



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 8,23,52,818 FULLY PAID-UP EQUITY SHARES WITH A FACE VALUE OF ₹ 1/- EACH ("RIGHTS EQUITY SHARES") OF OUR COMPANY FOR CASH AT A PRICE OF ₹ 6.06 /- EACH INCLUDING A SHARE PREMIUM OF ₹ 5.06 PER RIGHTS EQUITY SHARE ("ISSUE PRICE") FOR AN AGGREGATE AMOUNT UP TO ₹ 49.91 CRORES ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 1 RIGHTS EQUITY SHARES FOR EVERY 3 FULLY PAID-UP EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON FRIDAY, 13TH SEPTEMBER, 2024 (THE "ISSUE"). THE ISSUE PRICE FOR THE RIGHTS EQUITY SHARES IS 6.06 TIMES THE FACE VALUE OF THE EQUITY SHARES. FOR FURTHER DETAILS, SEE "TERMS OF THE ISSUE" ON PAGE 72 OF THIS 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 Letter of Offer. Specific attention of the investors is invited to "Risk Factors" beginning on page 17 of this 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 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 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 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 5th September, 2024 and 29th August, 2024 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: sadhananitro.rights2024@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*	Friday, 20 th September, 2024
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LAST DATE FOR MARKET RENUNCIATION*	Wednesday, 25 th September, 2024
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ISSUE CLOSES ON**	Tuesday, 1 st October, 2024
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*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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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This 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 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 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 55, 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 “Our Management”, 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 “Our Management”, beginning on page 46
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 “Our Management” on page 46,
KMP/ Key Managerial	Key managerial personnel of our Company in accordance with Regulation 2(1) (bb)

Term	Description
Personnel	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 46,
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 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, 2024, 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, 2024.
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 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 ICICI Bank Limited, 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 72
Client ID	Client identification number maintained with one of the Depositories
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

Term	Description
	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	The 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 8,23,52,818 fully paid-up equity shares with a face value of ₹ 1 each at a premium of ₹ 5.06 per Equity Share for an amount aggregating up to ₹ 49.91 Crores on a rights basis to the existing Equity Shareholders in the ratio of 1 Equity Share for every 3 fully paid-up Equity Share(s) (i.e., 1:3) held by the existing Equity Shareholders on the Record Date. The issue price is 6.06 times the face value of the Equity Shares.
Issue Price	₹ 6.06 (Rupees Six point zero six only) per Equity
Issue Opening Date	Friday, 20 th September, 2024
Issue Closing Date	Tuesday, 1 st October, 2024
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 36
Letter of Offer/LOF	This Letter of Offer dated 06 th September, 2024. The final letter of offer after incorporating the observations received from the Stock Exchanges 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
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 Wednesday, 25 th September, 2024.
Qualified Institutional Buyers/ QIBs	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.

Term	Description
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. Friday, 13 th September, 2024
Refund Bank(s)	The Banker(s) to the Issue with whom the Refund Account(s) will be opened, in this case being ICICI Bank Limited
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 Wednesday, 25 th September, 2024. 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 1 (one) Rights Equity Shares for every 3 (three) Equity Shares held on September, 13, 2024.
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 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 or Depositories	NSDL and CDSL.
DIN	Director Identification Number
DP ID	Depository Participant's Identification Number
DP/ Depository Participant	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/ Fiscal/ FY/ F.Y.	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
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

Term	Description
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 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

Term	Description
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	Bureau 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 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, the 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 the 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 the 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 the 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 the 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 the 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 the 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, the 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 the Letter of Offer and any other Issue Materials should not distribute or send the 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 the 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 the 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 the Letter of Offer or the date of such information.

The contents of the 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 the Letter of Offer. Any representation to the contrary is a criminal offence in certain jurisdictions.

This 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 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 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 Letter of Offer is in Indian Standard Time (“IST”). Unless indicated otherwise, all references to a year in this 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 Letter of Offer are to the page numbers of this Letter of Offer.

Financial Data

Unless stated otherwise, the financial data in this Letter of Offer is derived from the Audited Financial Statements as of and for the Fiscal ended March 31, 2024, March 31, 2023 and March 31, 2022. For further details, please refer to the section titled “Financial Information” beginning on page no 61 of this LOF.

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 Letter of Offer to a particular ‘Financial Year’ or ‘Fiscal Year’ or ‘Fiscal’ are to the financial year ended March 31.

In this 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 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 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 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 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 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 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 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 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 LETTER OF OFFER

The following is a general summary of the certain disclosures included in this Letter of Offer and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this 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 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 17,33,36,55,42,59,60,62 respectively of this 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 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 8,23,52,818 fully paid-up Equity Shares aggregating up to ₹ 49.91 crores
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⁽¹⁾ The Issue has been authorized by our Board of Directors in their meeting held on 02nd December, 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	49.91
2.	(Less) Issue related expense	0.39
	Total	49.52

**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 36

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 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	15,25,58,114	61.75
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	16,21,85,241	65.63

For further details, please see “Capital Structure” beginning on page 33

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

Pursuant to the letter dated June 14, 2024, 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;
- 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.

- 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

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 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, 2024	31 st March, 2023	31 st March, 2022
Equity Share Capital	2,470.58	2,021.39	1,956.18
Net worth ⁽¹⁾	22,344.42	21,970.33	16,426.12
Revenue from operations	18,885.47	14,585.16	12,074.21
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	22,072.74	13,185.82	10,557.59

(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 60

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 60

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 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 Company	NIL	Nil	1	Nil	Nil	174.16
	Against the Company	Nil	1	2	Nil	Nil	91.63
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 17 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, 2024 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, 2024 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 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 tax, financial and legal advisors about the consequences of an investment in our Equity Shares and its impact on you.

This Letter of Offer also contains 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 considerations described below and elsewhere in this 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 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/NEW BUSINESS ACTIVITY OF RENEWABLE GREEN ENERGY

1. The Company is venturing in generation of renewable green energy, as backward integration, without any prior experience and will be exposed to general risks related to business, technology, generation and labour,

Company has decided to venture into a new segment, as a backward integration, to generate renewable green energy (solar energy and windmill equipment) without any prior business exposure in these areas. Company may be exposed to general business risks with respect to the investment made in procurement of land and technical risks related to technology to be used for generation of energy and Labour oriented risks. Any adversity in these areas may hamper the envisaged and anticipated savings by the Company in cost of energy consumption and may affect the overall profitability of the company and utilization of its Assets.

The project envisages that the generation of renewable green energy will be undertaken by entities that enjoy a track record of installation of energy generation equipment, successfully running the same and taking care of the man-power to be deployed in the Project. Company has no plans to acquire energy generation equipment on its own and also not to run the same on its own and experts will be undertaking the entire function of setting up and operating the renewable energy generation project under BOOT/ BOT basis.

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 generation of renewable green energy for captive consumption it embraces both the challenge and opportunity of relying on external expertise to operate the Project under BOOT/ BOT basis. 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.

To protect its interest the Company will be cautious in selecting financially sound entities with demonstrated capabilities in generation of renewable green energy.

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

As of the filing of the letter of offer, the Company has not finalized its selection process and is in discussions with various suited parties for the project. Discussions are in progress with various potential collaborators to identify those that are best aligned with the project requirements.

4. The involvement of third parties introduces the risk of contractual covenants that may impact the flexibility and autonomy of the Company in executing projects.

As the Company proceeds with its renewable green energy initiatives, the specific covenants governing its collaborations with third parties remain undetermined, adding a layer of uncertainty. The absence of finalized agreements during the filing of the letter of offer introduces a potential risk, as the terms and conditions, yet to be decided, may influence the Company's operational flexibility and strategic autonomy in the course of executing green hydrogen projects.

5. If our backward integration strategy does not progress as anticipated, it may adversely affect the project.

Establishment of renewable energy project that involves installation of solar energy wind energy infrastructure is a backward integration strategy.

While the success of our planned backward integration strategy is crucial for the overall project as it offers substantial savings in energy costs and improves efficiency, 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."

6. 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 sector of generation of renewable green energy, we become subject to applicable laws and government regulations governing safety, health, environmental protection, and labour practices.

Company will only be owning the land in the project and the selected parties will be setting up and operating the project of renewable green energy and will be responsible for taking care of the compliances with respect to safety, health, environmental and labour laws and will also be obtaining license if any required for the Project.

RISK RELATED TO THE EXISTING BUSINESS OF THE COMPANY.

- 7. 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.

- 8. 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.

- 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. An 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 63. 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, customization 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 China, 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 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.

EXTERNAL RISK FACTORS

18. Changing laws, rules and regulations and legal uncertainties in India, including adverse application of tax laws and regulations, may adversely affect our business and financial performance.

Any changes in law or interpretations of existing, or the promulgation of new, laws, rules and regulations in India could adversely affect our business. There can be no assurance that the central or the state governments in India may not implement new regulations and policies which will require us to obtain approvals and licenses from the central or the state governments in India and other regulatory bodies or impose onerous requirements and conditions on our operations. Any such changes and the related uncertainties with respect to the implementation of the new regulations may have a material adverse effect on all our business, financial condition and results of operations. In addition, we may have to incur capital expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations.

19. Investor may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares held as investments in an Indian company are generally taxable in India. Any capital gain realized on the sale of listed equity shares on a Stock Exchange held for more than 12 months immediately preceding the date of transfer will be subject to long term capital gains in India at the specified rates

depending on certain factors, such as whether the sale is undertaken on or off the Stock Exchanges.

Accordingly, Investors may be subject to payment of long-term capital gains tax in India, in addition to payment of Securities Transaction Tax (“STT”), on the sale of any Equity Shares held for more than 12 months immediately preceding the date of transfer. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Further, any capital gains realized on the sale of listed equity shares held for a period of 12 months or less immediately preceding the date of transfer will be subject to short term capital gains tax in India as well as STT. No dividend distribution tax is required to be paid in respect of dividends declared, distributed or paid by a domestic company after March 31, 2020, and accordingly, such dividends would not be exempt in the hands of the shareholders, both resident as well as non-resident. Our Company cannot predict whether any tax laws or other regulations impacting it will be enacted, or predict the nature and impact of any such laws or regulations or whether, if at all, any laws or regulations would have a material adverse effect on our Company’s business, financial condition, results of operations and cash flows.

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

We are dependent on domestic, regional and global economic and market conditions. Our performance, growth and market price of our Equity Shares are and will be dependent to a large extent on the health of the economy in which we operate. There have been periods of slowdown in the economic growth of India. Demand for our services may be adversely affected by an economic downturn in domestic, regional and global economies. The Government of India has traditionally exercised and continues to exercise influence over many aspects of the economy. Our business and the market price and liquidity of our Equity Shares may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. Any significant change in such liberalization and deregulation policies could adversely affect business and economic conditions in India, generally, and our business, prospects, financial condition and results of operations, in particular.

The Government of India has traditionally exercised, and continues to exercise, a significant influence over many aspects of the economy. Our business, and the market price and liquidity of our Equity Shares, may be affected by interest rates, changes in government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. Any political instability in India may adversely affect the Indian securities markets in general, which could also adversely affect the trading price of our Equity Shares. Any political instability could delay the reform of the Indian economy and could have a material adverse effect on the market for our Equity Shares. There can be no assurance to the investors that these liberalization policies will continue under the newly elected government. Protests against privatization could slow down the pace of liberalization and deregulation. The rate of economic liberalization could change, and specific laws and policies affecting companies in the industrial equipment manufacturing sectors, foreign investment, currency exchange rates and other matters affecting investment in our securities could change as well. A significant change in India’s economic liberalization and deregulation policies could disrupt business and economic conditions in India and thereby affect our business.

21. An outbreak of other infectious or virulent diseases, if uncontrolled, may have an adverse effect on our business, results of operations and financial condition.

An outbreak of other infectious or virulent diseases, such as severe acute respiratory syndrome, the COVID-19 virus, the H1N1 virus, avian influenza (bird flu), the Zika virus or the Ebola virus, if uncontrolled, may have a material adverse effect on the economies of certain countries and our operations. In addition, our revenue and profitability could be impacted to the extent that a natural disaster, health epidemic or other outbreak harms the Indian and global economy in general.

22. Terrorist attacks or war or conflicts involving India or other countries could adversely affect consumer and business sentiment and the financial markets and adversely affect our business.

Terrorist attacks and other acts of violence or war may adversely affect global equity markets and economic growth as well as the Indian economy and stock markets. Such acts negatively impact business and economic sentiment, which could adversely affect our business and profitability. Also, India has from time to time experienced, and continues to experience, social and civil unrest and hostilities with neighboring countries. Armed conflicts could disrupt communications and adversely affect the Indian economy. Such events could also create a perception that investments in Indian companies involve a high degree of risk. This, in turn, could have a material adverse effect on the market for securities of Indian companies, including our Equity Shares. The consequences of any armed conflicts are unpredictable and we therefore may not be able to foresee events that could have an adverse effect on our business.

