors

As per the Articles of Association, our Company is required to have not less than 3 (Three) directors and not more than 15 (Fifteen) Directors. Our Company currently has 6 (six) directors on its Board. The present composition of our Board of Directors and its committees is in accordance with the corporate governance requirements provided under the Companies Act, 2013 and the SEBI Listing Regulations.

As on the date of this DLOF, our Company has 6 (Six) Directors on our Board, comprising of 3 (three) Executive Directors, 3 (three) Non-Executive - Independent Directors including 1 (one) Woman Director.

The detailed composition are as follows:

Sr. No.	Name of the Director	DIN	Designation
1.	Asit Dhankumar Javeri	00268114	Executive Director, Chairperson
2.	Abhishek Asit Javeri	00273030	Executive Director, Managing Director
3.	Seema Asit Javeri	01768936	Executive Director-Administration
4.	Pradeep Nanasaheb Desai	01602942	Non-Executive - Independent Director
5.	Priyam Shantilal Jhaveri	00045038	Non-Executive - Independent Director
6.	Ayesha Sunil Patel	02074115	Non-Executive - Independent Director

The following table sets forth details regarding the Board of Directors as on the date of this DLOF:

Sr. No.	Particular	Details
1.	Name of the Director	Asit Dhankumar Javeri
	Father's Name	Dhankumar Thakurdas Javeri
	Residential Address	Ratnagar Palace, 37 Chowpatty Seaface, Mumbai, 400007, Maharashtra, India
	Date of Birth	June 25, 1956
	Age	67 Years
	Designation	Executive Director, Chairperson
	DIN	00268114
	Occupation	Industrialist
	Date of Appointment	May 1, 2024
	Period of Directorship	Since December 14, 1984
	Date of expiration of current term	April 30, 2027
Directorship in other Companies	1. Manekchand Panachand Trading Investment Co Pvt Ltd 2. Mirosa Marine Private Limited 3. Phthalo Colours And Chemicals (India) Limited 4. Life Style Networks Limited 5. Sunshine Care and Wellness Foundation	

Sr. No.	Particular	Details
2.	Name of the Director	Abhishek Asit Javeri
	Father's Name	Asit Javeri Dhankumar
	Residential Address	Ratnagar Palace, 2 nd Floor, 37, Chowpatty SeaFace, Grant Road, Mumbai, 400007, Maharashtra, India
	Date of Birth	December 20, 1982

	Age	41 Years
	Designation	Executive Director, Managing Director
	DIN	00273030
	Occupation	Industrialist
	Date of Appointment	May 1, 2024
	Period of Directorship	Since January 24, 2007
	Date of expiration of current term	April 30, 2027
	Directorship in other Companies	1. Manekchand Panachand Trading Investment Co Pvt Ltd 2. Life Style Networks Limited

Sr. No.	Particular	Details
3.	Name of the Director	Seema Asit Javeri
	Father's Name	Kantilal Parekh Chhabildas
	Residential Address	Ratnagar Palace, 37 Chowpatty Seaface, Mumbai, 400007, Maharashtra, India
	Date of Birth	October 5, 1958
	Age	65 Years
	Designation	Executive Director – Administration
	DIN	01768936
	Occupation	Industrialist
	Date of Appointment	May 1, 2024
	Period of Directorship	Since February 13, 2014
	Date of expiration of current term	April 30, 2027
	Directorship in other Companies	1. Manekchand Panachand Trading Investment Co Pvt Ltd 2. Mirosa Marine Private Limited 3. Life Style Networks Limited

Sr. No.	Particular	Details
4.	Name of the Director	Pradeep Nanasaheb Desai
	Father's Name	Nanasaheb Desai
	Residential Address	A-801, Waterfront, Kalyani Nagar Yerwada, Pune, 411006, Maharashtra, India
	Date of Birth	25/04/1962
	Age	62 Years
	Designation	Non-Executive - Independent Director
	DIN	01602942
	Occupation	Industrialist
	Date of Appointment	September 11, 2019
	Period of Directorship	Since September 12, 2014
	Date of expiration of current term	September 10, 2024
	Directorship in other Companies	1. Nanoadditive Technology Private Limited 2. Tanishka Microencapsulation Private Limited 3. Aayan Nanotech Private Limited 4. Life Style Networks Limited 5. Avedia E-Tech Private Limited

Sr. No.	Particular	Details
5.	Name of the Director	Priyam Shantilal Jhaveri
	Father's Name	Shantilal Bhogilal Jhaveri

Residential Address	Printemps, 4 th Floor 26, B. G. Kher Marg Shayadri House Malabar Hill S.O, Mumbai, 400006, Maharashtra, India
Date of Birth	09-03-1955
Age	69 Years
Designation	Non-Executive - Independent Director
DIN	00045038
Occupation	Industrialist
Date of Appointment	September 11, 2019
Period of Directorship	Since September 12, 2014
Date of expiration of current term	September 10, 2024
Directorship in other Companies	<ol style="list-style-type: none"> 1. Nanavati Enterprises Private Limited 2. Phthalo Colours And Chemicals (India) Limited 3. Nanavati Chemex Private Limited 4. Phthalo Pigments Private Limited 5. Nanavati Electronics Pvt Ltd 6. Arya Automotive Private Limited 7. Nanavati Sons Private Limited 8. Sonera Investments Pvt Ltd 9. Sonega Trades & Investments Private Limited 10. Medchem Technologies Private Limited 11. Nanavati Speciality Chemicals Private Limited 12. Excel Industries Limited 13. Sunshine Care and Wellness Foundation

Sr. No.	Particular	Details
6.	Name of the Director	Ayesha Sunil Patel
	Father's Name	Suresh Hirabhai Patel
	Residential Address	21/22, Hemprabha, 68, Marine Drive, Marine Lines, Mumbai, 400020, Maharashtra, India
	Date of Birth	29/03/1959
	Age	64 Years
	Designation	Non-Executive - Independent Director
	DIN	02074115
	Occupation	Industrialist
	Date of Appointment	December 7, 2020
	Period of Directorship	Since December 7, 2020
	Date of expiration of current term	December 6, 2025
Directorship in other Companies	<ol style="list-style-type: none"> 1. Motion Metriks Components Private Limited 2. Capacitor Specialists Private Limited 3. Sampatti Education and Welfare Foundation 	

Past Directorships in suspended companies

None of our Directors are, or were a director of any Listed Company, whose shares have been, or were suspended from being traded on any of the stock exchanges during the term of their directorships in such companies during the last 5 (Five) years preceding the date of this DLOF.

Past Directorships in delisted companies

Further, none of our directors are or were a director of any Listed Company, which has been, or was delisted from any stock exchange during the term of their directorship in such Company during the last 10 (Ten) years preceding the date of this DLOF.

Corporate Governance

The provisions of the SEBI Listing Regulations and the Companies Act with respect to corporate governance are applicable to us.

Our Company is in compliance with the requirements of corporate governance in accordance with the SEBI Listing Regulations and the Companies Act, 2013, including those pertaining to the constitution of the Board and committees thereof.

Our Board undertakes to take all necessary steps to continue to comply with all the requirements of the SEBI Listing Regulations and the Companies Act. Our Board functions either directly, or through various committees constituted to oversee specific operational areas.

Committees of our Board of Directors

In addition to the committees of our Board of Directors detailed below, our Board of Directors may, from time to time constitute committees for various functions.

Audit Committee

The composition of Audit Committee is as follow:-

Name of Director	Position in the Committee	Designation
Priyam Shantilal Jhaveri	Chairperson	Independent Director
Pradeep Nanasaheb Desai	Member	Independent Director
Ayesha Sunil Patel	Member	Independent Director

The Company Secretary of our Company shall serve as the secretary of the Audit Committee. The scope and functions of the Audit Committee are in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations. The terms of reference of the Audit Committee are as follows:

The scope of Audit Committee shall include but shall not be restricted to the following:

- a) To oversee the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b) Recommending the appointment, terms of appointment, removal, fixation of audit fee and also approval for payment for any other services.
- c) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - i. 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;
 - ii. Changes, if any, in accounting policies and practices and reasons for the same;
 - iii. Major accounting entries involving estimates based on the exercise of judgment by management;
 - iv. Significant adjustments made in the financial statements arising out of audit findings;
 - v. Compliance with listing and other legal requirements relating to financial statements;
 - vi. Disclosure of any related party transactions;
- d) Modified opinion(s) in the draft audit report;
- e) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- f) 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 / 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;

- g) Reviewing and monitoring the auditor’s independence and performance, and effectiveness of audit process;
- h) Approval or any subsequent modification of transactions of the listed entity with related parties;
- i) Scrutiny of inter-corporate loans and investments;
- j) Valuation of undertakings or assets of the listed entity, wherever it is necessary;
- k) Evaluation of internal financial controls and risk management systems;
- l) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- m) 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;
- n) Discussion with internal auditors of any significant findings and follow up there on;
- o) 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;
- p) 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;
- q) 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;
- r) To review the functioning of the whistle blower mechanism;
- s) Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- t) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- u) Internal audit reports relating to internal control weaknesses; and
- v) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- w) 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/notice in terms of regulation 32(7).
- x) And to do all such acts, things or deeds as may be necessary or incidental to the exercise of the above powers.”

Management letters / letters of internal control weaknesses issued by the statutory auditors

The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, are binding on the Board. If the Board is not in agreement with the recommendations of the Committee, reasons for disagreement shall have to be incorporated in the minutes of the Board Meeting and the same has to be communicated to the shareholders. The Chairman of the committee has to attend the Annual General Meetings of the Company to provide clarifications on matters relating to the audit.

Nomination and Remuneration Committee

The composition of Nomination and Remuneration Committee is as follow: -

Name of Director	Position in the Committee	Designation
Priyam Shantilal Jhaveri	Chairperson	Independent Director
Pradeep Nanasaheb Desai	Member	Independent Director
Ayesha Sunil Patel	Member	Independent Director

The scope and functions of the Nomination and Remuneration Committee are in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI Listing Regulations. The scope of Nomination and Remuneration Committee shall include but shall not be restricted to the following:

- a) To formulate the criteria for determining qualifications, competencies, positive attributes and independence for appointment of a director and recommend to the Board, policies relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
- b) To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal;
- c) To formulate the criteria for evaluation of the Independent Directors and the Board;
- d) To devise a policy on Board diversity.
- e) To determine whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
- f) Recommend to the Board, all remuneration, in whatever form, payable to Senior Management.
- g) and to do all such acts, things or deeds as may be necessary or incidental to the exercise of the above powers.

Stakeholders' Relationship Committee

The composition of Stakeholders' Relationship Committee is as follow: -

Name of Director	Position in the Committee	Designation
Priyam Shantilal Jhaveri	Chairperson	Independent Director
Pradeep Nanasaheb Desai	Member	Independent Director
Ayesha Sunil Patel	Member	Independent Director

The Company Secretary of our Company acts as the Secretary to the Committee. The scope and functions of the Stakeholders' Relationship Committee are in accordance with Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations. Stakeholders' Relationship Committee will address all grievances of Shareholders/Investors and its terms of reference include the following:

- a) Redressing of shareholders and investor complaints such as non-receipt of declared dividend, annual report, transfer of Equity Shares and issue of duplicate/split/consolidated share certificates, general meetings;
- b) Review of measures taken for effective exercise of voting rights by shareholders;
- c) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- d) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/ statutory notices by the shareholders of the Company;
- e) Monitoring transfers, transmissions, dematerialization, re-materialization, splitting and consolidation of Equity Shares and other securities issued by our Company, including review of cases for refusal of transfer/ transmission of shares and debentures;
- f) Reference to statutory and regulatory authorities regarding investor grievances
- g) And to do all such acts, things or deeds as may be necessary or incidental to the exercise of the above powers;

Corporate Social Responsibility Committee

The composition of Corporate Social Responsibility Committee is as follow: -

Name of Director	Position in the Committee	Designation
Asit Dhankumar Javeri	Chairperson	Executive Director
Priyam Shantilal Jhaveri	Member	Independent Director
Abhishek Asit Javeri	Member	Executive Director – Managing Director
Ayesha Sunil Patel	Member	Independent Director

The scope and functions of the Corporate Social Responsibility Committee of our Company are in accordance with Section 135 of the Companies Act, 2013 and the applicable rules thereunder, and have been set out below:

- a) To frame the CSR Policy and its review from time- to-time;
- b) To ensure effective implementation and monitoring of the CSR activities as per the approved policy, plans and budget;
- c) To ensure compliance with the laws, rules & regulations governing the CSR and to periodically report to the Board of Directors; and
- d) to do all such acts, things or deeds as may be necessary or incidental to the exercise of the above powers.

Risk Management Committee

The composition of Risk Management Committee is as follow: -

Name of Director	Position in the Committee	Designation
Asit Dhankumar Javeri	Chairperson	Executive Director
Priyam Shantilal Jhaveri	Member	Independent Director
Abhishek Asit Javeri	Member	Managing Director
Nitin Jani	Member	Company Secretary
Rakesh R. Kothari	Member	Chief Financial Officer

The scope and function of the Risk Management Committee is in accordance with Regulation 21 of the SEBI Listing Regulations. The Risk Management Committee shall be responsible for, among other things, the following: -

- a) To formulate a detailed risk management policy which shall include:
 - framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, Environmental, Social and Governance (ESG) related risks), information, cyber security risks or any other risk as may be determined by the Committee;
 - Measures for risk mitigation including systems and processes for internal control of identified risks and Business continuity plan
- b) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- c) To review and recommend potential risk involved in any new business plans and processes;
- d) To review the Company’s risk-reward performance to align with the Company’s overall policy objectives;
- e) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

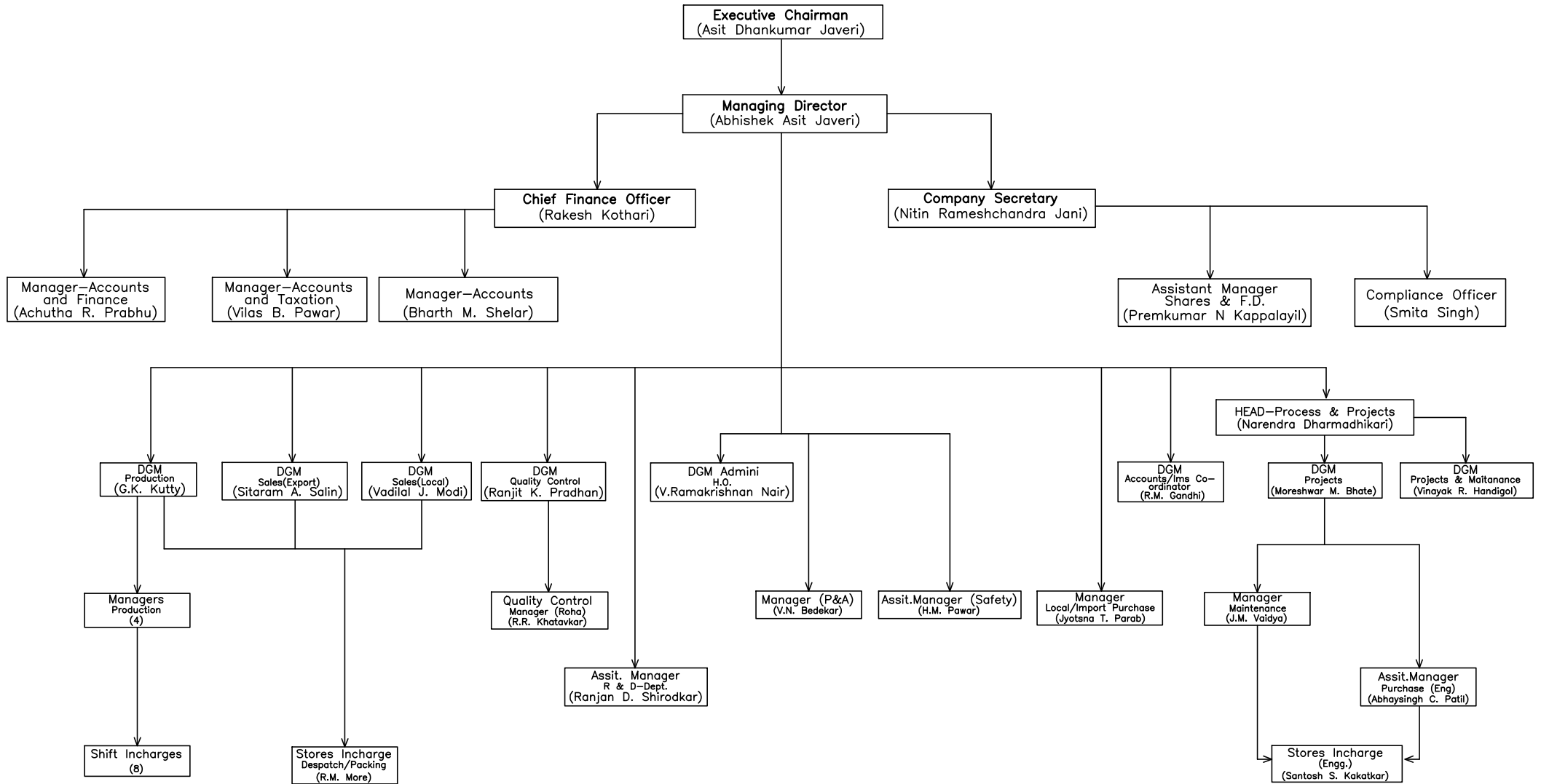
- f) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- g) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- h) The appointment, removal and terms of remuneration of the Chief Risk Officer shall be subject to review by the Risk Management Committee;

B. Our Key Managerial Personnel and Senior Management Personnel:

Sr. No.	Name	Designation
1	Nitin R. Jani	Company Secretary
2	Rakesh R. Kothari	Chief Financial Officer
3	Narendra Dharmadhikari	Head - Project Process
4	Ramakrishnan Nair	Deputy General Manager - Administration
5	Mamta Shah	HR & Administration Manager
6	Vilas B. Pawar	Manager - Accounts & Taxation
7	Bharat M. Shelar	Manager - Accounts
8	Achutha R. Prabhu	Manager - Accounts & Finance
9	Vadilal Modi	Manager - Sales
10	Sitaram Salian	Deputy General Manager - Exports
11	Jyotsna Parab	Manager - Imports
12	M. M. Bhate	Deputy General Manager - Projects
13	Pankaj Lanjewar	Manager - IT
14	Ranjit Pradhan	Deputy General Manager - Quality & Control
15	Ravikant Morudas Gandhi	Deputy General Manager - Accounts
16	Govindan Kutty	Deputy General Manager - Production
17	Vidhyadhar Bedekar	Manager - Personnel & Administration
18	K. Premkumar	Assistant Manager - Sales & Field Development
19	Smita Singh	Compliance Officer
20	Shirish Dattatray Mokal	Production Manager
21	Ratnakar Ravindranath Nemedé	Production Manager
22	Nitin Pralhad Barhate	Production Manager

C. Organization Structure:

ORGANIZATION CHART



INDUSTRY OVERVIEW

INDUSTRY BRIEF

Chemical industry is one of the oldest industries in India. It not only plays a crucial role in meeting the daily needs of the common man, but also contributes significantly towards industrial and economic growth of the nation.

The global chemical industry is one of the fastest growing sectors of the manufacturing industry. Despite the challenges of escalating crude oil prices and demanding international environmental protection standards now adopted globally, chemicals industry has still grown at a rate higher than the overall manufacturing segment.

Some of the major markets for chemicals are North America, Western Europe, Japan and emerging economies in Asia and Latin America. The US consumes approximately one-fifth of the global chemical consumption whereas Europe is the largest consumer with approx. half the consumption. The US is the largest consumer of commodity chemicals whereas Asia Pacific is the largest consumer of agrochemicals and fertilizers.

Chemical Industry is one of the oldest industries in India, which contributes significantly towards industrial and economic growth of the nation. It is highly science based and provides valuable chemicals for various end products such as textiles, paper, paints and varnishes, leather etc., which are required in almost all walks of life. The Indian Chemical Industry forms the backbone of the industrial and agricultural development of India and provides building blocks for downstream industries.

The Indian Chemicals Industry comprises both small and large-scale units. The fiscal concessions granted to small sector in mid-eighties led to establishment of large number of units in the Small-Scale Industries (SSI) sector. Currently, the Indian Chemical industry is in the midst of a major restructuring and consolidation phase. With the shift in emphasis on product innovation, branch building and environmental friendliness, this industry is increasingly moving towards greater customer orientation. Even though India enjoys an abundant supply of basic raw materials, it will have to build upon technical services and marketing capabilities to face global competition and increase its share of exports.

As the Indian economy was a protected economy till the early nineties, very little large-scale R&D was undertaken by the Chemical industry to create intellectual property. The industry would, therefore, have to make large investments in R&D to successfully counter competition from the international chemicals industry. India has a number of scientific institutions and the country's strength lies in its large pool of highly trained scientific manpower.

India also produces a large number of fine and speciality chemicals, which have very specific uses and are essential for increasing industrial production. These find wide usage as food additives and pigments, polymer additives, anti-oxidants in the rubber industry, etc.

DYE INDUSTRY

The Dyestuff sector is one of the important segments of the chemicals industry in India, having forward and backward linkages with a variety of sectors like textiles, leather, paper, plastics, printing inks and foodstuffs. The textile industry accounts for the largest consumption of dyestuffs.

PESTICIDES INDUSTRY

Chemical fertilizers and pesticides played an important role in the “Green Revolution” during the 1960s and 1970s. Indian exports of agrochemicals have shown an impressive growth over the last five years. The key export destination markets are USA, U.K., France, Netherlands, Belgium, Spain, South Africa, Bangladesh, Malaysia and Singapore.

India is one of the most dynamic generic pesticide manufacturers in the world with more than 60 technical grade pesticides being manufactured indigenously by 125 producers consisting of large and medium scale enterprises (including about 10 multinational companies) and more than 500 pesticide formulators spread over the country. India is the 4th largest producer of agrochemicals after USA, Japan and China. The agrochemicals market in India is Rs.4500 crores.

The government is promoting research on the use of alternative and safe pesticides using neem seeds. A country programme entitled “Development and production of neem products as Environment Friendly Pesticides” is being undertaken by the Department of Chemicals & Petrochemicals with the financial assistance of United Nations Development Programme (UNDP).

CHEMICAL SPECIALITY

Speciality chemicals have a huge role in global economy. In virtually every process of step followed in any industry the use of speciality chemical can be found. Even in agriculture speciality chemical is being used to increase the production of crops. In agriculture speciality chemical can be found in many forms like fertilizers.

Some major areas apart from agriculture, where speciality chemical is used are construction & pipes, electronic materials, ink and graphics, fabric care, packaging, paint and coating, paper and board, personal care, photo and digital imaging, plastics and rubber, textile and fibres, water treatment and in automotive areas.

Under the category speciality chemical there are several subcategories like adhesive chemicals, mining chemicals, agricultural chemicals, aromatic chemicals, automotive chemicals, battery chemicals, cleaning chemicals, coating chemicals, construction chemicals and cosmetics chemicals to name a few.

INDUSTRIAL CHEMICALS

Industrial chemicals are widespread in consumer products and in the environment. Industrial chemicals are used for solving problems, though the consequences or the price to be paid, in the form of environmental degradation and poor public health.

Commercially available industrial chemicals are used as starting materials or precursors, in the production of chemical agents. Industrial chemicals include chlorine, ammonia, solvents, pesticides, fertilizers and petrochemicals such as ethylene glycol and chlorinated hydrocarbons (such as chloroform and TCE). Industrial chemicals are extensively used in plastic manufacturing. Many toxic industrial chemicals might be used as weapons.