23. Global economic, political and social conditions may harm our ability to do business, increase our costs and negatively affect our stock prices.

Global economic and political factors that are beyond our control influence forecasts directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, inflation, deflation, foreign exchange fluctuations, consumer credit availability, fluctuations in commodities markets, consumer debt levels, unemployment trends and other matters that influence consumer confidence, spending and tourism. Increasing volatility in financial markets may cause these factors to change with a greater degree of frequency and magnitude, which may negatively affect our stock prices.

24. Instability in financial markets could materially and adversely affect the results of operations and financial condition.

The Indian economy and financial markets are significantly influenced by worldwide economic, financial and market conditions. Although economic conditions differ in each country, investors' reactions to any significant developments in one country can have adverse effects on the financial and market conditions in other countries. A loss in investor confidence in the financial systems, particularly in other emerging markets, may cause increased volatility in Indian financial markets. Any prolonged financial crisis may have an adverse impact on the Indian economy and us, thereby resulting in a material and adverse effect on our business, operations, financial condition, profitability and price of our Equity Shares.

25. Natural calamities could have a negative impact on the Indian economy and cause Our Company's business to suffer.

India has experienced natural calamities such as earthquakes, tsunami, floods etc. In recent years, the extent and severity of these natural disasters determine their impact on the Indian economy. Prolonged spells of abnormal rainfall or other natural calamities could have a negative impact on the Indian economy, which could adversely affect our business, prospects, financial condition and results of operations as well as the price of the Equity Shares.

26. Changing laws, rules and regulations and legal uncertainties in India, including adverse application of tax laws and regulations, may adversely affect our business and financial performance.

Our business and financial performance could be adversely affected by changes in law or interpretations of existing, or the promulgation of new, laws, rules and regulations in India applicable to us and our business. For further details please refer to the chapter "Government and Other Statutory Approvals" on page 63 for details of the laws currently applicable to us. The governmental and regulatory bodies in India may notify new regulations and/or policies, which may require us to obtain approvals and licenses from the government and other regulatory bodies, or impose onerous requirements and conditions on our operations, in addition to those which we are undertaking currently. Any such changes and the related uncertainties with respect to the implementation of new regulations may have a material adverse effect on our business, financial condition, results of operations and cash flows.

27. The Equity Shares have never been publicly traded, and the Issue may not result in an active or liquid market for the Equity Shares. Further, the price of the Equity Shares may be volatile, and you may be unable to resell the Equity Shares at or above the Issue Price.

Prior to the issue, there has been no public market for the Equity Shares, and an active trading market on the Indian Stock Exchanges may not develop or be sustained after the Issue. Listing and quotation do not guarantee that a market for the Equity Shares will develop, or if developed, there will be liquidity of such market for the Equity Shares. The Issue Price of the Equity Shares may bear no relationship to the market price of the Equity Shares after the Issue. The market price of the Equity Shares after the Issue can be volatile as a result of several factors beyond our control, including volatility in the Indian and global securities markets, our results of operations, the performance of our competitors, developments in the Indian and global machine tools industry, changing perceptions in the market about investments in this sector in India, investor perceptions of our future performance, adverse media reports about us or our sector, changes in the estimates of our performance or recommendations by financial analysts, significant developments in India's economic liberalisation and deregulation policies, and significant developments in India's fiscal regulations. In addition, the Stock Exchanges may experience significant price and volume fluctuations, which may have a material adverse effect on the market price of the Equity Shares. General or industry-specific market conditions or stock performance or domestic or international macroeconomic and geopolitical factors unrelated to our performance may also affect the price of the Equity Shares. In particular, the stock market as a whole in the past has experienced extreme price and volume fluctuations that have affected the market price of many companies in ways that may have been unrelated to the companies' operating performances. For these reasons, investors should not rely on recent trends to predict future share prices, results of operations or cash flow and financial condition.

28. Pursuant to listing of the Equity Shares, we may be subject to pre-emptive surveillance measures such as the Additional Surveillance Measures ("ASM") and Graded Surveillance Measures ("GSM") by the Stock Exchanges in the order to enhance market integrity and safeguard the interest of the investors

On and post the listing of equity shares, we may be subject to ASM and GSM by the Stock Exchange(s) and the Securities and Exchange Board of India. These measures have been introduced in order to enhance market integrity, safeguard the interest of investors and to alert and advise investors to be extra cautious and carry out necessary due diligence while dealing in such securities. The criteria for shortlisting any scrip trading on the Stock Exchange(s) under the ASM is based on an objective criteria as jointly decided by SEBI and the Stock Exchanges(s) which includes market based dynamic parameters such as high low price variation, client concentration, close to close price variation, market capitalization, average daily trading volume and its change, and average delivery percentage, among others. In the event our Equity Shares are subject to such surveillance measures implemented by any of the Stock Exchanges, we may be subject to certain additional restrictions in connection with trading of our Equity Shares which may have an adverse effect on the market price of our Equity Shares or may in general cause disruptions in the development of an active trading market for our Equity Shares. Investors will not be able to sell immediately on an Indian stock exchange any of the Equity Shares they purchase in the Issue.

The Equity Shares will be listed on the relevant Stock Exchange. Pursuant to applicable Indian laws, certain actions must be completed before the Equity Shares can be listed and trading in the Equity Shares may commence. The Allotment of Equity Shares in this Issue and the credit of such Equity Shares to the applicant's demat account with depository participant and listing is expected to commence within the period as may be prescribed under the applicable laws. Any failure or delay in obtaining the approval or otherwise any delay in commencing trading in the Equity Shares would restrict investors' ability to dispose their Equity Shares. We cannot assure that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time periods prescribed under applicable law.

SECTION III

THE ISSUE

The present Issue of 8,23,52,818 fully paid-up Equity Shares in terms of this Letter of Offer has been authorized pursuant to a resolution of our Board of Directors in their meeting held on 02nd December, 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 06th September, 2024.

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.72 of this LOF.

Rights Equity Shares being offered by our Company	8,23,52,818 Equity shares issued on fully paid-up basis.
Rights Entitlement	1 Rights Equity Share(s) for every 3 fully paid-up Equity Share(s) held on the Record Date
Record Date	Friday, 13 th September, 2024
Face value per Equity Share	₹ 1/- each
Issue Price per Rights Equity Share	₹ 6.06/- each
Issue Size	Issue of up to 8,23,52,818 fully paid-up Equity Shares of face value of Rs. 1 each for cash at a price of Rs. 6.06 (including a premium of Rs. 5.06 per Rights Equity Share) per Equity Share for an amount aggregating to ₹ 49,90,58,073.04 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)	32,94,11,269 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: INE888C20016
Use of Issue Proceeds	For details, see “Objects of the Issue” on page 36 of this Letter of Offer.
Terms of the Issue	For details, see “Terms of the Issue” on page 72 of this Letter of Offer.
Issue Open Date	Friday, 20 th September, 2024

Last date for On Market Renunciation of Rights	Wednesday, 25 th September, 2024
Issue Close Date	Monday, 1 st October, 2024

**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 3 Equity Shares or is not in multiples of 3, 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 72.

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	Friday, 20 th September, 2024
Last Date for On Market Renunciation of Rights	Wednesday, 25 th September, 2024
Issue Closing Date	Monday, 1 st October, 2024

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. 1 per Rights Equity Share	Rs. 5.06 per Rights Equity Share	Rs. 6.06 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. 1 per Rights Equity Share	Rs. 5.06 per Rights Equity Share	Rs. 6.06 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	ICICI BANK LIMITED	M/s. MMJB & Associates LLP

<p>Address: - C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai, Maharashtra, 400083 Contact details: - +91 8108114949 Fax: - +91-22 – 4918-6060 Email: - sadhananitro.rights2024@linkintime.co.in Website: - www.linkintime.co.in Contact Person: - Ms. Shanti Gopalakrishnan</p>	<p>Address: Capital Market Division, No. 30, Mumbai Samachar Marg, Fort Mumbai, 400 001</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.

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:

Record Date	Friday, 13 th September, 2024
Last date for credit of Rights Entitlement	Wednesday, 18 th September, 2024
Issue Opening Date	Friday, September 20, 2024
Last Date for On Market Renunciation*	Wednesday, September 25, 2024
Issue Closing Date	Tuesday, October 01, 2024
Finalisation of Basis of Allotment (on or about)	Thursday, October 10, 2024
Date of Allotment (on or about)	Friday, October 11, 2024
Date of Credit (on or about)	Monday, October 14, 2024
Date of Listing (on or about)	Tuesday, October 15, 2024

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 i.e 26th September, 2024 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 Monday, 30th September, 2024. 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 72 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 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 Letter of Offer		
	Issue of 8,23,52,818 Equity Shares of ₹ 1.00 each for cash at a price of ₹ 6.06 per Equity Share ³ aggregating up to ₹ 49.91 crores	823.52	4990.58
D.	Issued, Subscribed and Paid-up Share Capital after the Issue³		
	32,94,11,270 Equity Shares of ₹ 1.00 each	3294.10	7461.16
E.	Securities Premium Account		
	Before the Issue		95.19
	After the Issue		136.86

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. ₹ 6.06 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 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 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 ₹ 59.012 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 June 30, 2024, 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 June 30, 2024, 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 June 30, 2024, 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 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*	49.91
2.	(Less) Issue related Expenses	0.39
	Net Proceeds of the Issue	49.52

**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**	49.52
2.	Issue Expenses	0.39
Total		49.91

*** 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, ₹49.52 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. Basis of Determination of Cost of the Projects

The cost of the land is Rs. 63.00 crores for 126-acre land parcel. The said costs and figures are as agreed upon between the seller of the land and the Company. The Memorandum of Understanding (MOU) was executed on November 30, 2023 between the Company and the seller. Additionally, the stamp duty and registration costs for the entire land parcel amounts to approximately Rs. 2.32 crores, and the aggregate issue expenses total Rs. 0.39 crore.

3. 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	Rs.49.51Cr
Internal Generation /Accruals	Rs.16.20 Cr
Total	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 Forty Seven Crore Eighteen Lakhs (as detailed in 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.

4. Location of the project

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

5. Plant and machinery technology process etc.

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

6. 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.

7. 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.

8. Strategic or Financial Partners

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

9. 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.

10. Deployment of funds

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

11. Bridge Financing Facilities

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

12. 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.

13. Appraising Entity

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

14. 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 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.

15. 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 integration of the Companies current operations.

16. 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.

17. Rationale of Investing in the Strategic Land Piece – Rights Issue 2024 Amounting to Around Rs. 50 Crores

Fund raised through proposed issue will be utilized for acquisition of 126 of strategic plot of land which is suitable for renewable green energy viz. Solar / Wind mill.

1. The acquisition of land will provide permanent location where renewable green energy could be generated.
2. Vendors / parties specialized in renewable green energy generation will be contacted to setup the said the project at their own CAPEX and OPEX except the plot of land (which will be provided by the Company) and such parties in turn will provide the renewable green energy on long term basis to the company at a competitive fixed contract rate which is much lower than the present MSEB escalating rate.
3. The Company is in the middle of setting up an inhouse hydrogen generation plant for mainly its captive consumption, where surplus could be sold on competitive market prices to outside users. The company will be generating hydrogen through electrolysis method which is highly energy intensive. This in house hydrogen manufacturing will be cheaper as compared to the procurement of hydrogen from the outside vendors. The hydrogen will be generated at the factory site which will result in substantial saving in the cost of hydrogen transportation besides providing continuity of supply. This is an ongoing project which is already funded and is presently being executed. The viability of the Hydrogen project is further improved. The savings are mentioned in para below.
4. The Company, considering present negotiation, is expecting a saving of Rs. 4-5 per unit of electricity consumed. The consumption of the company for regular factory operations is about 6-7 lakhs units per month and rising per month, additionally, the usage for the electrolyzers (as mentioned in para 4 above) will be around 25-30 lakhs units per month initially and increasing thereafter. The above translates into a saving to the company of approximately Rs. 20 Crores per annum by investing in acquisition of a strategic land piece which is the subject matter of the present Rights Issue.
5. The company would also be owning an appreciating fixed asset (land) on a perpetual basis.

SECTION IV: - ABOUT THE COMPANY

OUR BUSINESS

Sadhana Nitro Chem Ltd. (SNCL) has strived for innovation and has worked hard to become an industry leader since its establishment in 1973. Operating out of our facility in Roha, Maharashtra, which spans 22 acres, we have demonstrated our commitment to quality and excellence in the chemical industry.

SNCL was recognized as a 2-Star Golden Export House, SNCL has made its mark on the global stage, with about 70% to 80% of our products exported to international markets.

In 2021, SNCL was honored under the Production Linked Incentive (PLI) scheme for producing 36,000 Tons Per Annum (TPA) of Para Amino Phenol (PAP), a key ingredient in the production of paracetamol and other essential pharmaceuticals.

SNCL's commitment to quality and social responsibility is further reinforced by our adherence to multiple ISO certifications, including ISO 9001:2008, ISO 14001:2004, OHSAS 18001:2007, and SA 8000. These certifications highlight our dedication to maintaining the high operational standards and environmental sustainability.

Some Brief details about the Company are as follows:

Brief Overview of the Company:

Operations and Principal Activities: SNCL commenced its manufacturing since 1975 at Roha, Maharashtra. It has been engaged in the manufacture of basic organic chemicals and Pharmaceutical & chemical intermediates used in various diverse industries. Our product portfolio includes:

- Nitrobenzene
- 3,3-Di Nitro Diphenyl Sulphone
- 3,3, Di Amino Diphenyl Sulphone
- Metanilic Acid
- Aniline 2,5-Disulphonic Acid
- Meta Aminophenol (MAP)
- Di Butyl Keto Acid (DBKA)
- Color Former (ODB-2)
- 1,2,3,4-Butane Tetra Carboxylic Acid (BTCA)
- Para Amino Phenol (PAP)

End-Users of Our Products: Our products serve diverse industries such as cosmetics, aerospace, agrochemicals, pharmaceuticals, epoxy resins, electronic chemicals, dyes, developers, military applications, adhesives, and para-aramid fiber for oil rigging. Our clientele includes various national and multinational companies.

Manufacturing Facilities and Technology: Our manufacturing facility in Roha, Maharashtra, is equipped with modern plant and machinery, supported by robust infrastructure and utilities. Production processes are developed in-house by our government-recognized R&D and engineering division. Key equipment includes reactors (SS and GL), distillation units, dryers, condensers, tanks, transformers, boilers, chilling units, cooling towers, DG sets, and more.

Principal Markets: We supply products domestically and internationally, with major markets in Europe, Japan, the USA, South Korea, and others. For details of major clients, refer to Section IV of the LOF on Page No. 42.

Competitors: Domestic Competitors:

- Kutch Chemicals Industries Limited
- Meghmani Organics Limited
- Valiant Laboratories Ltd.

International Competitors:

- Hebei Jianxin Chemical Co. Ltd, China
- Taixing Yangzi Pharm Chemical Co. Ltd, China
- Connect Wilson, Anhui Bayi Chemical Industry Co. Ltd, China

Marketing Approach and Business Strategy: Our export products mainly reach actual users directly or through our wholly-owned subsidiary, Anuchem BVBA, in Europe. We have cultivated long-term relationships with quality-conscious multinational companies, and export activities account for 70% to 80% of our turnover.

Productive Capacity:

Product	Installed Capacity (TPA)
Nitrobenzene	30,000
3,3-Di Nitro Diphenyl Sulphone	120
Metanilic Acid	2,400
Aniline 2,5-Disulphonic Acid	900
Meta Amino Phenol (MAP)	2,160
Di Butyl Keto Acid (DBKA)	720
Color Former	2,200
1,2,3,4-Butane Tetra Carboxylic Acid (BTCA)	560
Para Amino Phenol (pAP)	16,000 (*)

(*)6000 TPA operating continuous plant , additional 10000 TPA presently being upgraded to continuous process from batch process and 20000 TPA are under construction.

Facility Utilization: Average capacity utilization ranges between 50% to 70%, depending on domestic and global demand and supply conditions.

Commitment to Excellence: Core Values and Mission

- **Quality:** We strive for the pinnacle of quality in our products, fostering enduring and sustainable partnerships with our clients.

- **Innovation:** We leverage cutting-edge technologies and customer feedback to constantly improve and innovate our products.
- **Integrity:** We champion ethical business conduct, setting benchmarks in our dealings with all stakeholders.

Global Partnerships:

Over five decades, we've served several multinational clients that are distinguished in quality control, and include:

- 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

Evolution Over Time:

- **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
- **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)
- **2023:** Equity Shares of Company were listed on the **NSE**

Versatile Applications of Our Products:

Our products drive innovation across industries such as agrochemicals, pharmaceuticals, developers, hair colours, 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 includes:

- Nitrobenzene: Foundational for aniline dyes and intermediates.
- 3,3-Di Nitro Diphenyl Sulphone: Vital for aerospace and lightweight resin application.
- 3,3, Di Amino Diphenyl Sulphone: Integral in aerospace and lightweight resin industries.
- Metanilic Acid: Essential for dye intermediates.
- Aniline 2,5-Disulphonic Acid: Crucial for optical brightening agents and dyes.
- Meta Aminophenol (MAP): Versatile intermediary for aerospace, cosmetics, agro, pharma, and military.
- Di Butyl Keto Acid (DBKA): Intermediates for color former
- Color Former (ODB-2): Specialized colour former for thermal paper.
- 1,2,3,4-Butane Tetra Carboxylic Acid (BTCA): Key for halogen light stabilizers.
- Para Amino Phenol (PAP): Principal active ingredient for paracetamol.

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 LOF, 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 LOF:

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 LOF.

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 LOF.

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 – Shares and FD
20	Shirish Dattatray Mokal	Production Manager
21	Ratnakar Ravindranath Nemedede	Production Manager
22	Nitin Pralhad Barhate	Production Manager

C. Organization Structure:

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 Letter of Offer, our Promoters, in aggregate, holds 16,17,85,240 Equity Shares in our Company, representing 65.48 % 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. U67120MH1985PTC037397). The company is engaged in investment and trading activities. MPTI has its registered office at Hira Baug, C.P. Tank, Mumbai 400004. PAN number of MPTI is AAACM4147P.

SECTION V

FINANCIAL INFORMATION

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

**Attached as Annexure I*

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.

The green energy project is being established to generate electricity through solar and wind power for captive consumption, and thus, does not require any license to be obtained by the company to establish the green energy project.

The Company has identified and entered into MoU for procurement of 126 acres of land at Village: Humbarne, Taluka: Patan, Dist.: Satara, State: Maharashtra, India. The Company is in negotiation with various vendors / parties who will establish the green energy project (Solar / Wind) on company's land at their own cost on Build-Operate-Owned (BOO)/ Build-Operate-Transfer (BOT) basis under a long term arrangement and will supply the energy so generated to the Company under the terms of the BOO/ BOT Agreement for its captive consumption. This is a long term arrangement where the company may not be required to induct any funds of its own further for putting up the green energy project, other than in procuring the land.

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

					implementati on of GST
Registration under company Employees Provident Funds and Miscellaneous Provisions Act, 1952	Regional Provident Commissioner, Mumbai.	Employees Provident Fund & Miscellaneous Provisions Act, 1952	THVSH0015072000	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	NA	NA	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	Renewa ble 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	Renewa ble on expiry
Registration under Employees Provident Funds and Miscellaneous Provisions Act, 1952.	Regional Provident Commission, Mumbai.	Employees Provident Funds and Miscellaneous Provisions Act, 1952	THVSH00150 72000	29.08.197 5	Lifeti me of the compa ny	
Registration under Employees' State Insurance Act, 1948	Employees State Insurance Commission	Employees State Insurance Act, 1948	310004261300 01099 340003394800 00304	07.08.199 7	Lifeti me of the compa ny	
Registration under Contract Labour (Regulation & Abolition) Act,1970	Commissioner of Labour	Labour Act, 1970	181030071001 3029	03.02.201 7	31.12. 2024	Renewa ble 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 implementatio n of GST.			
Registration under Sales Tax Act	Sales Tax Officer	Central Sales Tax Act	Not applicable after implementatio n of GST			
Tax Identification	Sales Tax Officer	Value Added Tax, 2005	Not applicable after			

No. under VAT Act			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.	THVSH0015072000	29.08.1975	Lifetime of the company	

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 Letter of Offer has been authorized by a resolution by the Board of Directors passed at their meeting held on 02nd December, 2023 under Section 62 of the Companies Act 2013.
2. Our Finance and Admin Committee in its meeting held on Friday, 06th September, 2024 has resolved to issue the Rights Equity Shares to the Eligible Equity Shareholders aggregating up to ₹ 49.91 crores and decided to issue the Rights Equity Shares at an Issue Price of ₹ 6.06/- per Rights Equity Share (including a premium of ₹ 5.06/- per Rights Equity Share), in the ratio of 1 (One) Rights Equity Share for every 3 (Three) Equity Shares, as held on the Record Date.
3. The Letter of Offer has been approved by our Committee pursuant to its resolution dated 06th September, 2024
4. 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 05th September, 2024 and 29th August, 2024 respectively for listing of Right Equity Shares to be allotted in the issue.
5. 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.
6. Our Company has been allotted the ISIN - INE888C20016 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 72 of this 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 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 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 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 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 02nd December, 2023 and on 06th September, 2024 to authorize the Finance and Admin Committee of the Board of Directors to raise the funds by way of Right Offering aggregating to Rupees 49.91 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 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 LETTER OF OFFER.

Disclaimer from our Company and our Directors

Our Company accept no responsibility for statements made otherwise than in this 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 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 5th September, 2024, permission to this Company to use the Exchange’s name in this Letter of Offer as the stock exchange on which this Company’s securities are proposed to be listed. The Exchange has scrutinized this 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 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 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 Letter of Offer has been submitted to National Stock Exchange of India Limited (hereinafter referred to as “NSE”). NSE through its approval dated 29th August, 2024 gave permission to the Issuer to use the Exchange’s name in this 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 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 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 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 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.

Link InTime 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:

<p><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: sadhananitraights2024@linkintime.co.in Investor Grievance Email id: sadhananitraights2024@linkintime.co.in Website: - www.linkintime.co.in Contact Person: - Ms. Shanti Gopalakrishnan</p>	<p><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: - sadhananitraights@sncl.com Investor Grievance Email id: sadhananitraights@sncl.com</p>
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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 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 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 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 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 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 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 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 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 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 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 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 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 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 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 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 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 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

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 81

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. 77 of this 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&intmId=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 authorized 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 ₹ 6.06 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 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 86.

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 77.

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 95.

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 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 77.
- (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 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 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. 84.

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.29.

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 01st October, 2024, 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 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 95.

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 dematerialised 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 dematerialised 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 INE888C20016. 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, 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 20th September, 2024

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 INE888C20016 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: INE888C20016, 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 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 Renounees 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. 27

Fractional Entitlements

The Rights Equity Shares are being offered on a rights basis to Eligible Equity Shareholders in the ratio of 1 Rights Equity Shares for every 3 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 3 Rights Equity Shares or not in the multiple of 3, 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 7 Equity Shares, such Equity Shareholder will be entitled to 2 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 3 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 LOD/RIGHT/DA/FIP/884/2024-25 dated 05th September, 2024 and from the NSE through its letters bearing reference number NSE/LIST/42246 dated 29th August, 2024 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 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 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@sncl.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 96.

ISSUE SCHEDULE

Issue Opening Date	Friday, 20 th September, 2024
Last date for Application Form and Market Renunciation*	Wednesday, 25 th September, 2024
Issue Closing Date	Tuesday, 1 st October, 2024
Finalizing the basis of allotment	Thursday, 10 th October, 2024
Date of Allotment (on or about)	Friday, 11 th October, 2024
Date of credit (on or about)	Monday, 14 th October, 2024
Date of listing (on or about)	Tuesday, 15 th October, 2024

**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, 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.

BASIS OF ALLOTMENT

Subject to the provisions contained in this 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 be 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 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 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: - sadhananitro.rights2024@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 12 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 of 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 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 September 13, 2024 entered into among our Company and the Registrar to the Issue.
2. Memorandum of Understanding dated November 30, 2023 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 06th September, 2024 approving the terms of the Issue.
5. Resolution of our Finance and Admin Committee dated 06th September, 2024 approving this Letter of Offer.
6. Resolution of our Finance and Admin Committee dated 06th September, 2024 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 2024, 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 23-24 ended March 31, 2024 dated August 8th, 2024 as reported to the Exchanges.

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

11. In-principle listing approval dated 05th September, 2024 and 29th August, 2024 from BSE and NSE respectively.

Any of the contracts or documents mentioned in this 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 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 Letter of Offer are true and correct.