AGRICULTURAL CHEMICALS

Agricultural Chemicals are a generic term for the various chemical products used in agriculture. In most cases, agri chemical refers to the broad range of pesticides, herbicides, and fungicides, but it may also include synthetic fertilizers, hormones and other chemical growth agents, and concentrated stores of

raw animal manure. Most Agri chemicals are toxic, and all Agri chemicals in bulk storage pose significant environmental and/or health risks, particularly in the event of accidental spills.

TEXTILE CHEMICALS

Textile manufacturing is usually synthesized from chemicals. Numerous types of textile chemicals are divided in two categories i.e. one that remain on the fibre, and one that is used to wet or clean the fibre or otherwise function in some related operation. Textile chemicals are usually used in the finishing of fabrics. Furthermore, some other chemical contributions are finishes on traditional fabrics for wrinkle resistance, shrinkage control, and colour fastness.

Preparation is concerned with wet chemical processes that removes the foreign matter from the fabric. Prolonged hot treatment with alkali (sodium hydroxide) and strong detergent is required to break down and remove the naturally occurring impurities in cotton. Colouring is done by dyeing and the colouring materials may be either dyes or pigments. Antistatic, antibacterial or soil-repellent finishes, may be applied to fit the fabric for specific use

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by our Board and approved by our Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act.

The quantum of dividend, if any, and our ability to pay dividend will depend on a number of factors, including but not limited to the capital expenditure requirements, profit earned during the financial year and profit available for distribution, working capital requirements, business expansion and growth, cost of borrowing, economic environment, capital markets, and other factors considered by our Board. Our Company may also, from time to time, pay interim dividends. We may retain all our future earnings, if any, for use in the operations and expansion of our business.

In addition, our ability to pay dividends may be impacted by a number of other factors, including restrictive covenants under our current or future loan or financing documents. Our Company may pay dividend by cheque, or electronic clearance service, as will be approved by our Board in the future.

OUR PROMOTERS

Our Promoters

The Promoters of our Company are Asit Javeri and Manekchand Panachand Trading Investment Co Pvt Ltd. as on March 31, 2024, being the date closer to date of this Draft Letter of Offer, our Promoters, in aggregate, holds 16,21,85,241 Equity Shares in our Company, representing 65.63 % of the pre-Issue issued, subscribed and paid-up Equity Share capital of our Company.

A. Details of our Promoters are as follows:

Asit Javeri

At 67 years old, Asit Javeri stands leads our company, serving as both a Promoter and the Executive Director & Chairman. With an extensive background in the Chemical Industry, he brings invaluable expertise in operational efficiency, management, strategic planning, and marketing. Additionally, Asit Javeri holds a Bachelor of Science (Honours), underscoring his commitment to knowledge and excellence in his field.

His permanent account number is AEDPJ1538B.

Manekchand Panachand Trading Investment Co. Pvt. Ltd. (MPTI)

MPTI was incorporated on 05.09.1985 with Registrar of Companies Maharashtra, Mumbai. Registration No. of the company is 37397 (CIN NO. U67120MH1985PTC037397). The company is engaged in investment and trading activities. MPTI has its registered office at Hira Baug, C.P. Tank, Mumbai 400004.

SECTION V

FINANCIAL INFORMATION

Sr. No.	Details	Weblink
1.	Financial Statements for the year ended March 31, 2023 along with Audit report	https://www.sncl.com/rights-issue
2.	Unaudited Financial Results along with the Limited Review for the quarter ended on June 30, 2023	https://www.sncl.com/rights-issue
3.	Unaudited Financial Results along with the Limited Review for the quarter ended on September 30, 2023	https://www.sncl.com/rights-issue
4.	Unaudited Financial Results along with the Limited Review for the quarter ended on December 31, 2023	https://www.sncl.com/rights-issue
5.	Unaudited Financial Results along with the Limited Review for the quarter and nine months ended on March 31, 2024	https://www.sncl.com/rights-issue

SECTION VI

LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENT

Except as described below, there are no outstanding litigations, suits or criminal or civil prosecutions, proceedings or tax liabilities against the Company, its directors or Promoters or Companies promoted by promoters that would have a material impact on the Business of the company and there are no defaults, nonpayment or statutory dues, institutional/Bank dues and dues payable to holders of debentures, bonds and fixed deposits and arrears of preference shares that would have a material adverse effect on the business other than unclaimed Liabilities by the Company or its Promoters or Companies promoted by its promoters.

All terms defined in a particular litigation disclosure pertain to that litigation only. Unless stated to the contrary the information provided below is as of the date of this Letter of Offer.

Litigation filed against the Company

Litigation involving statutory dispute

a) EPF Authorities V/s Sadhana Nitro Chem Ltd

The Company was required to pay Employees' provident fund contributions, Employee's Family Pension fund contribution, Employees Pension fund contribution and Employees Deposit Linked Insurance Fund Contribution and other administrative charges in accordance with the provisions of the section of the Act, read with para 38, of the Employees provident fund scheme – 1952, and/or para 10 of Employee's Family Pension scheme -1995 and/or para 8 of the Employees Deposit Linked Insurance scheme -1976 for every month on or before 15th of the following month. The company had failed to make the aforesaid contribution within the due date for the period 03/2013 to 06/2018 and hence damage of Rs 58,76,715 u/s 14B and Interest on damage of Rs 21,33,270 u/s 7Q respectively was levied by the Provident Fund Authorities against the company. The matter is pending in the E-court and yet PF authorities had erroneously issued notice for recovery under the aforesaid provisions.

b) Sadhana Nitro Chem Ltd. V/s Income Tax - TDS (2) Mumbai

The Company had received show cause notice from the Income Tax Department for delayed payment of TDS for Shri Priyam Shantilal Jhaveri, Shri Dharendra Managaldas Shah, Shri Arvind Raoji Doshi and Shri Asit Dhankumar Javeri. Due to delayed payment of TDS, the company had filed compounding application with Income Tax Authority. The company had vide its letter dated January 13, 2020 filed with the department stated for deletion of Independent Directors and its compounding fees, prosecution and litigation expenses. However, this claim was rejected by the department to which the company has decided to file the petition with High Court challenging department not to involve Independent Director while calculating compounding charges and hence request to delete Independent Directors name from compounding fees.

The company has out of the total compounding fees of Rs.54,20,933/- has paid Rs.42,67,234/ and the balance amount of Rs 11,53,699/- pertains to Independent Director, which is the matter of dispute and case is file with Bombay High court.

MATERIAL DEVELOPMENTS

Other than as in this Letter of Offer, no material developments have occurred since the date of the last balance sheet i.e., March 31, 2024 which materially or adversely affect or are likely to affect the

profitability of the Company or the value of its assets or its ability to pay its liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

Our Company has received the necessary licenses, permissions and approvals from the Central and State Governments and other government agencies/regulatory authorities/certification bodies required to undertake the Issue or continue our business activities.

Our Company have obtained all material consents, licenses, permissions and approvals from governmental and regulatory authorities that are required for carrying on our present business activities. In the event, some of the approvals and licenses that are required for our business operations expire in the ordinary course of business, we will apply for their renewal, from time to time

In view of the approvals listed below, we can undertake the Issue and our current business activities and no further major approvals from any governmental/regulatory authority or any other entity are required to be undertaken, in respect of the Issue or to continue our business activities.

The Company has got following licenses/registrations/approvals/consents/permissions from the Government and various other Government agencies required for its present business.

Licences from different authorities

Particulars	Issuing Authority	Name of the Act	Registration No.	Issued on	Validity Period
Certificate of Incorporation	Registrar of Companies, Maharashtra, Mumbai.	Companies Act, 1956	16698 / 1973- 74	21.07.1973	Lifetime of the company
Certificate of Commencement of Business	Registrar of Companies, Maharashtra, Mumbai	Companies Act, 1956	16698	10.09.1973	Lifetime of the company
PAN	Income Tax Department	Income Tax Act, 1961	AABCS1231R	19.11.1998	Lifetime of the co
TAN	Income Tax Department	Income Tax Act, 1961	MUMS37459C	12.05.2004	Lifetime of the company
Certificate of Importer Exporter Code (IEC)	Director General of Foreign Trade	Export Import Policy	0388029749	08.08.1991	Lifetime of the company
Service Tax Registration	Commissioner of Service Tax	Finance Act, 1994	AABCS1231R ST-001_ Not Applicable		Not applicable after implementation of GST
Registration under company Employees Provident Funds and Miscellaneous Provisions Act, 1952	Regional Provident Commissioner, Mumbai.	Employees Provident Fund & Miscellaneous Provisions Act, 1952	THVSH0015072 000	29.08.1975	Lifetime of the company

Registration under Employees' State Insurance Act, 1948	Employees' State Insurance Commission, Mumbai.		31000426130001099 34000339480000304	07.08.1997	Lifetime of the company
Registration under Sales Tax Act and Registration under Value Added Tax 2005	CST TIN 27400257069C w.e.f. 01.04.06 VAT TIN 27400257069V w.e.f. 01.04.06 Not Applicable				
ISO Certification	Registro Italiano Navale India Pvt. Ltd. (RINA)	--	ISO 14001:2015	14.07.2022	Renewable on expiry
			ISO 9001:2015	09.09.2023	Renewable on expiry
			ISO 45001:2018	14.07.2022	Renewable on expiry
Central and State of Maharashtra Goods and Service Tax	Central Board of Excise and Customs, Department of Revenue, Minister of Finance, Govt. of India	The Central Goods and Services Tax Act 2017	27AABCS1231R1Z5 Mumbai 24AABCS1231R3Z9 Gujarat	22.09.2017 07.07.2018	Lifetime of the company

LICENSES FOR FACTORY UNIT:

Particulars	Issuing Authority	Covered under (Name of the Act)	Registration No.	Issued on	Validity Period	Remarks
Factory License	Director Health & Safety	Factories Act, 1948.	13969	30.01.24	31.12.26	Renewable on expiry
EOU Licence/Registration	Development Commissioner of Central Excise	EOU Act	2005/1185_it was cancelled in 2015 officially	(*)	(*)	Renewable on expiry
Consent to Operate under Water (Prevention & Control of Pollution) Act, 1974 and Air (Prevention & Control of Pollution) Act, 1981 for E-443	State Pollution Control Board	Water (Prevention & Control of Pollution) Act, 1974 and Air (Prevention & Control of Pollution) Act, 1981	Consent No. Format1.0/CC/UAN NO.00001588 55/CR/230600206 3	27.06.23	29.02.28	Renewable on expiry

Authorization for operating a facility for collection, reception, storage and transport of Hazardous Waste	State Pollution Control Board	Hazardous Waste (Management and Handling) Rules, 1989	Consent No. Format1.0/CC/UAN NO.00001588 55/CR/230600206 3	27.06.23	29.02.28	Renewable on expiry
Registration under Employees Provident Funds and Miscellaneous Provisions Act, 1952.	Regional Provident Commissioner, Mumbai.	Employees Provident Funds and Miscellaneous Provisions Act, 1952	THVSH0015072000	29.08.1975	Lifetime of the company	
Registration under Employees' State Insurance Act, 1948	Employees State Insurance Commission	Employees State Insurance Act, 1948	31000426130001099 34000339480000304	07.08.1997	Lifetime of the company	
Registration under Contract Labour (Regulation & Abolition) Act, 1970	Commissioner of Labour	Labour Act, 1970	1810300710013029	03.02.2017	31.12.2024	Renewable on expiry
Registration under Central Excise Act (DTA Unit) (EOU Unit)	Assistant Commissioner of Central Excise	Central Excise Act, 1944	no Excise applicable to us after implementation of GST.			
Registration under Sales Tax Act	Sales Tax Officer	Central Sales Tax Act	Not applicable after implementation of GST			
Tax Identification No. under VAT Act	Sales Tax Officer	Value Added Tax, 2005	Not applicable after implementation of GST			
Recognition of In-house R&D Units	Ministry of Science & Technology, Govt. of India	Recognition of In-House R&D Unit(s)	TU/IV-RD/1177/2022	25.08.22	31.03.25	Renewable on expiry
Standard Weight & Science Instrument	Chief Inspector of Weights & Measures	Weight & Measures Department	Weight Bridge 40 MT / Scales_231092814	02.05.2023	01.05.2024	Renewable on expiry