SIGNED BY THE FINANCE AND ADMIN COMMITTEE DULY AUTHORISED BY THE BOARD OF DIRECTORS OF OUR COMPANY:

Name and Designation	Signature
Mr. Asit Dhankumar Javeri DIN: 00268114 Designation: Chairman and Executive Director	Sd/-
Mr. Abhishek Asit Javeri DIN: 00273030 Designation: Managing Director	Sd/-
Mr. Priyam Shantilal Jhaveri DIN: 00045038 Designation: Non-Executive - Independent Director	Sd/-

Signed by the Company Secretary & Compliance Officer <hr/> Mr. Nitin Jani	Signed by Chief Financial Officer <hr/> Mr. Rakesh Raichand Kothari
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Dated: September 6, 2024

Place: Mumbai



SADHANA NITRO CHEM LIMITED

INDEPENDENT AUDITORS' REPORT

To the Members of Sadhana Nitro Chem Limited

Report on the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of **M/s. Sadhana Nitro Chem Limited ("the Company")**, which comprise the balance sheet as at 31st March 2024, and the statement of Profit and Loss (Including Other Comprehensive Income), Statement of changes in Equity and Statement of Cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2024, its profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The Key Audit Matter	How the matter was addressed in our audit
Recognition, Measurement, Presentation and disclosures of lease transactions in accordance with Ind-As 116 "Leases"	
<p>As described in note no. 2.05 to the standalone financial statements, the Company has adopted IND AS 116 Leases (Ind-AS 116) for accounting its lease transactions. The application of this accounting standard is an area of focus in our audit since the company has taken various premises and items of property, plant & equipment under lease arrangements with different contract terms.</p> <p>Ind-As 116 introduced a new lease accounting model, wherein a lessee is required to recognize a right-of-use (RoU) asset and a lease liability arising from a lease on the balance sheet. The lease liabilities are initially measured by discounting future lease payment during the lease term as per the contract/arrangement. Adoption of the standard involves significant judgement & estimates including determination of the discount rates.</p>	<p>Our audit procedures on compliance with Ind-As 116 include:</p> <ul style="list-style-type: none"> - Assessed the Company's evaluation on the identification of leases based on the contractual agreements; - Assessed the reasonableness of the discount rates applied in determining the lease liabilities. - Tested completeness of the lease data by reconciling the Company's operating lease commitments to data used in computing RoU asset and the lease liabilities. - Assessed and tested the presentation and disclosures relating to Ind-As 116 including disclosures relating to transactions.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditors' report thereon. The Company's annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of



assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit reports of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and



whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonable knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality & qualitative factors in (i) planning the scope of our audit and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report, that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company in so far as it appears from our examination of those books except for the matters stated in the paragraph 2(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit & Auditors) Rule, 2014;
 - c. The standalone Balance Sheet, the standalone Statement of Profit and Loss (including Other Comprehensive Income), the standalone Statement of Cash Flows and the standalone Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
 - d. In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act read with relevant rules issued thereunder.
 - e. On the basis of the written representations received from the directors as on 31st March, 2024 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164(2) of the Act;
 - f. The modifications relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - g. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"
 - h. With respect to the matter to be included in the Auditor's Report under section 197(16) of the Act:
In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 read with Schedule V of the Act. The remuneration paid to any director is not in excess of the limits laid down under Section 197 read with Schedule V of the Act.
 - i. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:



- (i) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. Refer note 31 to the standalone financial statements.
- (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- (iii) There has not been any occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. Thus, the question of delay in transferring such sums does not arise.
- (iv) (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the note no. 45 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the note no. 45 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (i) and (ii) of Rule 11(e), as provided under (a) & (b) above, contain any material misstatement.
- (v) As stated in note no. 50 to the standalone financial statements;
- (a) The final dividend proposed in the previous year, declared & paid by the Company during the year is in accordance with Section 123 of the Act to the extent it applies to the payment of dividend.
- (b) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with Section 123 of the Act to the extent it applies to the declaration of dividend.
- (vi) The reporting under Rule 11(g) of the Companies (Audit & Auditors) Rules, 2014 is applicable from 1st April, 2023
- Based on our examination which included test checks, except for the instances as mentioned below, the company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software.
- (a) The feature of recording audit trail (edit log) facility was not enabled in the accounting software for the period from 1st April, 2023 to 15th June, 2023.

Further, for the periods after the audit trail (edit log) facility was enabled and operated throughout the year for the accounting software, during the course of our audit, we did not come across any instance of audit trail feature being tampered with once it was implemented.

For Jayesh Dadia & Associates LLP
Chartered Accountants
Firm's Registration No. 121142W / W100122

Jayesh Dadia
Partner
Membership No. 033973

Place of Signature: Mumbai
Date: 17th May, 2024
UDIN: 24033973BKCEKR4965



ANNEXURE “A” TO THE AUDITOR’S REPORT

The Annexure referred to in the Independent Auditors' Report to the members of the Company on the Standalone IND-AS financial statements for the year ended 31st March, 2024

In our opinion and to the best of our information and according to the explanations provided to us by the Company and based on our examination of the books of account in the normal course of audit, we state that:

- (i) In respect of the Company's Property, Plant & Equipment and Intangible Assets:
- (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment and relevant details of right-of-use-assets.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) Property, plant and equipment have been physically verified by the Management during the year based on a phased program of verifying all property, plant and equipment over three years, which in our opinion is reasonable having regard to the size of the company and the nature of its assets. The discrepancies, if any, noticed on such verification were not material and have been properly dealt with in the books of account.
- (c) Based on our examination of the copies of registered sale deed / transfer deed provided to us, we report that, the title in respect of the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favor of the lessee), disclosed in the financial statements & included under Property, Plant & Equipment, are held in the name of the Company as at the balance sheet date. In case of mortgaged immovable properties, the original title deeds are not available with the Company since the same are mortgaged with banks / financial institutions. However, confirmations for holding of title deeds, from the banks/ financial institutions were not made available to us.
- (d) The Company has not revalued any of its the Property, Plant & Equipment and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at 31st March, 2024 for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) and the rules made thereunder.
- (ii) (a) As explained to us, the inventories have been physically verified during the year by the management, except for stock in transit. The intervals at which the inventories are physically verified are, in our opinion, reasonable in relation to the size of the Company and the nature of its business. The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (b) As explained to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crore, in aggregate, from banks on the basis of security of current assets. Based on our examination and as mentioned in note no. 52 to these standalone financial statements, in our opinion the quarterly returns or statements filed by the Company with the banks are in agreement with the books of accounts of the Company. Deviations / discrepancies, if any, are not material.
- (iii) The Company has made investments in and granted loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, in respect of which:
- (a) The Company has provided loans or advances in the nature of loans during the year details of which are given below:

Particulars	Amount (Rs. In Lakhs)
Aggregate amount provided during the year	
- Subsidiaries*	-
- Others	50.00
Balance outstanding as at balance sheet date	
- Subsidiaries*	-
- Others	-

*As per the Companies Act, 2013



- (b) In our opinion, the rate of interest and other terms and conditions on which the loans have been granted were not, prima facie, prejudicial to the interest of the Company.
- (c) According to the information & explanation given to us and based on our examination of the records of the Company, the loan granted during the year by the Company has been received back in full along with interest thereon. Therefore, in our opinion repayment of principal & payment of interest on the loan granted during the year is regular.
- (d) Since the entire loan granted has been repaid along with the interest due thereon, there is no amount overdue for period of more than ninety days.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to same parties.
- (f) The company has granted loans without specifying any period of repayment details in respect of which are as follows:

(Amount Rs. In Lakhs)

Particulars	Related Parties	Others	Total
Aggregate amount of loans granted during the year for which period of repayment is not specified	50.00	-	50.00
Percentage of loans/advances in nature of loans to the totalloans	100%	-	100%

- (iv) The Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans given & investments made during the year. The Company has not provided any guarantees / security during the year.
- (v) The Company has not accepted any deposits or amounts deemed to be deposits during the year. Therefore reporting under clause 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013 in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.
- (vii) In respect of statutory dues:
- (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST
- According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have generally been regularly deposited with the appropriate authorities.
- According to the information and explanations given to us and on the basis of our examination of the records of the Company, there were no undisputed statutory dues as mentioned above in arrears as at 31st March, 2024 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, details of disputed statutory dues which have not been deposited or partially deposited are as follows:



Name of the Statute	Nature of Dues	Gross Amount disputed (₹ in Lacs)	Amount Paid (₹ in Lacs)	Period to which the amount relates (F.Y.)	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	0.55	-	2013-14	CIT (Appeals)
Employees Provident Fund and Miscellaneous Provisions Act, 1952	Damages & Interest of Provident Fund Dues	8.53	3.81	01.02.2018 to 28.02.2019	Central Government Industrial Tribunal Cum Labour Court
Employees Provident Fund and Miscellaneous Provisions Act, 1952 (*)	Damages & Interest of Provident Fund Dues	16.98	6.50	01/04/2016 to 31/05/2019	Assistant/Regional Provident Fund Commissioner (RO Ahmedabad) / Central Government Industrial Tribunal

(*) This disputed due has been transferred from the wholly owned subsidiary, Spidigo Net Private Limited, on its merger with the Company.

- (viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- (ix) (a) The company has not defaulted in repayment of loans or borrowings or on the payment of interest thereon to any lender. In respect of loans taken from related parties, the principal & interest thereon are repayable on demand. The management has represented to us that the lender has not demanded repayment of principal or payment of interest during the year. Accordingly, in our opinion the Company has not defaulted in repayment of these loans or borrowings or the payment of interest thereon.
- (b) The Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (d) On an overall examination of the standalone financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long term purposes by the Company.
- (e) On an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under the Act.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act). Hence reporting under clause 3(ix)(f) of the Order is not applicable.
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer including debt instruments during the year. Hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally). Hence reporting under clause 3(x)(b) of the Order is not applicable.
- (xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with generally accepted auditing practices in India and to the best of our knowledge and belief and according to the information and explanations given to us, we have neither come across any material fraud by the Company or on the



Company by its officers or employees noticed or reported during the year nor have we been informed of such case by the management.

(b) No report under sub-section (12) of section 143 of the Companies Act, 2013, has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit & Auditors) Rules, 2014 with the central government, during the year and upto the date of this report.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion, the Company is in compliance with the provisions of section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) (a) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered the internal audit reports for the year under audit issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

(xv) According to the information & explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected to its directors and hence the provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) & (b) In our opinion, the Company is not required to be registered under section 45-1(A) of the Reserve Bank of India Act, 1934. Hence reporting under clause 3(xvi)(a) & (b) of the Order is not applicable.

(c) & (d) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) & (d) of the Order is not applicable.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the Statutory auditors of the Company during the year. Accordingly clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

Also refer to the **Information Other than the Standalone Financial Statements and Auditor's Report Thereon** paragraph of our main audit report which explains that the other information comprising of the information included in the Company's annual report is expected to be made available to us after the date of this auditor's report.

(xx) (a) In our opinion, the Company has not transferred the unspent amount, in respect of other than ongoing projects, to a fund specified in Schedule VII to the Act within the prescribed time limits, Details of the unspent amount are as follows:



(Amount Rs. In Lacs)

Relevant Financial year	Amount identified for spending on Corporate Social Responsibility activities "other than on going projects"	Unspent Amount	Amount transferred to Fund specified in Schedule VII
2020-21	115.50	113.37	NIL
2021-22	104.82	104.82	NIL

(b) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of section 135 of the Companies Act, 2013 pursuant to any ongoing projects. Accordingly, clauses 3(xx)(b) of the Order are not applicable.

For Jayesh Dadia & Associates LLP
Chartered Accountants
Firm's Registration No. 121142W / W100122

Jayesh Dadia
Partner
Membership No. 033973

Place of Signature: Mumbai
Date: 17th May, 2024
UDIN: 24033973BKCEKR4965



ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”) referred to in paragraph 2 (f) on Report on Other Legal and Regulatory Requirements of our report.

Opinion

We have audited the internal financial controls over financial reporting with reference to the standalone financial statements of **Sadhana Nitro Chem Limited** (“the Company”) as of 31st March, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion the Company has in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘ICAI’). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.



Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For Jayesh Dadia & Associates LLP
Chartered Accountants
Firm's Registration No. 121142W / W100122

Jayesh Dadia
Partner
Membership No. 033973

Place of Signature: Mumbai
Date: 17th May, 2024
UDIN: 24033973BKCEKR4965



Sadhana Nitro Chem Limited				
Standalone Balance Sheet as at 31st March, 2024				
(Amount in Rs. Lakhs)				
	Particulars	Note	As at March 31, 2024	As at March 31, 2023
A	ASSETS			
I	Non-current assets			
	(a) Property, Plant and Equipment	3	15,190.86	14,334.26
	(b) Intangible Assets	3	397.02	38.50
	(c) Capital work-in-progress	3	5,309.83	2449.54
	(d) Intangible Assets under developments	3	-	400.55
	(e) Financial Assets			
	(i) Investments	4	7.72	7.72
	(ii) Other financial assets	6	391.06	283.84
	(f) Other non current assets	8	5,438.25	2,731.68
	Total Non-current assets		26,734.73	20,246.09
II	Current assets			
	(a) Inventories	9	9,925.35	10,447.55
	(b) Financial Assets			
	(i) Investments	4	587.10	576.56
	(ii) Trade receivables	10	14,571.44	8,006.68
	(iii) Cash and cash equivalents	11	6.23	109.23
	(iv) Bank Balances other than (iii) above	12	773.23	763.10
	(v) Loans & Advances	5	102.54	331.38
	(vi) Other financial assets	6	131.29	401.96
	(c) Income Tax Asset		-	469.44
	(d) Other current assets	8	747.33	1,472.22
	Total Current Assets		26,844.52	22,578.11
	TOTAL		53,579.25	42,824.20
B	EQUITY AND LIABILITIES			
I	Equity			
	(a) Equity Share capital	13	2,470.58	2,021.39
	(b) Other Equity	14	20,758.33	20,833.44
	Total Equity		23,228.92	22,854.83
II	Liabilities			
	Non-current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	15	12,893.97	5,977.40
	(ia) Lease Liabilities	16	688.31	247.96
	(b) Provisions	17	567.47	473.43
	(c) Deferred Tax Liabilities	7	596.58	527.77
	Total Non current liabilities		14,746.32	7,227.56
III	Current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	15	9,178.77	7208.42
	(ia) Lease Liabilities	16	502.64	441.85
	(ii) Trade payables	18		
	(a) Due to micro & small enterprises		152.12	206.53
	(b) Due to other than micro & small enterprises		2,994.78	3,108.38
	(iii) Other financial liabilities	19	1923.12	1,182.44
	(b) Provisions	17	50.21	74.61
	(c) Income Tax Liabilities		234.43	-
	(d) Other current liabilities	20	567.94	519.60
	Total Current liabilities		15,604.01	12,741.82
	TOTAL		53,579.25	42,824.20

The accompanying notes are an integral part of the Standalone financials statement (refer Notes 1-55)

As per our report of even date attached

For Jayesh Dadia & Associates LLP
Chartered Accountants
Firm Registration Number : 121142W/W100122

Jayesh Dadia
Partner
Membership Number : 033973

Place : Mumbai
Date : 17th May, 2024

For and on behalf of the Board of Directors

Asit D Javeri
Executive Chairman

Abhishek A Javeri
Managing Director

Smt. Seema A Javeri
Executive Director
Administration

Priyam S Jhaveri
Director

Rakesh Kothari
Chief Financial Officer

Nitin R Jani
Company Secretary



Sadhana Nitro Chem Limited				
Standalone Statement of Profit and loss for the year ended 31st March 2024.				
(Amount in Rs. Lakhs)				
	Particulars	Note	As at March 31, 2024	As at March 31, 2023
(I)	INCOME			
	Revenue from operations	21	18,885.47	14,585.16
	Other Income	22	400.19	171.54
	Total Income		19,285.67	14,756.71
(II)	EXPENSES			
	Cost of raw materials & packing materials consumed	23	7,188.11	7,876.82
	Changes in inventories of finished goods and work-in-progress	23	936.00	(577.53)
	Employee benefits expense	24	2,242.11	1,719.82
	Finance costs	25	1,726.03	974.06
	Depreciation and amortization Expenses	3	1,491.17	760.50
	Other expenses	26	4,091.21	3,297.32
	Total expenses		17,674.64	14,051.01
(III)	Profit before exceptional items and tax		1,611.03	705.70
	Exceptional Items		-	-
(IV)	Profit Before Tax		1,611.03	705.70
(V)	Tax expense:			
	Current tax		334.69	89.82
	Prior period short / (excess) provision of tax		467.73	(0.93)
	Deferred tax		68.03	158.39
	Total Tax Expense		870.45	247.27
(VI)	Profit for the year		740.58	458.43
(VII)	Other Comprehensive Income/(Expense) (net off tax)			
	(i) Items that will not be re-classified subsequently to profit or loss		-	-
	Re-measurement on defined benefit plans		(27.69)	9.40
	Change in Fair value of Current Investments through other comprehensive income		30.02	12.72
	Realised gains on Investments classified as FVOCI		1.77	12.25
(VIII)	Total Other Comprehensive Income		4.10	34.36
(IX)	Total Comprehensive Income		744.68	492.79
(X)	Earnings per equity share (Rs)	28		
	(1) Basic EPS [Face Value Rs 1 Per Share (P.Y Rs 1 Per Share)]		0.30	0.19
	(2) Diluted EPS [Face Value Rs 1 Per Share (P.Y Rs 1 Per Share)]		0.30	0.19
The accompanying notes are an integral part of the Standalone financials statement (refer Notes 1-55) As per our report of even date attached				
For Jayesh Dadia & Associates LLP Chartered Accountants Firm Registration Number :121142W/W100122		For and on behalf of the Board of Directors		
Jayesh Dadia Partner Membership Number : 143181 Place : Mumbai Date : 17th May, 2024		Asit D Javeri Executive Chairman	Priyam S Jhaveri Director	
		Abhishek A Javeri Managing Director	Rakesh Kothari Chief Financial Officer	
		Smt. Seema A Javeri Executive Director Administration	Nitin R Jan Company Secretary	



Sadhana Nitro Chem Limited				
Standalone Statement of Cash Flows for the year ended 31st March 2024.				
(Amount in Rs. Lakhs)				
Particulars	For the year ended March 31, 2024		For the year ended March 31, 2023	
A. Cash flow from operating activities				
Profit before tax		1,611.03		705.70
Adjustments for:				
Depreciation and amortisation expenses	1491.17		760.50	
Interest on Lease Liability	80.95		96.37	
Interest expenses on borrowings	1628.91		692.27	
Interest Income	(71.48)		(74.74)	
Unrealised Foreign Exchange (Gain)/Loss	3.57		76.95	
(Gain) / Loss on Fair Valuation of Forward Contracts	(32.79)		60.30	
Sundry balance Written back	(214.60)		(23.30)	
Provision for Doubtful Debts/ Bad Debts	37.30		12.80	
Dividend Received from Subsidiary Company	(4.26)		(4.58)	
Notional Interest & Rent on Deposits	(1.21)		(0.85)	
(Gain) / Loss on Fair Valuation of Lease Liability	10.47		(54.41)	
Sundry Balances Written off	11.68		36.82	
Profit of on sale of assets	(0.02)		-	
Reversal of Diminution in value of investment	(5.08)		-	
		2,934.61		1,578.13
Operating profit / (loss) before working capital changes		4,545.64		2,283.83
Changes in working capital:				
Inventories	522.20		(1,026.63)	
Trade receivables	(6,540.26)		(4,315.72)	
Loans & Advances	(21.46)		10.55	
Other Current Assets & financial assets	862.76		(7.52)	
Trade Payables	33.79		(134.03)	
Other Liabilities	438.61		(28.19)	
Provisions	31.63		(74.04)	
		(4,672.74)		(5,575.59)
Cash generated from operations		(127.10)		(3,291.76)
a. Direct Taxes (Paid)		(98.87)		(506.34)
Net cash flow from / (used in) operating activities (A)		(225.96)		(3,798.09)
B. Cash flow from / (used in) investing activities				
Purchase Of Property, plant and equipment	(6578.02)		(4,830.16)	
Proceeds from sale of Property, plant and equipment	(0.04)		-	
Redemption/(investment) in margin deposits (Net)	(2.45)		(572.01)	
Repayment received for loans given	-		0.61	
(Acquisition)/Sale Proceeds of Investment (Net)	36.74		115.35	
Dividend received	4.26		4.58	
Interest received	49.33		8.13	



Sadhana Nitro Chem Limited				
Standalone Statement of Cash Flows for the year ended 31st March 2024.				
(Amount in Rs. Lakhs)				
Particulars	For the year ended March 31, 2024		For the year ended March 31, 2023	
Net cash flow from / (used in) investing activities (B)		(6,485.20)		(5,273.49)
		(6,485.20)		(5,273.49)
C. Cash flow from / (used in) financing activities				
Borrowings - Net of Repayment	6916.56		2,517.50	
Short Term Borrowings - Net of Repayment	(552.68)		(1,132.75)	
Interest Paid	(1291.09)		(581.39)	
Money received against share warrant	-		7,500.00	
Dividend paid	(370.59)		(293.43)	
Expenses paid for fund raising	-		(350.00)	
Payment towards lease liabilities	(585.63)		(493.92)	
		4,116.58		7,166.02
Net cash flow from / (used in) financing activities		4,116.58		7,166.02
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		(2,594.58)		(1,905.57)
Cash and cash equivalents at the beginning of the year		(1,360.86)		544.71
Cash and cash equivalents at the end of the year		(3,955.44)		(1,360.86)
Cash and Cash equivalent as per above comprises of the following				
Cash and cash equivalent as per Note 11				
- cash in hand		2.04		1.16
- Balances with Banks (on current accounts)		4.20		108.07
		6.23		109.23
- Bank overdraft / cash credit (Note 15)		(3,961.67)		(1,470.09)
Balance as per statement of cash flows		(3,955.44)		(1,360.86)
Figures in brackets represent outflows				
Notes :				
1. The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.				
2. Addition to property, plant and equipment include movements of capital work progress during the year.				
As per our report of even date attached				
For Jayesh Dadia & Associates LLP		For and on behalf of the Board of Directors		
Chartered Accountants				
Firm Registration Number: 121142W/W100122				
		Asit D Javeri	Priyam S Jhaveri	
		Executive Chairman	Director	
		Abhishek A Javeri	Rakesh Kothari	
		Managing Director	Chief Financial Officer	
		Smt. Seema A Javeri	Nitin R Jan	
		Executive Director	Company Secretary	
		Administration		
Jayesh Dadia				
Partner				
Membership Number : 033973				
Place : Mumbai				
Date : 17th May, 2024				

Sadhana Nitro Chem Limited
Standalone Statement of Changes in Equity for the year ended 31st March, 2024

A) Equity Share Capital		(Amount in Rs. Lakhs)
Balance As April 01, 2022		1,956.18
Issue of Equity shares on preferential basis (65,20,606 No. of equity shares of Rs. 1 Each)		65.21
Balance at March 31, 2023		2,021.39
Issue of Bonus Shares (4,49,19,719 of equity shares of Rs. 1 Each)		449.20
Balance at March 31, 2024		2,470.58

Particulars	(Amount in Rs. Lakhs)								
	Equity Share Capital Subscribed	General reserve	Capital Redemption Reserve	Capital reserve	Transition reserve	Securities Premium	Retained earnings	Other Comprehensive Income	Total Equity
Balance as at April 1, 2022	1,956.18	1,333.30	34.10	0.94	884.49	-	9,732.73	(15.62)	14,469.94
Profit for the year	-	-	-	-	-	-	458.43	-	458.43
Other Comprehensive income for the year, net of income tax	-	-	-	-	-	-	34.36	34.36	34.36
Total comprehensive income	-	-	-	-	-	-	458.43	34.36	492.79
Less: Fund Raising Expense	-	-	-	-	-	-	350.00	-	350.00
Less: Loss of Spidigo Net Private Limited absorbed on merger	-	-	-	-	-	-	920.66	-	920.66
Less: Dividend Paid	-	-	-	-	-	-	293.43	-	293.43
Proceeds from issue of Equity Shares	65.21	-	-	-	-	9,934.80	-	-	9,934.80
Less: Money received against share warrants in the previous year, converted into equity	-	-	-	-	-	-	-	-	-
Balance as at 31st March 2023	2,021.39	1,333.30	34.10	0.94	884.49	9,934.80	8,627.07	18.74	20,833.44

Particulars	(Amount in Rs. Lakhs)								
	Equity Share Capital Subscribed	General reserve	Capital Redemption Reserve	Capital reserve	Transition reserve	Securities Premium	Retained earnings	Other Comprehensive Income	Total Equity
Balance as at April 1, 2023	2,021.39	1,333.30	34.10	0.94	884.49	9,934.80	8,627.07	18.74	22,854.83
Profit for the year	-	-	-	-	-	-	740.58	-	740.58
Other Comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	4.10	4.10
Total comprehensive income	-	-	-	-	-	-	740.58	4.10	744.68
Less: Dividend Paid	-	-	-	-	-	-	370.59	-	370.59
Issue of Bonus Share	449.20	-	(34.10)	-	-	(415.10)	-	-	(449.20)
Balance as at March 31, 2024	2,470.58	1,333.30	-	0.94	884.49	9,519.10	8,997.06	22.84	23,228.92

For and on behalf of the Board of Directors

<p>Asit D Javeri Executive Chairman</p> <p>Abhishek A. Javeri Managing Director</p> <p>Smt. Seema A Javeri Executive Director Administration</p>	<p>Priyam S Jhaveri Director</p> <p>Rakesh Kothari Chief Financial Officer</p> <p>Nitin R Jani Company Secretary</p>
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For Jayesh Dadia & Associates LLP
Chartered Accountants
Firm Registration Number: 121142W/W100122

Jayesh Dadia
Partner
Membership Number : 033973
Place : Mumbai
Date : 17th May, 2024



Sadhana Nitro Chem Limited
Notes to Standalone financial statements for 31st March, 2024

1. CORPORATE INFORMATION

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 owned 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 shares are listed in Bombay Stock Exchange (BSE)

2. SIGNIFICANT ACCOUNTING POLICIES:

2.1 Statement of Compliance

The standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013 (the "Act") and other relevant provisions of the Act. These standalone financial statements have been prepared for the Company as a going concern on the basis of relevant Ind AS that are effective at the Company's annual report date, March 31, 2024. These standalone financial statements were authorized for issuance by the Company's Board of Directors on May 17, 2024.