Registration under Employees Provident Funds and Miscellaneous Provisions Act, 1952.	Regional Provident Commissioner, Mumbai.	Employees Provident Funds and Miscellaneous Provisions Act, 1952.	THVSH00150 72000	29.08.1975	Lifetime of the company	
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OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

1. The Issue of this Right Equity Shares to the eligible shareholders in terms of this draft Letter of Offer has been authorized by a resolution by the Board of Directors passed at their meeting held on December 02, 2023 under Section 62 of the Companies Act 2013.
2. Our Finance and Admin Committee in its meeting held on [●] has resolved to issue the Rights Equity Shares to the Eligible Equity Shareholders aggregating up to ₹ 49.95 crores and decided to issue the Rights Equity Shares at an Issue Price of ₹ [●]/- per Rights Equity Share (including a premium of ₹ [●]/- per Rights Equity Share), in the ratio of [●] ([●]) Rights Equity Share for every [●] ([●]) Equity Shares, as held on the Record Date.
3. The Draft Letter of Offer has been approved by our Committee pursuant to its resolution dated 14th June, 2024.
4. The Letter of Offer has been approved by our Committee pursuant to its resolution dated [●].
5. Our Company has received In-principle approval from BSE (being the Designated Stock Exchange) and NSE under regulation 28 of the SEBI Listing Regulation vide their letters dated [●] and [●] respectively for listing of Right Equity Shares to be allotted in the issue.
6. Our Company will also make applications to the BSE and NSE to obtain their trading approvals for the Rights Entitlements as required under the January 22, 2020 – Rights Issue Circular.
7. Our Company has been allotted the ISIN - [●] for the Rights Entitlements to be credited to the respective demat accounts of the Equity Shareholders of our Company. For details, see “Terms of the Issue” on page 73 of this Draft Letter of Offer.

Confirmation

Our Company, our Promoters, our directors, the members of our Promoter Group and persons in control of our Company have not been prohibited from accessing the capital market or debarred from buying or selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any authority/court as on date of this Draft Letter of Offer.

Further, our Promoters and our Directors are not promoter or director of any other company which is debarred from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI. Further, there is no outstanding action initiated against any of our Directors or Promoters by SEBI in the five years preceding the date of filing of this Draft Letter of Offer.

Neither our Promoters nor our Directors have been declared as fugitive economic offender under Section 12 of Fugitive Economic Offenders Act, 2018 (17 of 2018).

Neither our Company, nor our Promoters, and Directors have been categorized or identified as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India. There are no violations of securities laws committed by them in the past or are currently pending against any of them.

Eligibility for the Issue:

In terms of Regulation 3 of SEBI (ICDR) regulation, in case of rights issue size is less than Rs. Fifty (₹ 50.00) crores, the issuer shall prepare the letter of offer in accordance with requirement as specified in the applicable regulation

Our Company is a listed company and is eligible to make this Rights Issue in terms of Chapter III of SEBI ICDR Regulations. Our Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations as explained below:

1. Our Company has been filing periodic reports, statements and information with the designated stock exchange in compliance with the listing agreements or SEBI Listing Regulations (to the extent applicable) for the last one year immediately preceding the date of this Draft Letter of Offer;
2. The reports, statements and information referred to in paragraph (1) above are available on the website of BSE and NSE with nationwide trading terminals.
3. Our Company has investor grievance-handling mechanism which includes meeting of the Stakeholders Relationship Committee at frequent intervals, appropriate delegation of power by the Board as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of SEBI ICDR Regulations, disclosures in this Draft Letter of Offer have been made in terms of Clause (4) of Part B of Schedule VI of the SEBI ICDR Regulations.

Compliance with Regulations 61 and 62 of the SEBI ICDR Regulations

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company undertakes to make an application to the Stock Exchanges for listing of the Rights Equity Shares to be issued pursuant to this Issue. BSE Limited is the Designated Stock Exchange for the Issue.

DISCLAIMER CLAUSE OF SEBI

In terms of Regulation 3 of SEBI ICDR regulation, in case of Rights Issue size is less than Rs. 50.00 Crores (Rupees Fifty Crores), the issuer shall prepare the draft letter of offer in accordance with requirement as specified in the regulation and file the same with the SEBI for information and dissemination on the SEBI's website.

The Board of Directors of our Company approved and passed resolution on December 02, to authorize the [committee] of the Board of Directors to raise the funds by way of Right Offering aggregating to Rupees 49.95 Crores, the letter of offer has not been filed with SEBI for their approval. Only the Letter of Offer will be filed with the SEBI for information and dissemination on the SEBI's website.

HOWEVER, IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT LETTER OF OFFER 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 THE ISSUE IS PROPOSED TO BE MADE OR FOR THE

CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT LETTER OF OFFER.

Disclaimer from our Company and our Directors

Our Company accept no responsibility for statements made otherwise than in this Draft Letter of Offer or in any advertisement or other material issued by our Company or by any other persons at the instance of our Company anyone placing reliance on any other source of information would be doing so at his own risk.

Investors who invest in this Issue will be deemed to have represented by our Company 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 of our Company, and are relying on independent advice / evaluation as to their ability and quantum of investment in this Issue.

Disclaimer in Respect of Jurisdiction

This Draft Letter of Offer has been prepared under the provisions of Indian laws and the applicable rules and regulations thereunder. Any dispute arising out of this Issue will be subject to jurisdiction of the competent court(s) in *Mumbai, Maharashtra, India* only.

Disclaimer Clause of BSE

BSE Limited (“the Exchange”) has given vide its letter dated [●], permission to this Company to use the Exchange’s name in this Draft Letter of Offer as the stock exchange on which this Company’s securities are proposed to be listed. The Exchange has scrutinized this Draft Letter of Offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

- i. Warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Letter of Offer; or
- ii. Warrant that this Company’s securities will be listed or will continue to be listed on the Exchange; or
- iii. Take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this Draft Letter of Offer has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange 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.

Disclaimer Clause of NSE

As required, a copy of this Draft Letter of Offer has been submitted to National Stock Exchange of India Limited (hereinafter referred to as “NSE”). NSE through its approval dated [●] gave permission to the Issuer to use the Exchange’s name in this Draft Letter of Offer as one of the stock exchanges on which this Issuer’s securities are proposed to be listed. The Exchange has scrutinized this Draft Letter of Offer for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer.

It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the Draft Letter of Offer has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Letter of Offer; nor does it warrant that this Issuer's securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange 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 any other reason whatsoever.

Designated Stock Exchange

The Designated Stock Exchange for the purposes of the Issue is BSE Limited.

Filing with Stock Exchanges

The Draft Letter of Offer has been filed with BSE and NSE for obtaining their In-Principle approvals.

Mechanism for Redressal of Investor Grievances

Our Company has adequate arrangements for redressal of investor grievances in compliance with the SEBI Listing Regulations.

- We have been registered with the SEBI Complaints Redress System (SCORES) as required by SEBI and monitor the same on regular interval.
- Our Company has a Stakeholders Relationship Committee to redress complaints, if any. Its terms of reference include considering and resolving grievances of Shareholders in relation to transfer of shares and effective exercise of voting rights.
- Our Company has appointed Mr. Nitin Jani, Company Secretary, as the Compliance Officer to redress complaints, if any.

Linkin Time India Private Limited is Registrar to our Company. All investor grievances received by us have been handled well in time by the Registrar in consultation with the Company Secretary and Compliance Officer.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar for the redressal of routine investor grievances shall be seven (7) to fifteen (15) Working Days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Investors may contact the Registrar or our Compliance Officer for any pre-Issue/post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e-mail ID of the sole/ first holder, folio number or demat account number, serial number of the Application Form, number of Rights Equity Shares applied

for, amount blocked (in case of ASBA process), ASBA Account number and the Designated Branch of the SCSBs where the Application Form, or the plain paper application, as the case may be, was submitted by the ASBA Investors along with a photocopy of the acknowledgement slip.

Contact details of the Registrar to this issue and of our Company Secretary and Compliance Officer are as follows:

<u>Registrar to the Issue</u> Link Intime India Pvt. Ltd Address: - C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai, Maharashtra, 400083 Contact details: - +91 8108114949 Fax: - +91-22 – 4918-6060 Email: - mumbai@linkintime.co.in Investor Grievance Email id: sadhananitro.rights2024@linkintime.co.in Website: - www.linkintime.co.in Contact Person: - Ms. Shanti Gopalakrishnan	<u>Company Secretary & Compliance officer</u> Mr. Nitin R. Jani, Sadhana Nitro Chem Limited Address: - Hira Baug, 1st Floor, Kasturba Chowk (C. P. Tank), Mumbai, Maharashtra, 400004 Tel:- 91-022-6660 4881-5 Fax: - 91-022-6660-4147 Email: - sadhananitro@sncl.com Investor Grievance Email id: sadhananitro@sncl.com
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SECTION VII
ISSUE INFORMATION
TERMS OF THE ISSUE

This section is for the information of the Investors proposing to apply in the Issue. Investors should carefully read the provisions contained in this Draft Letter of Offer, Letter of Offer, the Rights Entitlement Letter and the Application Form, before submitting the Application Form. Our Company is not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Investors are advised to make their independent investigation and ensure that the Application Form is accurately filled up in accordance with instructions provided therein and this Draft Letter of Offer. Unless otherwise permitted under the SEBI ICDR Regulations read with the SEBI Master Circulars, Investors proposing to apply in the Issue can apply only through ASBA or by mechanism as disclosed in this Draft Letter of Offer.

Investors are requested to note that application in the Issue can only be made through ASBA or any other mode which may be notified by SEBI.

The Rights Entitlement on the Securities, the ownership of which is currently under dispute and including any court proceedings or are currently under transmission or are held in a demat suspense account and for which our Company has withheld the dividend, shall be held in abeyance and the Application Form along with the Rights Entitlement Letter in relation to these Rights Entitlements shall not be dispatched pending resolution of the dispute or court proceedings or completion of the transmission or pending their release from the demat suspense account. On submission of such documents /records confirming the legal and beneficial ownership of the Securities with regard to these cases on or prior to the Issue Closing Date, to the satisfaction of our Company, our Company shall make available the Rights Entitlement on such Securities to the identified Eligible Equity Shareholder.

This Issue is proposed to be undertaken on a rights basis and is subject to the terms and conditions contained in the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, the FEMA, the FEMA Rules, the SEBI ICDR Regulations, the SEBI Listing Regulations and the guidelines, notifications, circulars and regulations issued by SEBI, the Government and other statutory and regulatory authorities from time to time, approvals, if any, from RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with Stock Exchanges and the terms and conditions as stipulated in the Allotment Advice or security certificate and rules as may be applicable and introduced from time to time.

IMPORTANT:

DISPATCH AND AVAILABILITY OF ISSUE MATERIALS

In accordance with the SEBI ICDR Regulations and SEBI Master Circular, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ dispatched only to the Eligible Equity Shareholders who have provided their Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Rights Equity Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then, the Application Form, the Rights Entitlement Letter and other Issue material will be physically dispatched, on a reasonable effort basis, to the Indian addresses provided by them. Further,

this Draft Letter of Offer and the Letter of Offer will be sent/ dispatched to the Eligible Equity Shareholders who have provided Indian address and who have made a request in this regard.

Investors can access this Draft Letter of Offer, the Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable laws) on the websites of:

- (i) our Company at www.sncl.com
- (ii) the Registrar at www.linkintime.co.in and
- (iii) the Stock Exchanges at www.bseindia.com, www.nseindia.com

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar i.e., www.linkintime.co.in by entering their DP ID and Client ID and PAN. The link for the same shall also be available on the website of our Company (i.e. sadhananitra@sncl.com)

Further, our Company will undertake all adequate steps to reach out to the Eligible Equity Shareholders who have provided their Indian address through other means, as may be feasible. Please note that neither our Company nor the Registrar shall be responsible for not sending the physical copies of Issue materials, including the Letter of Offer, the Rights Entitlement Letter and the Application Form or for delay in the receipt of this, the Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the email addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit.