2.2 Basis of preparation and presentation

These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price which that would be received or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

2.3 Use of estimate

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and differences between actual results and estimates are recognized in the periods in which the results are known/materialize.

Key source of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of Fair valuation of financial instruments, useful lives of property, plant and equipment, valuation of deferred tax Assets & liabilities and provisions and contingent liabilities.

Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

Valuation of deferred tax assets & Liabilities

The Company reviews the carrying amount of deferred tax assets & Liabilities at the end of each reporting period. The policy for the same has been explained under Note 2.10.

Provisions and contingent liabilities

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money (if the impact of discounting is significant) and the risks specific to the obligation. The increase in the provision due to unwinding of discount over passage of time is recognized as finance cost. Provisions are reviewed at the each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to



settle the obligation, the provision is reversed.

A provision for onerous contracts is recognized when the expected benefits to be derived by the company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the expected net cost of continuing with the contract. Before a provision is established, the company recognizes any impairment loss on the assets associated with that contract.

A disclosure for a contingent liability is made where there is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from the past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.

Fair value measurements and valuation processes

Some of the company's assets and liabilities are measured at fair value for financial reporting purposes. The company has obtained independent fair valuation for financial instruments wherever necessary to determine the appropriate valuation techniques and inputs for fair value measurements. In some cases the fair value of financial instruments is done internally by the management of the Company using market-observable inputs.

In estimating the fair value of an asset or a liability, the company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the company engages third party qualified valuers to perform the valuation. The qualified external valuers establish the appropriate valuation techniques and inputs to the model. The external valuers report to the management of the Company their findings for every reporting period to explain the cause of fluctuations in the fair value of the assets and liabilities.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in notes no 39.

2.4 Revenue Recognition

i. Sale of goods

Revenue is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those goods.

Revenue from sale of goods is recognised at the point in time when control is transferred to the customer which is usually on dispatch/ delivery of goods based on contract with customers.

Revenue is measured on the transaction price, which is the consideration, adjusted for volume discounts, price concessions, incentives and returns, if any, as specified in the contracts with customers. Revenue excludes taxes collected from customers on behalf of the government. Accruals for discount/ incentive and returns are estimated (using the most likely method) based on accumulated experience and underlying schemes and arrangements with customers. Due to the short nature of credit period given to customers, there is no financing component in the contract.

The Company has adopted Ind AS 115 Revenue from Contract with Customers, with effect from April 1, 2018. Ind AS 115 establishes principles for reporting information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the contracts with its customers and replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts.

ii. Other Income

a. Dividend income from investments is recognised when the shareholder's right to receive payment has been established which is when the shareholders approve the dividend. (provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably).

b. Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition



2.5 Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company recognizes right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any re-measurement of the lease liability. The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognized in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the company uses incremental borrowing rate. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently re-measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and re-measuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Company recognizes the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 Leases to short term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

2.6 Foreign Currency Transactions & Translations

The functional currency of the Company is Indian rupee.

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date.

Exchange rate differences resulting from foreign currency transactions settled during the period including year-end translation of assets & liabilities are recognised in the statement of profit and loss.

Non-monetary assets which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of initial transaction.

Changes in fair value of forward contracts designated as fair value hedge are recognised in the statement of profit and loss.

2.7 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Capitalization of borrowing cost is suspended and charges to the statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.8 Government grants

(i) Government grants in respect of manufacturing units located in developing regions :

The Company is entitled to various incentives from government authorities in respect of manufacturing units located in developing regions. The Company accounts for its entitlements on accrual basis on approval of the initial claim by the relevant authorities and there is reasonable assurance that the grants will be received.



(ii) Government grants in respect of additional Capital Expenditures :

Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire capital assets is accounted for as deferred income. The grant is recognised as income over the life of a depreciable asset by accounting deferred income in the Statement of Profit and Loss on a systematic and rational basis over the useful life of the asset.

(iii) Export Incentives

Export incentives under various schemes are accounted for in the year of export.

2.9 Employee benefits

(1) Defined Contribution Plan:

Payments to defined contribution retirement benefit schemes viz. Company's Provident Fund Scheme and Superannuation Fund are recognised as an expense when the employees have rendered the service entitling them to the contribution.

(2) Defined Benefit Plan:

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur.

Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement.

(i) Gratuity:

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15/26 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company accounts for the liability for gratuity benefits payable in future based on an independent actuarial valuation. The Company has taken a Group Gratuity cum Life Assurance Scheme with Life Insurance Corporation for future payment of gratuity to the eligible employees.

(ii) Compensated Absences:

The Company provides for the encashment of compensated absences with pay subject to certain rules. The employees are entitled to accumulate compensated absences subject to certain limits, for future encashment. Accumulated leave, which is expected to be utilised within the next twelve months, is treated as short-term employee benefit and the accumulated leave expected to be carried forward beyond twelve month is treated as long-term employee benefit which are provided based on the number of days of an utilised compensated absence on the basis of an independent actuarial valuation.

2.10 Taxation

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively. Income tax expense represents the sum of the tax currently payable and deferred tax.

Current income tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit or loss and other comprehensive income/statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.



The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes

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

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

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

2.11 Property, Plant and Equipment

Property, plant and equipment held for use in production or supply of goods or services or for administrative purposes are stated at cost less accumulated depreciation/amortization less accumulated impairment, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

Capital work-in-progress for production, supply of administrative purposes is carried at cost less accumulated impairment loss, if any, until construction and installation are complete and the asset is ready for its intended use.

Depreciation is recognized (other than on capital work-in-progress) on a straight line basis over the estimated useful lives of assets in respect of property plant & equipment & computers acquired after 1st April 2006. Property plant & equipment including non factory building furniture fixtures & vehicles acquired prior to 1st April 2006 are depreciated under WDV Method at the rates prescribed under Schedule II of Companies Act, 2013. Depreciation on assets acquired/ purchased, sold/discarded during the year is provided on a pro-rata basis from the date of each addition till the date of sale/retirement.

The economic useful lives of assets is assessed based on a technical evaluation, taking into account the nature of assets, the estimated usage of assets, the operating conditions of the assets, past history of replacement, anticipated technological changes, maintenance history, etc. The estimated useful life is reviewed at the end of each reporting period, with effect of any change in estimate being accounted for on a prospective basis.

Where the cost of part of the asset is significant to the total cost of the assets and the useful life of that part is different from the useful of the remaining asset, useful life of that significant part is determined separately. Depreciation of such significant part, if any, is based on the useful life of that part.

Freehold land is not depreciated.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment, determined as the difference between the sales proceeds and the carrying amount of the asset, is recognized in the Statement of Profit or Loss.

2.12 Intangible Assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization. Amortization is recognized on a straight line basis over their estimated useful lives of 5 years, which reflects the pattern in which the asset's economic benefits are consumed. The estimated useful life, the amortization method and the amortization period are reviewed at the end of each reporting period, with effect of any change in estimate being accounted for on a prospective basis.



An intangible asset is derecognized on disposal or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in the profit or loss when the asset is derecognised.

2.13 Impairment of tangible and intangible assets other than goodwill:

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit and loss.

2.14 Inventories

Inventories of raw materials, stock-in-trade, stores & spares, Fuel, packing material, work in progress, stock in trade and finished goods are valued at the lower of cost and net realizable value after providing for obsolescence and other losses, where considered necessary. Stock of scrap and spent acid is valued at net realizable value. Cost comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Stores and spares are valued on weighted average cost basis and all others are valued on a FIFO basis.

2.15 Financial instruments

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

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

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

Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the



acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

Investment in subsidiaries

Investment in subsidiaries are measured at cost as per Ind AS 27 - Separate Financial Statements.

Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

Financial guarantee contracts:

A Financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instruments.

Financial guarantee contracts issued by a holding company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of :

- The amount of loss allowance determined in accordance with impairment requirements of IND AS 109; and
- The amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of IND AS 18.

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments recognised by the Company are recognised at the proceeds received net off direct issue cost.

Reclassification of Financial Assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the company's operations. Such changes are evident to external parties. A change in the business model occurs when a company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses (including impairment gains and losses) or interest.

Offsetting of financial instruments

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

2.16 Earnings Per Share (EPS)

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic earnings per share is computed by dividing the net profit or loss for the period by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit or loss for the period by the weighted average number of equity shares outstanding during the period as adjusted for the effects of all diluted potential equity shares except where the results are anti-dilutive.

2.17 Current/Non-Current Classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realized or intended to be sold or consumed in normal operating cycle
- It is held primarily for the purpose of trading
- It is expected to be realized within 12 months after the date of reporting period, or
- Cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after reporting period.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

A liability is current when it satisfies any of the following criteria:

- It is expected to be settled in normal operating cycle
 - It is held primarily for the purpose of trading
 - It is due to be settled within 12 months after the reporting period, or
 - There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period
- Current liabilities include the current portion of long term financial liabilities.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.



The operating cycle is the time between the acquisition of assets and their realization in cash and cash equivalents. The Company has identified 12 months as its operating cycle.

2.18 Share Capital

Ordinary Shares

Ordinary shares are classified as equity. Incremental costs, if any, directly attributable to the issue of ordinary shares are recognized as a deduction from other equity, net of any tax effects.

2.19 Fair Value Measurement

Fair value is the price that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell an asset or transfer the liability takes place either:

- in the principle market for the asset or liability
- in the absence of principle market, in the most advantageous market for the asset or liability.

The principle or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (Unadjusted) Market prices in active markets for incidental assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation Techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers that have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Determination of Fair Value

1) Financial Assets - Debt Instruments at amortized cost

After initial measurement the financial assets are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or cost that are an integral part of the EIR.

2) Financial Assets - Debt Instruments at Fair Value through Other Comprehensive Income (FVTOCI)

Measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the Other Comprehensive Income (OCI). On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to P&L.

3) Debt instruments & derivatives at Fair Value through Profit or Loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

4) Equity Instruments at Fair Value through Other Comprehensive Income

On initial recognition, the Company can make an irrevocable election (on an instrument by instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains / losses arising from changes in fair value recognized in other comprehensive income. This cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

5) Financial Liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit & loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.



All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Companies financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

Subsequent Measurement

Fair value through Profit & Loss

Financial liabilities at fair value through profit & loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. All changes in fair value of such liabilities are recognised in statement of profit or loss.

Loans and Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. The EIR amortization is included as finance costs in the statement of profit and loss.

2.20 Dividend

Dividend on share is recorded as liability on the date of approval by the shareholders and is shown as a reduction from retained earnings under Other Equity.

2.21 Segment Reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the Chief Operating Decision Maker (CODM) in deciding how to allocate resources and in assessing performance.