The distribution of this Draft Letter of Offer, the Letter of Offer, the Rights Entitlement Letter and the issue of Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. No action has been, or will be, taken to permit the Issue in any jurisdiction where action would be required for that purpose, except that this Draft Letter of Offer is being filed with the Stock Exchanges. Accordingly, the Rights Entitlements and Rights Equity Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer, the Letter of Offer, the Rights Entitlement Letter, the Application Form or any Issue related materials or advertisements in connection with the Issue may not be distributed, in any jurisdiction, except in accordance with and as permitted under the legal requirements applicable in such jurisdiction. Receipt of this Draft Letter of Offer, the Letter of Offer, the Rights Entitlement Letter or the Application Form (including by way of electronic means) will not constitute an offer, invitation to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer, invitation or solicitation is unlawful or not authorized or to any person to whom it is unlawful to make such an offer, invitation or solicitation. In those circumstances, this Draft Letter of Offer, the Letter of Offer, the Rights Entitlement Letter or the Application Form must be treated as sent for information only and should not be acted upon for making an Application and should not be copied or re-distributed. Accordingly, persons receiving a copy of this Draft Letter of Offer, the Letter of Offer, the Rights Entitlement Letter or the Application Form should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send this Draft Letter of Offer, the Letter of Offer, the Rights Entitlement Letter or the Application Form in or into any jurisdiction where to do so, would, or might, contravene local securities laws or regulations or would subject our Company or its affiliates to any filing or registration requirement (other than in India). If this Draft Letter of Offer, the Letter of Offer, the Rights Entitlement Letter or the Application Form is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to make an application or acquire the Rights Entitlements referred to in this Draft Letter of Offer, the Letter of Offer, the Rights Entitlement Letter or the Application Form.

Any person who makes an application to acquire Rights Entitlements and the Rights Equity Shares offered in the Issue will be deemed to have declared, represented and warranted that such person is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction and India, without requirement for our Company or our affiliates to make any filing or registration (other than in India).

Our Company is undertaking the Issue on a rights basis to the Eligible Equity Shareholders and will send this Draft Letter of Offer, the Letter of Offer, the Application Form and other applicable Issue materials primarily to email addresses of Eligible Equity Shareholders who have provided a valid email address and an Indian address to our Company.

This Draft Letter of Offer is being provided, primarily through e-mail, by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard.

PROCESS OF MAKING AN APPLICATION IN THE ISSUE

In accordance with Regulation 76 of the SEBI ICDR Regulations, the SEBI Master Circular and the ASBA Circulars, all Investors desiring to make an Application in the Issue are mandatorily required to use the ASBA process. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA.

The Application Form can be used by the Eligible Equity Shareholders as well as the Renounees, to make Applications in the Issue basis the Rights Entitlement credited in their respective demat accounts or demat suspense escrow account, as applicable. For further details on the Rights Entitlements and demat suspense escrow account, see "*Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders*" on page 87

Please note that one single Application Form shall be used by Investors to make Applications for all Rights Entitlements available in a particular demat account or entire respective portion of the Rights Entitlements in the demat suspense escrow account in case of resident Eligible Equity Shareholders holding shares in physical form as on Record Date and applying in the Issue, as applicable. In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

Investors may apply for the Rights Equity Shares by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors are also advised to ensure that the Application Form is correctly filled up stating therein the ASBA Account in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB.

Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB). Please note that incorrect depository account details or PAN or Application Forms without depository account details shall be treated as incomplete and shall be rejected. For details, see "*Grounds for Technical Rejection*" on page No 82

Our Company, the Registrar and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in the Issue by making plain paper Applications. Please note that SCSBs shall accept such applications only if all details required for making the application as per the SEBI ICDR Regulations are specified in the plain paper application and that Eligible Equity Shareholders making an application in the Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see "*Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*" on page No. 78 of this Draft Letter of Offer.

Options available to the eligible equity shareholders

The Rights Entitlement Letter will clearly indicate the number of Rights Equity Shares that the Eligible Equity Shareholder is entitled to.

If the Eligible Equity Shareholder applies in the Issue, then such Eligible Equity Shareholder can:

1. Apply for its Rights Equity Shares to the full extent of its Rights Entitlements; or
2. Apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or
3. Apply for Rights Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
4. Apply for its Rights Equity Shares to the full extent of its Rights Entitlements and apply for Additional Rights Equity Shares; or
5. Renounce its Rights Entitlements in full.

Making of an Application through the ASBA process

An Investor, wishing to participate in the Issue through the ASBA facility, is required to have an ASBA enabled bank account with SCSBs, prior to making the Application. Investors desiring to make an Application in the Issue through ASBA process, may submit the Application Form in physical mode to the Designated Branches of the SCSB or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) for authorizing such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmlId=34>.

Investors should ensure that they have correctly submitted the Application Form and have provided an authorization to the SCSB, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

Please note that subject to SCSBs complying with the requirements of the SEBI circular bearing reference number CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs. Further, in terms of the SEBI circular bearing reference number CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in the Issue and clear demarcated funds should be available in such account for such an Application.

Our Company, our directors, employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions

etc., in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Investors applying through the ASBA facility should carefully read the provisions applicable to such Applications before making their Application through the ASBA process.

Do's:

- (a) Ensure that the necessary details are filled in the Application Form including the details of the ASBA Account.
- (b) Ensure that the details about your Depository Participant, PAN and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be Allotted in the dematerialized form only.
- (c) Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.
- (d) Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including Additional Rights Equity Shares) applied for} X {Application Money of Rights Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.
- (e) Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application Form and have signed the same.
- (f) Ensure that you have a bank account with SCSBs providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.
- (g) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.
- (h) Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter.
- (i) Ensure that your PAN is linked with Aadhaar and you are in compliance with CBDT notification.

Don'ts:

- (a) Do not apply if you are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction.
- (b) Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or vice versa.
- (c) Do not send your physical Application to the Registrar, the Banker to the Issue, a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.
- (d) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process upon making the Application.
- (e) Do not submit Application Form using third party ASBA account.

- (f) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
- (g) Do not submit multiple Applications.

Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process

An Eligible Equity Shareholder in India who is eligible to apply under the ASBA process may make an Application to subscribe to the Issue on plain paper in case of non-receipt of Application Form as detailed above and only such plain paper applications which provide all the details required in terms of Regulation 78 of SEBI ICDR Regulations shall be accepted by SCSBs. In such cases of non-receipt of the Application Form through physical delivery (where applicable) and the Eligible Equity Shareholder not being in a position to obtain it from any other source may make an application to subscribe to the Issue on plain paper with the same details as per the Application Form that is available on the website of the Registrar, the Stock Exchanges.

An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any Eligible Equity Shareholder who has not provided an Indian address.

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently. The Application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his/her bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

1. Name of our Company, being Sadhana Nitro Chem Limited;
2. Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);
3. Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Equity Shares applied for pursuant to the Issue;
4. Number of Equity Shares held as on Record Date;
5. Allotment option - only dematerialized form;
6. Number of Equity Shares entitled to;
7. Number of Equity Shares applied for within the Rights Entitlements;
8. Number of Additional Equity Shares applied for, if any (applicable only if entire Rights Entitlements have been applied for);
9. Total number of Equity Shares applied for;
10. Total amount paid at the rate of ₹ [•] per Equity Share;
11. Details of the ASBA Account such as the SCSB account number, name, address and branch of the relevant SCSB;

12. In case of non-resident Eligible Equity Shareholders making an application with an Indian address, details of the NRE / FCNR/ NRO account such as the account number, name, address and branch of the SCSB with which the account is maintained;
13. Authorization to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;
14. Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB); and
15. All such Eligible Equity Shareholders shall be deemed to have made the representations, warranties and agreements set forth in "*Restrictions on Foreign Ownership of Indian Securities*" shall include the following:

"I/We hereby make representations, warranties and agreements set forth in "Restrictions on Foreign Ownership of Indian Securities " of the Draft Letter of Offer.

I/We acknowledge that the Company, its affiliates and others will rely upon the truth and accuracy of the representations, warranties and agreements set forth therein."

In cases where Multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, as applicable, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an application being rejected, with our Company and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at www.linkintime.co.in

Our Company and the Registrar shall not be responsible if the Applications are not uploaded by the SCSB or funds are not blocked in the Investors' ASBA Accounts on or before the Issue Closing Date.

Making an Application by Eligible Equity Shareholders holding Equity Shares in physical form

Please note that in accordance with Regulation 77/A of the SEBI ICDR Regulations read with the SEBI Rights I Issue Circular, the credit of Right Entitlement and Allotment of Equity Shares shall be made in dematerialized form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Rights Equity Shares in this issue are advised to furnish details of their demat account to the Registrar or our Company at least 2 Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least 1 day before the Issue Closing Date. If demat account details are not provided by the eligible Equity Shareholders holding Equity Shares in physical form to the Registrar or our Company by the date mentioned above, such shareholder will not be allotted any Rights Equity Shares, nor such Rights Equity Shares be kept in suspense account on behalf of such shareholder. For further details, see Terms of the Issue-Credit of Rights Entitlement in dematerialised account of Eligible Equity Shareholders on page 87.

Prior to the Issue Opening Date, the Rights Entitlements of those Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company.

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date shall adhere to the following procedure or participating in this issue.

1. The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address e-mail address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by e-mail, post speed post, courier, or hand delivery so as to reach to the Registrar no later than 2 Working Days prior to the Issue Closing Date.
2. The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least 1 day before the Issue Closing Date, and
3. The remaining procedure for Application shall be same as set out in 'Terms of the Issue - Making an application by Eligible Equity Shareholders on Plain Paper under ASBA, process on page 78.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the record date will not be allowed to renounce their Right Entitlements in the issue. However, such Eligible Equity Shareholders where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within the prescribed timeline, can apply for additional Equity Shares while submitting the Application through ASBA process

Application for Additional Rights Equity Shares

Investors are eligible to apply for Additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of Additional Rights Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalized in consultation with the Designated Stock Exchange. Applications for Additional Rights Equity Shares shall be considered, and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner as set out in "*Basis of Allotment*" on page 96.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for Additional Rights Equity Shares. Non-resident Renounees who are not Eligible Equity Shareholders cannot apply for Additional Rights Equity Shares.

Additional general instructions for Investors in relation to making of an application are as under:-

- (a) Please read this Draft Letter of Offer carefully to understand the Application process and the applicable settlement process.
- (b) Please read the instructions on the Application Form sent to you. Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of, the Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.
- (c) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under "*Making of an Application by Eligible Equity Shareholders on Plain Paper under ASBA process*" on page No 78.
- (d) Applications should be submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts. Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by BSE.
- (e) Applications should not be submitted to the Banker to the Issue, our Company or the Registrar.

- (f) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be "suspended for credit" and no Allotment and credit of Rights Equity Shares pursuant to the Issue shall be made into the accounts of such Investors.
- (g) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation ("**Demographic Details**") are updated, true and correct, in all respects. Investors applying under the Issue should note that on the basis of name of the Investors, DP ID and Client ID provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Therefore, Investors applying under the Issue should carefully fill in their Depository Account details in the Application. These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants. The Allotment Advice and the intimation on unblocking of ASBA Account or refund (if any) would be mailed to the address of the Investor as per the Indian address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs or Registrar shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay. In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) DP ID, and (c) Client ID, then such Application Forms are liable to be rejected.
- (h) By signing the Application Forms, Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.
- (i) For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB.
- (j) Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, SCSBs or the Registrar will not be liable for any such rejections.
- (k) In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.
- (l) All communication in connection with Application for the Rights Equity Shares, including any change in contact details of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in the Issue quoting the name of the first/sole Applicant ID and Client ID and Application Form number, as applicable. In case of any change in contact details of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.

- (m) Investors are required to ensure that the number of Rights Equity Shares applied for by them do not exceed the prescribed limits under the Applicable Law.
- (n) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.
- (o) An Applicant being an OCB is required not to be under the adverse notice of RBI and in order to apply for the Issue as an incorporated non-resident must do so in accordance with the FDI Policy and FEMA Rules.
- (p) Ensure that your PAN is linked with Aadhaar and you are in compliance with CBDT notification.

Grounds for Technical Rejection

Applications made in the Issue are liable to be rejected on the following grounds:

- (a) DP ID and Client ID mentioned in Application does not match with the DP ID and Client ID records available with the Registrar.
- (b) Details of PAN mentioned in the Application does not match with the PAN records available with the Registrar.
- (c) Sending an Application to our Company, Registrar, Banker to the Issue, to a branch of a SCSB which is not a Designated Branch of the SCSB.
- (d) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.
- (e) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.
- (f) Account holder not signing the Application or declaration mentioned therein.
- (g) Submission of more than one Application Form for Rights Entitlements available in a particular demat account.
- (h) Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.
- (i) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).
- (j) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the Demographic Details provided by the Depositories.
- (k) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.
- (l) Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and this Draft Letter of Offer.
- (m) Physical Application Forms not duly signed by the sole or joint Investors, as applicable.
- (n) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.

- (o) If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements.
- (p) Applications which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States (other than from persons in the United States who are U.S. QIBs and "qualified purchasers" (as defined under the U.S. Investment Company Act of 1940, as amended and referred to in this Draft Letter of Offer as "QPs") or other jurisdictions where the offer and sale of the Equity Shares is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is (a) both a U.S. QIB and a QP, if in the United States or a U.S. Person or (b) outside the United States and is a non-US. Person, and in each case such person is eligible to subscribe for the Equity Shares under applicable securities laws and is complying with laws of jurisdictions applicable to such person in connection with this Issue; and our Company shall not be bound to issue or allot any Equity Shares in respect of any such Application Form.
- (q) Applications which have evidence of being executed or made in contravention of applicable securities laws.
- (r) Application from Investors that are residing in U.S. address as per the depository records (other than from persons in the United States who are U.S. QIBs and QPs).
- (s) Applicants not having the requisite approvals to make application in the Issue.
- (t) **IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THIS ISSUE TO APPLY THROUGH THE ASBA PROCESS, TO RECEIVE THEIR RIGHTS EQUITY SHARES IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE. ALL INVESTORS APPLYING UNDER THIS ISSUE SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DP ID AND BENEFICIARY ACCOUNT NUMBER, FOLIO NUMBER IN THE APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE APPLICATION FORM OR IN PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.**
- (u) Investors applying under this Issue should note that on the basis of name of the Investors, Depository Participant's name and identification number and beneficiary account number provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Hence, Investors applying under this Issue should carefully fill in their Depository Account details in the Application.
- (v) These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants. By signing the Application Forms, the Investors would be deemed to have authorized the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

- (w) The Allotment advice and the email intimating unblocking of ASBA Account or refund (if any) would be emailed to the address of the Investor as per the email address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs or the Registrar shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay.
- (x) In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) the DP ID & Client ID, and (c) the beneficiary account number, then such Application Forms are liable to be rejected.

Multiple Applications

In case where multiple Applications are made using same demat account in respect of the same Rights Entitlement, such Applications shall be liable to be rejected. A separate Application can be made in respect of Rights Entitlements in each demat account of the Investors and such Applications shall not be treated as multiple applications. Similarly, a separate Application can be made against Equity Shares held in dematerialized form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. Further, additional applications in relation to additional Rights Equity Shares with/without using additional Rights Entitlements will not be treated as multiple applications. A separate Application can be made in respect of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple applications. For details, see "*Procedure for Applications by Mutual Funds*" on page No. 86

In cases where Multiple Application Forms are submitted, including cases where (a) an Investor submits Application Forms along with a plain paper Application or (b) multiple plain paper Applications (c) or multiple applications through ASBA, such Applications shall be treated as multiple applications and are liable to be rejected, other than multiple applications submitted by our Promoter to meet the minimum subscription requirements applicable to the Issue as described in "*General Information - Minimum Subscription*" on page No.33.

PROCEDURE FOR APPLICATIONS BY CERTAIN CATEGORIES OF INVESTORS

Procedure for Applications by FPIs

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the 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 FEMA Rules, the total holding by each FPI shall be below 10% of the total paid-up equity share capital of a company on a fully-diluted basis and the total holdings of all FPIs put together shall not exceed 24% of the paid-up equity share capital of a company on a fully diluted basis.

Further, pursuant to the FEMA Rules, the investments made by a SEBI registered FPI in a listed Indian company will be reclassified as FDI if the total shareholding of such FPI increases to more than 10% of the total paid-up equity share capital on a fully diluted basis or 10% or more of the paid-up value of each series of debentures or preference shares or warrants.

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. FPIs who wish to participate in the Issue are advised to use the Application Form for non-residents. 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 an FPI against securities held by it that are listed or proposed to be listed on any recognized stock exchange in India, as its underlying) directly or indirectly, only in the event:

(i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category I FPI); (iii) such offshore derivative instruments are issued after compliance with 'know your client' (KYC) norms; and (iv) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions: (a) such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and (b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre - approved by the FPI.

Procedure for Applications by AIFs, FVCIs, VCFs and FDI route

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in the Issue. Further, venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in the Issue. Other categories of AIFs are permitted to apply in the Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCsBs that are providing ASBA in cities / centers where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

Procedure for Applications by NRIs

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in the Issue under applicable securities laws. As per the FEMA Rules, an NRI or Overseas Citizen of India ("**OCI**") may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognized stock exchange in India, subject to the conditions, inter alia, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid-up equity capital on a fully diluted basis or should 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 will 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 warrants. 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.

Further, in accordance with press note 3 of 2020, the FDI Policy has been amended to state that all investments by entities incorporated in a country which shares land border with India or where beneficial owner of an investment into India is situated in or is a citizen of any such country ("**Restricted Investors**"), will require prior approval of the Government of India. It is not clear from the press note whether or not an issue of the Rights Equity Shares to Restricted Investors will also

require prior approval of the Government of India and each Investor should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval has been obtained, the Investor shall intimate our Company and the Registrar about such approval within the Issue Period.

Procedure for Applications by Mutual Funds

Applications made by asset management companies or custodians of Mutual Funds should clearly and specifically state names of the concerned schemes for which such 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.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Procedure for applications by Systemically Important NBFCs

In case of application made by Systemically Important NBFCs registered with the RBI, (i) the certificate of registration issued by the RBI under Section 45 -IA of the RBI Act, 1934 and (ii) net worth certificates issued by its statutory auditors or any independent chartered accountant based on the last audited financial statements, is required to be attached to the application.

Last date for Application

The last date for submission of the duly filled in the Application Form or a plain paper Application is [•], i.e., Issue Closing Date. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchanges and the Application Money is not blocked with the SCSB, on or before the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in this Draft Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Equity Shares hereby offered, as set out in "*Basis of Allotment*" on page No 96.

Please note that on the Issue Closing Date, Applications through ASBA process will be uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as permitted by BSE. Please ensure that the Application Form and necessary details are filled in. In place of Application number, Investors can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number.

Withdrawal of Application

An Investor who has applied in the Issue may withdraw their application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Investor, applying through ASBA facility, may withdraw their application post the Issue Closing Date.

Disposal of Application and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branches of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form.

Our Board reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be refunded/unblocked in the respective bank accounts from which Application Money was received/ ASBA Accounts of the Investor finalization of basis of allotment in consultation with Designated Stock Exchange. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

CREDIT OF RIGHTS ENTITLEMENTS IN DEMAT ACCOUNTS OF ELIGIBLE EQUITY SHAREHOLDERS

Rights Entitlements

As your name appears as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialized form or appears in the register of members of our Company as an Eligible Equity Shareholder in respect of our Equity Shares held in physical form, as on the Record Date, you may be entitled to subscribe to the number of Rights Equity Shares as set out in the Rights Entitlement Letter.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (ie, www.linkintime.co.in) by entering their DP ID and Client ID or folio number (for Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date) and PAN. The link for the same shall also be available on the website of our Company (i.e., <https://www.sncl.com>).

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialized form. Further, if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall lapse and shall be extinguished after the Issue Closing Date. No Rights Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an application to apply for Rights Equity Shares offered under Issue for subscribing to the Rights Equity Shares offered under Issue.

If Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than 2 (Two) clear Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least 1 (One) day before the Issue Closing Date. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar (i.e. www.linkintime.co.in). Such Eligible Equity Shareholders can make an application only after the Rights Entitlements is credited to their respective demat accounts.

Credit of Rights Entitlements in dematerialized account

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Master Circular, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account (namely, "Right Entitlement Suspense Escrow Demat Account") opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in the account of the Investor Education Protection Fund (IEPF authority); or (b) the demat accounts of the Eligible Equity Shareholder which are frozen or the Equity Shares which are lying in the unclaimed suspense account (including those pursuant to Regulation 39 of the SEBI LODR Regulations) or details of which are unavailable with our Company or with the Registrar on the Record Date; or (c) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (d) credit of the Rights Entitlements returned/reversed/failed; or (e) the ownership of the Equity Shares currently under dispute, including any court proceedings, if any; or (f) non-institutional equity shareholders in the United States.

In this regard, our Company has made necessary arrangements with NSDL and CDSL for crediting of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is [•]. The said ISIN shall remain frozen (for debit) until the Issue Opening Date. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Eligible Equity Shareholders are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to our Company or the Registrar not later than 2 (Two) clear Working Days prior to the Issue Closing Date, i.e., by [•], [•] to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in the Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat suspense escrow account to the Stock Exchanges after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

RENUNCIATION AND TRADING OF RIGHTS ENTITLEMENT

Renounees

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to the Issue shall apply to the Renounee(s) as well.

Renunciation of Rights Entitlements

The Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and vice versa shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in

compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements, using the secondary market platform of the Stock Exchanges or through an off-market transfer.

Procedure for Renunciation of Rights Entitlements

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchanges (the "**On Market Renunciation**"); or (b) through an off-market transfer (the "**Off Market Renunciation**"), during the Renunciation Period. The Investors should have the demat Rights Entitlements credited / lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

In accordance with the SEBI Master Circular, the resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date shall be required to provide their demat account details to our Company or the Registrar to the Issue for credit of REs not later than 2 (Two) Working Days prior to Issue Closing Date, such that credit of REs in their demat account takes place at least one day before Issue Closing Date, thereby enabling them to renounce their Rights Entitlements through Off Market Renunciation.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock-broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

The Registrar and our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investors.

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchanges through a registered stock-broker in the same manner as the existing Equity Shares of our Company.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is one Rights Entitlements.

On Market Renunciation

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, i.e., from (*)

The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock-brokers by quoting the ISIN and indicating the details of the Rights Entitlements they intend to trade. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of the Stock Exchanges under automatic order matching mechanism and on T+1 rolling settlement basis', where 'T' refers to the date of Trading. The transactions will be settled on trade-for-trade basis. Upon execution

of the order, the stock-broker will issue a contract note in accordance with the requirements of the Stock Exchanges and the SEBI.

Off Market Renunciation

The Eligible Equity Shareholders may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only. Eligible Equity Shareholders are requested to ensure that renunciation through off market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renounees on or prior to the Issue Closing Date to enable Renounees to subscribe to the Rights Equity Shares in the Issue.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN: [•], the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants.

The detailed rules for transfer of Rights Entitlements through off market transfer shall be as specified by the NSDL and CDSL from time to time.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and *vice versa* shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

MODE OF PAYMENT

All payments against the Application Forms shall be made only through ASBA facility. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility.

The Investor agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account. The SCSB may reject the Application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth in this Draft Letter of Offer.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, of the receipt of minimum subscription and pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account(s) which shall be a separate bank account maintained by our Company in accordance with sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalisation of the Basis

of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest scheme has been withdrawn. Hence, payment through Stock Invest would not be accepted in the Issue.

Mode of payment for Resident Investors

All payments on the Application Forms shall be made only through ASBA facility. Applicants are requested to strictly adhere to these instructions.