"The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

Sadhana Nitro Chem Limited
Notes forming part of the Standalone financial statements for the year ended 31st March, 2024

Note 3 : Property Plant and Equipment & Intangible Assets (Amount in Rs. Lakhs)

Particulars	Freehold Land	Factory Buildings	Non factory Buildings	Plant & Equipment	Furnitures & Fixtures	Computers	Vehicles	Software	Right To use of assets	Lease Office	Total	Capital work-in-progress	Intangible Under Development
Gross Carrying amount													
Balance as at April 1, 2022	1,651.44	614.85	194.49	4,493.47	31.99	75.98	490.98	110.00	723.52	31.87	8,418.58	6,544.31	305.67
Additions	-	2,589.39	30.17	4,748.93	1.24	2.48	-	-	912.18	-	8,284.40	841.07	94.88
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-
Amount capitalized from opening CWIP	-	-	-	-	-	-	-	-	-	-	-	-	-
Addition with Merger (Refer Note iii)	-	-	-	442.01	17.89	26.50	-	-	-	-	486.40	4,935.84	-
Balance as at March 31, 2023	1,651.44	3,204.24	224.66	9,684.41	51.11	104.97	490.98	110.00	1,635.70	31.87	17,189.38	2,449.54	400.55
Additions	-	354.08	123.70	827.48	1.01	4.14	-	400.55	1,023.64	-	2,734.60	2,860.29	-
Disposals (Refer Foot Note iii)	-	-	-	0.04	-	-	-	-	28.29	-	28.33	-	400.55
Reclassification as held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-
Addition with Merger (Spidigo)	-	-	-	-	-	-	-	-	-	-	-	-	-
(Refer Foot Note iv)	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2024	1,651.44	3,558.32	348.36	10,511.85	52.12	109.11	490.98	510.55	2,631.05	31.87	19,895.65	5,309.83	-
Accumulated Depreciation													
Balance as at April 1, 2022	-	145.09	27.28	898.84	11.17	50.13	195.98	49.50	326.28	19.12	1,723.39	-	-
Depreciation for the Year	-	51.74	8.63	356.01	4.66	11.30	62.16	22.00	237.63	6.37	760.50	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-
Addition on account of Merger (Refer Note iii)	-	-	-	292.86	14.88	25.18	-	-	-	-	332.72	-	-
Balance as at March 31, 2023	-	196.83	35.91	1,547.51	30.71	86.61	258.14	71.50	563.92	25.50	2,816.62	-	-
Additions (Depreciation for the Year)	-	109.33	12.22	547.63	2.54	5.56	61.92	42.03	703.57	6.37	1,491.17	-	-
Disposals (Refer Foot Note iii)	-	-	-	0.02	-	-	-	-	-	-	0.02	-	-
Addition Depreciation on Merger	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2024	-	306.16	48.13	2,095.13	33.25	92.17	320.06	113.53	1,267.49	31.87	4,307.77	-	-
Net carrying amount													
Balance as at March 31, 2023	1,651.44	3,007.41	188.76	8,136.90	20.41	18.36	232.84	38.50	1,071.78	6.37	14,372.76	2,449.54	400.55
Balance as at March 31, 2024	1,651.44	3,252.16	300.24	8,416.73	18.88	16.93	170.92	397.02	1,363.56	-	15,587.88	5,309.83	-

Foot Note :

- (i) Plant & Equipment includes Office Equipments
- (ii) Refer Note 15(a)(b) & (d) for information on Property plant & equipment pledged as security by the company.
- (iii) Pursuant to the Scheme of Merger (by absorption) sanctioned by the Honorable National Company Tribunal, Mumbai & Ahmedabad bench vide their orders dated February, 2023 & 24th November, 2021, Spidigo Net Private Limited, a wholly owned subsidiary of the Company, has been merged with the Company with effect from 1st April, 2020 (the appointed date). The Company has accounted for the merger 'pooling of interest method' under which assets, liabilities & reserves of Spidigo Net Private Limited have been recorded in the Company's books at their respective book values as at 01.04.2022. Accordingly, the same have been added to the gross block & accumulated depreciation.
- (iv) During the financial year ended 31st March, 2023, the Company has successfully started its plant for the manufacture & production of Para-Amino Phenol (PAP). The Company had initially started the test production under the batch process methodology but subsequently migrated to the continuous process methodology for the commercial production on achieving the desired quality & output levels. Accordingly on the plant being ready for use for commercial production under continuous process the same along with the factory building has been capitalized.





Sadhana Nitro Chem Limited
Notes forming part of the Standalone financial statements for the year ended 31st March, 2024

Capital Work in Progress**The ageing of Capital Work in Progress for Projects**

For the year	Total	< 1 Year	1-2 Years	2-3 Years	> 3 Years
Ended 31.03.2023	2,449.54	841.07	116.01	92.31	1,400.15
Ended 31.03.2024	5,309.83	2,905.18	841.07	116.01	1,447.56

Ageing of Capital Work in Progress as at 31.03.2024

Particulars	Total	< 1 Year	1-2 Years	2-3 Years	> 3 Years
Projects in Progress	4,078.33	2,905.18	617.49	97.08	458.58
Projects temporarily suspended	1,231.50	-	553.58	18.93	988.98
Total	5,309.83	2,905.18	841.07	116.01	1,447.56

Ageing of Capital Work in Progress as at 31.03.2023

Particulars	Total	< 1 Year	1-2 Years	2-3 Years	> 3 Years
Projects in Progress	1,608.97	841.07	116.01	92.15	559.73
Projects temporarily suspended	840.57	-	-	0.16	840.41
Total	2,449.54	841.07	116.01	92.31	1,400.15

Intangible Assets Under Development**The ageing of Intangible Assets Under Development**

For the year	Total	< 1 Year	1-2 Years	2-3 Years	> 3 Years
Ended 31.03.2023	400.55	94.88	135.02	130.65	40.00
Ended 31.03.2024	-	-	-	-	-

Ageing of Intangible Assets Under Development as at 31.03.2024

Particulars	Total	< 1 Year	1-2 Years	2-3 Years	> 3 Years
Projects in Progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Total	-	-	-	-	-

Ageing of Intangible Assets Under Development as at 31.03.2023

Particulars	Total	< 1 Year	1-2 Years	2-3 Years	> 3 Years
Projects in Progress	400.55	94.88	135.02	130.65	40.00
Projects temporarily suspended	-	-	-	-	-
Total	400.55	135.02	130.65	40.00	-



Sadhana Nitro Chem Limited
Notes forming part of the standalone financial statements for the year ended 31st March 2024

Note 4 : Investments**Non Current Investments**

(Amount in Rs. Lakhs)

Sr. No	Particular	Face Value	As at March 31, 2024		As at March 31, 2023	
			No. of shares	Rs	No. of shares	Rs
(i)	Non-current investments Unquoted Investment in equity instruments of subsidiaries (Fully paid up) Unquoted Subsidiaries (at cost) Anuchem B.V.B.A- Belgium	Euro 25	750	7.72	750	7.72
	Total (A)		750	7.72	750	7.72
(ii)	Other Investments (At fair value through other comprehensive income) Quoted Anco Communication Ltd Enarai Finance Ltd Indian Extractions Ltd Indo-biotech Ltd First object Technoliges Ltd Maxworth orchards Ltd Ojas Technochem Products Ltd	Rs 10 Rs 10 Rs 10 Rs 10 Rs 10 Rs 10	500 3,900 - 5,000 2,000 1,300 5,000	0.72 0.78 - 1.91 0.81 0.13 1.31	500 3,900 18,000 5,000 2,000 1,300 5,000	0.72 0.78 5.08 1.91 0.81 0.13 1.31
	Less: Provision for decline other than temporary, in value of non current investments		17,700	5.67	35,700	10.75
	Total (B)		17,700	-	35,700	-
	Total (A+B)	-	18,450	7.72	36,450	7.72
	Footnotes :					
	(i) Aggregate cost of quoted investments			5.67		10.75
	(ii) Aggregate market value of quoted investments			-		-
	(iii) Aggregate value of unquoted investments			7.73		7.73
	(iv) Aggregate amount of impairment in value of investments			5.67		10.75

Current Investments

(Amount in Rs. Lakhs)

Sr. No	Particular	Face Value	March 31, 2024		March 31, 2023	
			No. of Units	Rs	No. of Units	Rs
(i)	Investments measured at fair value through other comprehensive income In Mutual Funds Quoted HDFC Long Duration Growth HDFC Low Duration Fund - Regular Plan - Growth		11,75,141.581 5,38,656.778	303.47 283.63	12,98,141.581 5,38,656.778	312.18 264.38
	Total			587.10	-	576.56
	(i) Aggregate cost of quoted investments			423.67		453.25
	(ii) Aggregate market value of quoted investments			587.10		576.56

As mentioned in note no. 15(c)(i), all the above investments in mutual funds have been pledged with the lenders against the working capital facilities extended by them to the Company.



Sadhana Nitro Chem Limited
Notes forming part of the standalone financial statements for the year ended 31st March 2024

Note 5: Loans

(Amount in Rs. Lakhs)

Sr No	Particular	As at March 31, 2024	As at March 31, 2023
	Non Current Loans	-	-
	Total	-	-

Sr No	Particular	As at March 31, 2024	As at March 31, 2023
	Current Loans (Unsecured Considered Good, unless otherwise stated)		
(i)	Loan to staff	47.54	26.08
(ii)	(Secured, Considered Good) Inter Corporate Deposits	55.00	305.30
	Total	102.54	331.38

Note 6: Other financial assets

(Amount in Rs. Lakhs)

Sr. No	Particular	As at March 31, 2024	As at March 31, 2023
	Non Current Financial Assets (Unsecured, Considered Goods)		
	Security Deposits with Public Bodies and others	391.06	283.84
	Total	391.06	283.84
	Current Financial Assets (Considered Goods)		
	(i) Interest Accrued on Inter Corporate Deposits	28.65	59.86
	(ii) Interest Accrued on Bank Deposits	27.51	23.08
	(iii) Other receivable	13.42	30.29
	(iv) Advance to Vendors	61.72	288.73
	Total	131.29	401.96



Sadhana Nitro Chem Limited
Notes forming part of the standalone financial statements for the year ended 31st March 2024

Note 7: Deferred tax Liabilities/(Asset) (Net)

(Amount Rs. In Lakhs)

Sr. No	Particular	March 31, 2024	March 31, 2023
	Deferred Tax Liability		
(i)	Depreciation on fixed assets	727.37	562.85
(ii)	Fair Valuation	56.35	114.87
	Gross Deferred Tax Liability	783.72	677.72
	Deferred Tax Asset		
(i)	Employee Benefit obligations	(172.40)	(146.72)
(ii)	Other disallowable expenses	(14.75)	(3.23)
	Gross Deferred Tax Asset	(187.15)	(149.96)
	Net Deferred Tax Liability/(Asset)	596.58	527.77

Movement in Deferred taxes during the year

For the year ended March 31, 2024	Opening Balance	Recognised in profit or loss	Recognised in OCI	Closing Balance
Deffered Tax Liability				
Plant Property Equipment	562.85	164.52	-	727.37
Fair Valuation	114.87	(48.42)	(10.10)	56.5
Gross Deffered Tax Liability (1)	677.72	116.10	10.10	677.72
Deffered Tax Asset				
Employee Benefit obligations	(146.72)	(34.99)	9.31	(172.40)
Other Disallowable Expenses	(3.23)	(11.51)	-	(14.75)
Gross Deffered Tax Asset (2)	(149.96)	(46.51)	9.31	(187.15)
Net Deferred Tax Liability/(Asset) (1-2)	527.77	69.59	(0.78)	596.58

Note 8: Other Assets

(Amount Rs. In Lakhs)

Sr. No	Particular	As at March 31, 2024	As at March 31, 2023
(i)	Non Current Other Assets		
	Capital advance	5,438.25	2,731.68
	Total	5,438.25	2,731.68
(i)	Current Other Assets		
(ii)	Balance with Statutory/Revenue Authorities	656.66	1,413.34
	Prepaid Expenses	90.67	58.87
	Total	747.33	1,472.22

Note 9: Inventories (At lower of cost and net realisable value)

(Amount in Rs. Lakhs)

Sr No	Particular	As at March 31, 2024	As at March 31, 2023
	Valued & certified by the Management		
(i)	Raw materials (Include Packing Materials)	2405.42	2,083.35
(ii)	Work-in-progress	2409.85	2,661.22
(iii)	Finished Goods	4241.62	4,925.75
(iv)	Goods in Transit (Raw Material)	137.61	23.66
(v)	Stores & Spares	724.47	730.96
(vi)	Others (Fuel, scrap, etc.)	6.37	22.61
	Total	9,925.35	10,447.55



Sadhana Nitro Chem Limited
Notes forming part of the standalone financial statements for the year ended 31st March 2024

Note 10: Trade receivables

(Amount Rs. in Lakhs)

Sr. No	Particular	March 31, 2024	March 31, 2023
(i)	Unsecured, Undisputed Considered good	14,571.44	7,986.77
(ii)	Considered doubtful	53.98	37.48
	Less : Allowance for doubtful debts	14,625.42 (53.98)	8,024.48 (17.57)
	Total	14,571.44	8,006.68

Footnotes :

- 1) Trade receivables are dues in respect of goods sold in the normal course of business.
- 2) The normal credit period allowed by the company ranges from 60 to 90 days.
- 3) Refer Note no 15C(d) for information on Trade Receivables mortgaged as security for borrowings .
- 4) Refer note no 26(i) for Credit Risk

Ageing of Trade Receivables (Outstanding for following periods from due date of payment)			
Undisputed Trade Receivables			
- Considered Good			
	Less than 6 months	10,095.95	6,942.98
	6 months to 1 year	3,441.85	890.47
	1 to 2 years	890.47	7.65
	2 to 3 years	25.02	1.92
	More than 3 years	118.15	143.75
- Considered doubtful			
	Less than 6 months	-	-
	6 months to 1 year	-	-
	1 to 2 years	-	-
	2 to 3 years	-	-
	More than 3 years	53.98	37.48
	Total	14,625.42	8,024.25

Note 11: Cash and Cash Equivalents

(Amount Rs. in Lakhs)

Sr. No	Particular	As at March 31, 2024	As at March 31, 2023
(i)	Cash in hand	2.04	1.16
(ii)	Balance with bank --- in current account	4.20	108.07
	Total	6.23	109.23

Note 12: Other Bank Balances

(Amount Rs. in Lakhs)

Sr. No	Particular	As at March 31, 2024	As at March 31, 2023
(i)	<u>Call and short term deposit accounts</u> Deposits (under lien) with original Maturity <12 Months [Refer note below]	749.59	752.04
(ii)	Balance with banks for unclaimed dividends	23.65	11.06
	Total	773.23	763.10



Sadhana Nitro Chem Limited
Notes forming part of the standalone financial statements for the year ended 31st March 2024

Footnotes :

- (i) Deposit with carrying amount of Rs 75.04 Lakhs (31st March 2023 Rs 13.00 Lakhs) are subject to first charge against bank guarantees.
- (ii) Deposit with carrying amount of Rs. 50.00 Lakhs (31st March 2023 Rs 50.00 Lakhs) has been given as a security deposit to the Ministry of Pharmaceuticals, Chemicals & Fertilizers towards the PLI Scheme.
- (iii) Deposit with carrying amount of Rs. 110.79 Lakhs (31st March 2023 Rs. 110.79 Lakhs) has been given as a security deposit to Northern Arc Pvt Ltd against the borrowing of Rs. 10 crores from them.
- (iv) Deposit with carrying amount of Rs. 247.37 Lakhs (31st March 2023 Rs. 238.24 Lakhs) has been given as a security deposit to Vivriti Capital Pvt Ltd against the borrowing of Rs. 20 crores from them.
- (v) Deposit with carrying amount of Rs. 331.34 Lakhs (31st March 2023 Rs 328.82 Lakhs) has been given as a security against Overdraft facility and Term Loan facilities availed from them+B190.