Mode of payment for Non-Resident Investors

As regards the Application by non-resident Investors, payment must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by RBI and subject to the following:

1. In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Rights Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income tax Act. However, please note that conditions applicable at the time of original investment in our Company by the Eligible Equity Shareholder including repatriation shall not change and remain the same for subscription in the Issue or subscription pursuant to renunciation in the Issue.
2. Subject to the above, in case Rights Equity Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Rights Equity Shares cannot be remitted outside India.
3. In case of an Application Form received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.
4. Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Rights Equity Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment.
5. In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account.
6. Non-resident Renouncees who are not Eligible Equity Shareholders must submit regulatory approval for applying for Additional Rights Equity Shares.

BASIS FOR THE ISSUE AND TERMS OF THE ISSUE

The Rights Equity Shares are being offered for subscription to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of our Equity Shares held in dematerialised form and on the register of members of our Company in respect of our Equity Shares held in physical form at the close of business hours on the Record Date.

For principal terms of Issue such as face value, Issue Price, Rights Entitlement ratio, see "*The Issue*" beginning on page No. 29

Fractional Entitlements

The Rights Equity Shares are being offered on a rights basis to Eligible Equity Shareholders in the ratio of [•] Rights Equity Shares for every [•] Equity Shares held on the Record Date. For Equity Shares

being offered on a rights basis under the Issue, if the shareholding of any of the Eligible Equity Shareholders is less than [•] Rights Equity Shares or not in the multiple of [•], the fractional entitlement of such Eligible Equity Shareholders shall be ignored in the computation of the Rights Entitlement. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored, will be given preferential consideration for the allotment of 1(one) additional Equity Share each if they apply for additional Equity Shares over and above their rights entitlement, if any.

For example, if an Eligible Equity Shareholder holds [•] Equity Shares, such Equity Shareholder will be entitled to [•] Equity Share and will also be given a preferential consideration for the Allotment of 1 (One) Additional Rights Equity Share if such Eligible Equity Shareholder has applied for Additional Rights Equity Shares, over and above his/her Rights Entitlements, subject to availability of Rights Equity Shares in the Issue post allocation towards Rights Entitlements applied for.

Further, the Eligible Equity Shareholders holding less than [•] Equity Shares shall have 'zero' entitlement in the Issue. Such Eligible Equity Shareholders are entitled to apply for additional Equity Shares and will be given preference in the allotment of 1 (One) additional Equity Share if, such Eligible Equity Shareholders apply for the additional Equity Shares. However, they cannot renounce the same in favour of third parties and the application forms shall be non-negotiable.

Ranking

The Rights Equity Shares to be issued and Allotted pursuant to the Issue shall be subject to the provisions of the Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association, the provisions of the Companies Act, 2013, FEMA, the SEBI ICDR Regulations, the SEBI LODR Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the Stock Exchanges and the terms and conditions as stipulated in the Allotment advice. The Rights Equity Shares to be issued and Allotted under the Issue shall rank *pari passu* with the existing Equity Shares, in all respects including dividends.

Listing and trading of the Rights Equity Shares to be issued pursuant to the Issue

Subject to receipt of the listing and trading approvals, the Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on BSE. Unless otherwise permitted by the SEBI ICDR Regulations, the Rights Equity Shares Allotted pursuant to the Issue will be listed as soon as practicable and all steps for completion of necessary formalities for listing and commencement of trading in the Rights Equity Shares will be taken within such period prescribed under the SEBI ICDR Regulations. Our Company has received in principal approval from the BSE through its letters bearing reference number [•] dated [•] and [•] dated [•], and from the NSE through its letters bearing reference number [•] dated [•], respectively. Our Company will apply to the Stock Exchanges for final approval for the listing and trading of the Rights Equity Shares subsequent to its Allotment.

No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof. The existing Equity Shares are listed and traded on BSE (Scrip Code:506642) and National Stock Exchanges Limited (Symbol: SADHNANIQ) under the ISIN: INE888C01040. The Rights Equity Shares shall be credited to a temporary ISIN which will be frozen until the receipt of the final listing/ trading approvals from the Stock Exchanges.

Upon receipt of such listing and trading approvals, the Rights Equity Shares shall be debited from such temporary ISIN and credited to the new ISIN for the Rights Equity Shares and thereafter be available for trading and the temporary ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.

The listing and trading of the Rights Equity Shares issued pursuant to the Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.

In case our Company fails to obtain listing or trading permission from BSE, our Company shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked within the period as prescribed by applicable law or otherwise after receipt of intimation from BSE, rejecting the application for listing of the Rights Equity Shares, and if any such money is not refunded/unblocked within such time after our Company becomes liable to repay it, our Company and every Director of our Company who is an officer-in-default shall, on and from the expiry of such period as may be prescribed, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

Rights of Holders of Equity Shares of our Company

Subject to applicable laws, Shareholders who have been Allotted Equity Shares pursuant to the Issue shall have the following rights:

- The right to receive dividend, if declared;
- The right to receive surplus on liquidation;
- The right to receive offers for rights shares and be allotted bonus shares, if announced;
- The right to free transferability of Equity Shares;
- The right to attend general meetings of our Company and exercise voting powers in accordance with law, unless prohibited/ restricted by law and as disclosed in the Letter of Offer; and

Such other rights as may be available to a shareholder of a listed public company under the Companies Act, 2013, the Memorandum of Association and the Articles of Association.

GENERAL TERMS OF THE ISSUE

Market Lot

The Equity Shares of our Company shall be tradable only in dematerialized form. The market lot for Equity Shares in dematerialized mode is one Equity Share.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Equity Shares offered in the Issue.

Nomination

Nomination facility is available in respect of the Equity Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014.

Since the Allotment is in dematerialized form, there is no need to make a separate nomination for the Equity Shares to be Allotted in the Issue. Nominations registered with the respective DPs of the Investors would prevail. Any Investor holding Equity Shares in dematerialized form and desirous of changing the existing nomination is requested to inform its Depository Participant.

Arrangements for Disposal of Odd Lots

The Equity Shares shall be traded in dematerialized form only and, therefore, the marketable lot shall be 1 (One) Equity Share and hence, no arrangements for disposal of odd lots are required.

Notices

In accordance with the SEBI ICDR Regulations and the SEBI Master Circular, and MCA General Circular No. 21/2020 dated May 11, 2020, our Company will send through email and speed post, the Application Form, the Rights Entitlement Letter and other Issue material will be sent/ / dispatch through dispatched only to the Eligible Equity Shareholders who have provided their Indian address. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Application Form, the Rights Entitlement Letter and other Issue material only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then, the Application Form, the Rights Entitlement Letter and other Issue material will be physically dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in one English language national daily newspaper with wide circulation, one Hindi language national daily newspaper with wide circulation and one regional Marathi daily newspaper with wide circulation.

This Draft Letter of Offer, the Letter of Offer and the Application Form shall also be submitted with the Stock Exchanges for making the same available on their websites.

Offer to Non-Resident Eligible Equity Shareholders/Investors

As per Rule 7 of the FEMA Rules, RBI has given general permission to a person resident outside India and having investment in an Indian company to make investment in rights equity shares issued by such company subject to certain conditions. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by RBI, non-residents may, amongst other things, subject to the conditions set out therein (i) subscribe for additional shares over and above their rights entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRI's and non-residents for allotment of Rights Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Rights Equity Shares and issue of Rights Entitlement Letters/ letters of Allotment/Allotment advice.

If a non-resident or NRI Investor has specific approval from RBI or any other governmental authority, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar at their mail ID It will be the sole responsibility of the investors to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and our Company will not be responsible for any such allotments made by relying on such approvals, the Rights Entitlement Letter and Application Form shall be sent only to the Indian addresses of the non-resident Eligible Equity Shareholders on a reasonable efforts basis, who have provided an Indian address to our Company and located in jurisdictions where the offer and sale of the Rights Equity Shares may be permitted under laws of such jurisdictions. Eligible Equity Shareholders can access this Draft Letter of Offer, the Letter of offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of the Registrar, our Company and the Stock Exchanges.

Further, Application Forms will be made available at Registered and Corporate Office of our Company for the non-resident Indian Applicants. Our Board may at its absolute discretion, agree to such terms

and conditions as may be stipulated by RBI while approving the Allotment. The Rights Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original Equity Shares against which Rights Equity Shares are issued on rights basis. In case of change of status of holders, i.e., from resident to non-resident, a new demat account must be opened.

Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company.

In accordance with the SEBI ICDR Regulations, the Abridged Letter of Offer, Application Form, the Rights Entitlement Letter and other applicable Issue material will be sent / dispatched only to the Eligible Equity Shareholders who have provided their Indian address to our Company. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter and other Issue material will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Please note that pursuant to Circular No. 14 dated September 16, 2003 issued by RBI, OCBs have been derecognized as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and to obtain prior approval from RBI for applying in this Issue as an incorporated non-resident must do so in accordance with the FDI Circular 2020 and FEMA Rules.

The non-resident Eligible Equity Shareholders can update their Indian address in the records maintained by the Registrar and our Company by submitting their respective copies of self-attested proof of address, passport, etc. by email to - sadhananitro.rights2024@linkintime.co.in , sadhananitro@sncil.com

ALLOTMENT OF THE RIGHTS EQUITY SHARES IN DEMATERIALIZED FORM

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THE ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE. FOR DETAILS, SEE "- ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS" ON PAGE NO 95.

ISSUE SCHEDULE

Issue Opening Date	[•]
Last date for Application Form and Market Renunciation*	[•]
Issue Closing Date	[•]
Finalizing the basis of allotment	[•]
Date of Allotment (on or about)	[•]
Date of credit (on or about)	[•]
Date of listing (on or about)	[•]

**Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the*

Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee(s) on or prior to the Issue Closing Date.

Our Board or the Finance and Admin Committee may, however, decide to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

Investors are advised to ensure that the Application Forms are submitted on or before the Issue Closing Date. Our Company and/or the Registrar to the Issue will not be liable for any loss on account of non-submission of a/Application Forms on or before the Issue Closing Date.

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two clear Working Days prior to the Issue Closing Date, i.e., [•], to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, i.e., [•].

BASIS OF ALLOTMENT

Subject to the provisions contained in this Draft Letter of Offer, the Letter of Offer, the Rights Entitlement Letter, the Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to Allot the Rights Equity Shares in the following order of priority:

- (a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Rights Equity Shares either in full or in part and also to the Renouncee(s) who has or have applied for Rights Equity Shares renounced in their favour, in full or in part, as adjusted for fraction entitlement.
- (b) Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one Additional Rights Equity Share each if they apply for Additional Rights Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Rights Equity Shares after allotment under (a) above. If number of Rights Equity Shares required for Allotment under this head are more than the number of Rights Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.
- (c) Allotment to the Eligible Equity Shareholders who having applied for all the Rights Equity Shares offered to them as part of the Issue, have also applied for Additional Rights Equity Shares. The Allotment of such Additional Rights Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Rights Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Rights Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of the Issue and will not be a preferential allotment.
- (d) Allotment to Renouncees who having applied for all the Rights Equity Shares renounced in their favour, have applied for Additional Rights Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Rights Equity Shares

will be made on a proportionate basis in consultation with the Designated Stock Exchange, as a part of the Issue and will not be a preferential allotment.

- (e) Allotment to any other person, subject to applicable laws, that our Board may deem fit, provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.

After taking into account Allotment to be made under (a) to (d) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the Investors who have been allocated Rights Equity Shares in the Issue, along with:

- The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for the Issue, for each successful Application;
- The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and
- The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

Further, the list of Applicants eligible for refund with corresponding amount will also be shared with Banker to the Issue to refund such Applicants.

ALLOTMENT ADVICE OR REFUND/ UNBLOCKING OF ASBA ACCOUNTS

Our Company will send/ dispatch Allotment advice, refund intimations, if applicable or demat credit of securities and/or letters of regret, only to the Eligible Equity Shareholders who have provided Indian address; along with crediting the Allotted Rights Equity Shares to the respective beneficiary accounts (only in dematerialized mode) or in a demat suspense account (in respect of Eligible Equity Shareholders holding Equity Shares in physical form on the Allotment Date) or issue instructions for unblocking the funds in the respective ASBA Accounts, if any, within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company and our Directors who are "officers in default" shall pay interest at such rate as specified under applicable law from the expiry of such 15 days' period.

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment advice shall be sent, through a mail, to the Indian mail address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, unblocking refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for Additional Rights Equity Shares in the Issue and is Allotted a lesser number of Rights Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The unblocking of ASBA funds / refund of monies shall be completed within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law i.e. 15% p.a.

PAYMENT OF REFUND

Mode of making refunds

The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through unblocking amounts blocked using ASBA facility.

Refund payment to non-residents

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

ALLOTMENT ADVICE OR DEMAT CREDIT OF SECURITIES

The demat credit of securities to the respective beneficiary accounts will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

Receipt of the Rights Equity Shares in Dematerialized Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR UNDER THE ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OF WHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWO CLEAR WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITY SHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE, OR (C) DEMAT SUSPENSE ACCOUNT PENDING RECEIPT OF DEMAT ACCOUNT DETAILS FOR RESIDENT ELIGIBLE EQUITY SHAREHOLDERS HOLDING EQUITY SHARES FORM/ WHERE THE CREDIT OF THE RIGHTS ENTITLEMENTS RETURNED/REVERSED/FAILED.

Investors shall be Allotted the Rights Equity Shares in dematerialized (electronic) form. Our Company has signed two agreements with the respective Depositories and the Registrar to the Issue, which enables the Investors to hold and trade in the securities issued by our Company in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates: tripartite agreements amongst our Company, NSDL and CDSL, and the Registrar to the Issue.

INVESTORS MAY PLEASE NOTE THAT THE RIGHTS EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Rights Equity Shares in the Issue in the dematerialized form is as under:

1. Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for such holdings. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.
2. It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.
3. The responsibility for correctness of information filled in the Application Form vis-a-vis such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor's depository participant.
4. If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Rights Equity Shares and the Application Form will be rejected.

5. The Rights Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders holding Equity Shares in physical form/ with Investor Education and Protection Fund (IEPF) authority/ in suspense, etc.). Allotment advice, refund order (if any) would be sent through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account.
6. Non-transferable Allotment advice/ refund intimation will be directly sent to the Investors by the Registrar, through physical dispatch.
7. Renounees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in the Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.
8. Dividend or other benefits with respect to the Equity Shares held in dematerialized form would be paid to those Equity Shareholders whose names appear in the list of beneficial owners given by the Depository Participant to our Company as on the date of the book closure.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who:

- (i) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
- (ii) 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*
- (iii) 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 for fraud involving an amount of at least ₹ 10 lacs or 1% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. Where such fraud (i) involves an amount which is less than ₹ 10 lacs or 1% of the turnover of the Company, whichever is lower, and (ii) does not involve public interest, then such fraud is punishable with imprisonment for a term extending up to five years or fine of an amount extending up to ₹ 50 lacs or with both.

UTILIZATION OF ISSUE PROCEEDS

Our Board of Directors declares that:

- (a) All monies received out of the Issue shall be transferred to a separate bank account;
- (b) Details of all monies utilized out of the Issue shall be disclosed, and shall continue to be disclosed until the time any part of the Issue Proceeds remains unutilized, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized;

- (c) Details of all unutilized monies out of the Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

- (a) The complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily.
- (b) All steps for completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges where the Rights Equity Shares are to be listed will be taken within the time prescribed by the SEBI.
- (c) The funds required for making refunds to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.
- (d) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.
- (e) No further issue of securities affecting our Company's Equity Share capital shall be made until the Rights Equity Shares are listed or until the Application Money is refunded on account of non-listing, under subscription etc.
- (f) In case of unblocking of the application amount for unsuccessful Applicants or part of the application amount in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.
- (g) Adequate arrangements shall be made to collect all ASBA Applications and to consider them similar to non- ASBA Applications while finalizing the Basis of Allotment.
- (h) At any given time, there shall be only one denomination for the Rights Equity Shares of our Company.
- (i) Our Company shall comply with all disclosure and accounting norms specified by the SEBI from time to time.
- (j) Our Company accepts full responsibility for the accuracy of information given in this Draft Letter of Offer and confirms that to the best of its knowledge and belief, there are no other facts the omission of which makes any statement made in this Draft Letter of Offer misleading and further confirms that it has made all reasonable enquiries to ascertain such facts.

INVESTOR GRIEVANCES, COMMUNICATION, AND IMPORTANT LINKS

- (a) Please read this Letter of Offer, carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of this Letter of Offer and must be carefully followed; otherwise, the Application is liable to be rejected.
- (b) All enquiries in connection with this Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or Application Form must be addressed (quoting the Registered Folio Number in case of Eligible Equity Shareholders who hold Equity Shares in physical form as on Record Date, the DP ID and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and superscribed 'Sadhana

Nitro Chem Limited - Rights Issue' on the envelope and postmarked in India or in the e-mail to the Registrar at the following address: -

Link Intime India Pvt. Ltd

Address: - C 101, 247 Park, L.B.S. Marg, Vikhroli (West),
Mumbai, Maharashtra, 400083

Tel: - +91-22-4918-6000

Fax: - +91-22 - 4918-6060

Email: - mumbai@linkintime.co.in

Website: - www.linkintime.co.in

Contact Person: Ms. Shanti Gopalakrishnan

Contact Details: +91 8108114949

Email id: sadhananitro.rights2024@linkintime.co.in

SEBI Registration No.: INR000004058

Company Secretary & Compliance Officer

Mr. Nitin R. Jani,

Sadhana Nitro Chem Limited

Address: - Hira Baug, 1st floor Kasturba Chowk (C.P. Tank), Mumbai, Maharashtra, India, 40000

Tel :- 91-022-6660 4881-5

Fax: - 91-022-6660-4147

Email: - sadhananitro@sncl.com

In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar (www.linkintime.co.in). Further, email ID provided by the Registrar for guidance on the Application process and resolution of difficulties is sadhananitro.rights2024@linkintime.co.in

The Issue will remain open for a minimum period of 15 days. However, our Board/Committee will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Closing Date).

RESTRICTION ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

There are two routes through which foreign investors may invest in India. One is the “automatic route”, where no government approval is required under Indian foreign exchange laws to make an investment as long as it is within prescribed thresholds for the relevant sector. The other route is the “government route”, where an approval is required under foreign exchange laws from the relevant industry regulator, prior to the investment.

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India and FEMA. While the Industrial Policy, 1991, of the Government of India, 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. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment (“FDI”) and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the Department of Industrial Policy and Promotion) (“DPIIT”), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017, has notified the specific ministries handling relevant sectors.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2020 (“FDI Policy”) by way of circular bearing number DPIIT file number 5(2)/2020- FDI Policy dated October 15, 2020, which with effect from October 15, 2020, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict between FEMA and such policy pronouncements, FEMA prevails.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of RBI, provided that (i) the activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the Takeover Regulations; (ii) the non- resident shareholding is within the sectorial limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

No investment under the FDI route (i.e. any investment which would result in the investor holding 10% or more of the fully diluted paid-up equity share capital of the Company or any FDI investment for which an approval from the government was taken in the past) will be allowed in the Issue unless such application is accompanied with necessary approval or covered under a pre-existing approval from the government. It will be the sole responsibility of the investors to ensure that the necessary approval or the pre-existing approval from the government is valid in order to make any investment in the Issue. Our Company will not be responsible for any Allotments made by relying on such approvals.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country (“Restricted Investors”), will require prior approval of the Government, as prescribed in the FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly

or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Furthermore, on April 22, 2020, the Ministry of Finance, Government of India has also made a similar amendment to the FEMA Rules. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank or fund in India.

Please also note that pursuant to Circular no. 14 dated September 16, 2003 issued by RBI, Overseas Corporate Bodies (“OCBs”) have been derecognized as an eligible class of investors and RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of RBI and in order to apply for the Issue as an incorporated non-resident must do so in accordance with the FDI Policy and FEMA Rules. Further, while investing in the Issue, the Investors are deemed to have obtained the necessary approvals, as required, under applicable laws and the obligation to obtain such approvals shall be upon the Investors. Our Company shall not be under an obligation to obtain any approval under any of the applicable laws on behalf of the Investors and shall not be liable in case of failure on part of the Investors to obtain such approvals.

The above information is given for the benefit of the Applicants/ Investors. Our Company are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Rights Equity Shares applied for do not exceed the applicable limits under laws or regulations.

SECTION VIII

STATUTORY AND OTHER INFORMATION

Please note that in accordance with Regulation 77A of the SEBI (ICDR) Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Equity Shares shall be made in dematerialised form only.

Material Contracts and Documents for Inspection

The copies of 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 years before the date of this Draft Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. and 5 p.m. on all working days from the date of the Letter of Offer until the Issue Closing Date.

Material Contracts to the Issue

1. RTA Agreement dated [●] entered into among our Company and the Registrar to the Issue.
2. Escrow Agreement dated [●] among our Company, the Registrar to the Issue and the Banker to the Issue.
3. Memorandum of Understanding dated [●] between our Company and [*] Owner of the Land.

Material Documents

1. Certified copies of the Memorandum of Association and Articles of Association of our Company.
2. Certificate of Incorporation of our Company dated 21st July, 1973 as a public limited company issued by Registrar of Companies, Mumbai, Maharashtra in the name of Sadhana Nitro Chem Limited.
3. Resolution of the Board of Directors of our Company under section 62 of the Companies Act, 2013 dated December 02, 2023. authorizing the Issue.
4. Resolution of the Finance and Admin Committee dated 14th June, 2024 approving the terms of the Issue.
5. Resolution of our Finance and Admin Committee dated 14th June, 2024 approving this Draft Letter of Offer.
6. Resolution of our Finance and Admin Committee dated [●] approving the Letter of Offer.
7. Consents of Directors, Company Secretary & Compliance Officer, Chief Financial Officer, Legal Advisors to the Issue, Statutory Auditor, Banker to the Issue, Registrar to the Issue, to include their names in the Letter of Offer to act in their respective capacities.
8. Annual Reports of our Company for Financial Year 2023, 2022, 2021,.
9. The Limited Review Reports of the Statutory Auditor, in relation to the Audited Financial Statements for the Financial Year period of FY 22-23 ended March 31, 2023 dated May 24, 2023 as reported to the Exchanges.

10. Tripartite Agreement between our Company, Depository and the Registrar to the Issue.

11. In-principle listing approval dated [●] and [●] from BSE and NSE respectively.

Any of the contracts or documents mentioned in this Draft Letter of Offer 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 Eligible Equity Shareholders, subject to compliance with applicable law.

DECLARATION

We, hereby declare that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made there-under. All the legal requirements connected with the issue as also the guidelines, instructions etc., issued by SEBI, Government and any other competent authority in this behalf, have been duly complied with.

We further certify that all the statements in this Draft Letter of Offer are true and correct.

SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY:

Name and Designation	Signature
Mr. Asit Dhankumar Javeri DIN: 00268114 Designation: Executive Director	Sd/-
Mr. Abhishek Asit Javeri DIN: 00273030 Designation: Managing Director	Sd/-
Mrs. Seema Asit Javeri DIN: 01768936 Designation: Executive Director – Administration	Sd/-
Mr. Pradeep Nanasaheb Desai DIN: 01602942 Designation: Non-Executive - Independent Director	Sd/-
Mr. Priyam Shantilal Jhaveri DIN: 00045038 Designation: Non-Executive - Independent Director	Sd/-
Ms. Ayesha Sunil Patel DIN: 02074115 Designation: Non-Executive - Independent Director	Sd/-

Signed by the Company Secretary & Compliance Officer _____ Mr. Nitin Jani	Signed by Chief Financial Officer _____ Mr. Rakesh Raichand Kothari
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Dated: 14th June, 2024

Place: Mumbai