Note 13: Equity Share Capital

(Amount Rs. in Lakhs)

Sr. No	Particular	Amarch 31, 2024	March 31, 2023
	Authorised Capital:* 60,00,00,000 Equity Shares of Rs.1/- each (March 31, 2023: 30,00,00,000 Equity Shares of Rs 1/- each)	6,000.00	3,000.00
	Total	6,000.00	3,000.00
	Issued Subscribed & Paid up: 24,70,58,454 Equity Shares of Rs.1/- each fully paid (Refer note no (iii) below) (March 31, 2023 20, 21, 38, 735 Equity Shares of Rs 1/- each) (Refer note no (i) below)	2,470.58	2,021.39
	Total	2,470.58	2,021.39

Footnotes:

- (i) During the year ended 31st March, 2024, the Company has issued and allotted 4,49,19,719 equity shares of Re. 1/- each to eligible shareholders of equity shares on the book closure date (i.e. 5th July, 2023) as fully paid up bonus equity shares by capitalizing reserves
- (ii) The company has converted 65,20,606 share warrants into equivalent no of equity shares of Rs 1 each at a premium of Rs 152.36 /- per equity shares on preferential basis during the year ended 31-03-2023 . These shares are under lock -in for a period of one year from the date of issue and consequently restricted for transfer.
- (iii) During the year ended 31st March, 2022, the Company has issued and allotted 5,58,90,894/- equity shares of Re. 1/- each to eligible shareholders of equity shares on the book closure date (i.e. 19th July, 2021) as fully paid up bonus equity shares by capitalizing reserves.
- (iv) During the year ended 31st March, 2021, the Company has issued and allotted 4,65,75,745/- equity shares of Re. 1/- each to eligible shareholders of equity shares on the book closure date (i.e. 17th September, 2020) as fully paid up bonus equity shares by capitalizing reserves.

(a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year

Particulars	As at March 31, 2024		As at March 31, 2023	
	Equity Share		Equity Share	
	No. of Shares	Amount	No. of Shares	Amount
Equity				
No of shares outstanding at the beginning of the year	202,138,735	2,021.39	195,618,129	1,956.18
Add : Additional shares issued during the year	-	-	6,520,606	65.21
Add : Increase on account of shares sub-divided during the year (Refer Footnote no (ii) above)	-	-	-	-
Add : Bonus Issue in the ratio of 2:9 (Refer Footnote no. (i))	44,919,719	449.20	-	-
Less: Shares forfeited/Bought back during the year	-	-	-	-
No. of shares outstanding at the end of the year	247,058,454	2,470.50	202,138,735	2,021.39

(b) Terms/Rights attached to Equity shares:

The company has only one class of equity shares having at par value of ₹ 1/- (P.Y. ₹ 1/-)per share. Each holder of equity share is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Director is subject to the approval of the share holders in the ensuing annual general meeting. In the event of liquidation of the company, the holder of equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to number of shares held by share holder.



Sadhana Nitro Chem Limited
Notes forming part of the standalone financial statements for the year ended 31st March 2024

(c) Shareholders holding more than 5% shares in the Company :

Particulars	As at March 31, 2024		As at March 31, 2023	
	Equity Share		Equity Share	
Equity Shares of Rs. 1/- each (P.Y. Rs. 1/-) fully paid	No. of Shares	% of Holding	No. of Shares	% of Holding
Manekchand Panachand Trading Investment Co. Pvt Ltd	152,958,115	61.91%	125,172,831	61.92%
Asit Javeri	4,605,811	1.86%	11,691,771	5.78%

As per records of the Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

(d) Equity Shares in the entity held by holding company:

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Manekchand Panachand Trading Investment Co. Pvt Ltd	152,958,115	61.91%	125,172,831	61.92%

(e) Details of changes in shareholding of promoters

Particulars	As at March 31, 2024		As at March 31, 2023		(Decrease) % of holding
	No. of Shares	% of Holding	No. of Shares	% of Holding	
Promoters' Holding (including Promoter Group)					
Manekchand Panachand Trading Investment Co Pvt Ltd	152,958,115	61.91%	125,172,831	61.92%	-0.01%
Asit A Javeri	4,605,811	1.86%	11,691,771	5.78%	-3.92%
Abhishek A Javeri	2,014,729	0.82%	5,902,764	2.39%	-1.57%
Seema A Javeri	470,393	0.19%	3,845,867	1.56%	-1.37%

As per records of the company, including its register of members, the above shareholding represents both legal and beneficial ownership of shares.

Note 14: Other Equity

(Amount Rs. In Lakhs)

Sr. No	Particulars	March 31, 2024	March 31, 2023
	Reserves and Surplus		
(i)	Capital Reserve		
	Opening and Closing balance (CR)	0.94	0.94
	Additions:	-	-
	Closing balance	0.94	0.94
(ii)	Capital Redemption Reserve		
	Opening balance (CRR)	34.10	34.10
	Less: Utilized for issued of Bonus shares	(34.10)	-
	Closing balance	-	34.10
(iii)	Securities Premium Account		
	Opening balance	9,934.80	-
	Add: Received during the year on issue of equity shares on preferential basis	-	9,934.80
	Less: Utilized for issued of Bonus shares	(415.10)	-
	Closing balance	9,519.70	9,934.80
(iv)	Retained Earnings		
	Opening balance (Retained Earnings)	9,717.11	9732.73
	Profit for the year	740.58	458.43
	Less: Loss of Spidigo Net Private Limited absorbed on merger (Refer Note No. 49)	-	(920.66)
	Less: Dividend Paid	(370.59)	(293.43)
	Less: Fund Raising Expense	-	(350.00)
	Closing Balance	8,997.06	8627.07



Sadhana Nitro Chem Limited
Notes forming part of the standalone financial statements for the year ended 31st March 2024

Note 14: Other Equity

(Amount Rs. In Lakhs)

Sr. No	Particulars	March 31, 2024	March 31, 2023
(v)	Other Comprehensive Income		
	Opening balance	18.74	(15.62)
	Add: Gain / (Loss) on fair value of Defined Benefit Plan (Net of Tax)	(27.69)	9.40
	Add: Gain / (Loss) on fair value of investments	30.02	12.72
	Add: Gain / (Loss) on sale of investments	1.77	12.25
	Closing balance	22.84	18.74
(vi)	Transition Revaluation Reserve		
	Opening balance (TRR)	884.49	884.49
	Add: Additions		
	Closing balance	884.49	884.49
(vii)	General Reserve		
	Opening balance	1,333.30	1,333.30
	Add: additions	-	-
	Closing Balance	1,333.30	1,333.30
(viii)	Money received against Share Warrant		
	Opening balance	-	2,500.00
	Add: additions (SW)	-	(2,500.00)
	Closing Balance	-	-
	Total	20,833.44	14,469.94

Capital Reserve:

Capital Reserve is utilised in accordance with the provisions of the Act.

Capital Redemption Reserve

Capital redemption reserve represents reserve created on redemption of preference shares. It is non distributable reserve. During the year ended March 31, 2024 the company has utilised Rs. 34.10 Lakhs of the reserve towards issued of fully paid up bonus shares.

Securities Premium Reserve

Capital redemption reserve represents reserve created on redemption of preference shares. It is non distributable reserve. During the year ended March 31, 2024 the company has utilised Rs. 415.07 Lakhs of the reserve towards issued of fully paid up bonus shares.

Retained Earnings

The amount that can be distributed by the company as dividend to its equity shareholders.

Transition Revaluation Reserve

Transition Reserve represents reserve created on transition from Accounting Standards to Ind AS.

General Reserve

General reserve is used from time to time to transfer profits from retained earnings for appropriation purpose.



Sadhana Nitro Chem Limited
Notes forming part of the standalone financial statements for the year ended 31st March 2024

Note 15 : Borrowings

(Amount in Rs. Lakhs)

Sr No	Particular	As at March 31, 2024	As at March 31, 2023
	Non Current Borrowings		
(a)	Secured Borrowings:		
(i)	Term loan - Bank (Refer Note 15(a) below)	3,445.35	2,246.91
(ii)	Term Loan - Others (Refer Note 15 (b) below)	2,883.58	5,797.00
		6,328.93	8,043.92
	Less: Current Maturity of Long term borrowings disclosed under the head Short Term Borrowings	2,243.17	2,066.51
(b)	Unsecured Borrowings		
(i)	Loan from Holding Company	1,181.21	-
(ii)	Loan From Director	7,627.00	-
	Balance	12,893.97	5,977.40
	Total	12,893.97	5,977.40
	Current Borrowings		
(a)	Secured Borrowings		
(i)	Working Capital Loan from Banks denominated in [Refer Note (i) and (ii)]		
	Foreign Currency	833.74	1,397.69
	Indian Currency - Overdraft & Cash Credit [39,616.74	1,470.09
	Indian Currency - Export Credit	1,067.52	1,565.48
(b)	Unsecured Borrowings		
(i)	From Financial Institutions	-	-
(ii)	Inter Corporate Deposit [Refer footnote (d) below]	425.55	331.08
(iii)	Loan From Director	647.11	377.58
(c)	Current Maturity of Long term borrowings disclosed under the head Short Term Borrowings	2243.17	2066.51
	Total	9178.77	7208.42

Footnotes:

- (a) Term loan from banks & other financial institutions are secured by charge created on plant & machinery, motor vehicles and factory land and building and residential property situated at Roha Raigad. Refer Note (e) below for terms of repayment, rate of interest etc. Further, these loans are secured by a lien on amounts invested in fixed deposits as mentioned in Note No. 12 to these financial statements. Further, these loans are also secured by the personal guarantees of Mr. Asit Javeri & Abhishek Javeri, Chairman and Managing Director, and Corporate guarantee of Manekchand Panachand Trading Investment Co Pvt Ltd, holding company of the Company and shares of the Company held by the holding Company.
- (b) The company has foreign currency working capital facilities from a Bank at interest rate of 7.75% p.a. These facilities are secured by exclusive charge on present and future stocks and book debts, exclusive charge on entire plant and machinery. Further secured by personal guarantee of Chairman and Managing Director and Corporate Guarantee of Holding Company.
- (c) Further, the Company has working capital facilities in Indian currency from a banks carrying interest rate ranging between 6.60% to 12.75 % p.a. These facilities are repayable on demand, secured by way of first pari passu charge on the present and future current assets of the company, second pari passu charge on entire movable and immovable fixed assets of the company, present and future at plot no 47, MIDC, Roha Industrial Area, Raigad District - 402116, investments in Mutual Funds and further secured by personal guarantee of Chairman and Managing Director of the company and Corporate guarantee of Manekchand Panachand Trading Investment Co Pvt Ltd, holding company of the Company.
- (d) Further, the Company has working capital facilities in Indian currency from a bank carrying interest rate ranging between 6.65% to 12.00 % p.a. These facilities are repayable on demand, secured by way of first pari passu charge on the present and future current assets of the company, second pari passu charge on entire movable and immovable fixed assets of the company, present and future at plot no 47, MIDC, Roha Industrial Area, Raigad District - 402116 and further secured by personal guarantee of Chairman and Managing Director of the company.
- (e) Inter Corporate Deposits are carrying interest rate in the range of 10-15% and repayable on or before March 31, 2025,



Sadhana Nitro Chem Limited
Notes forming part of the standalone financial statements for the year ended 31st March 2024

(e) Terms of repayment

(Amount Rs. In Lakhs)

Particulars	Rate of Interest	Year of Maturity	March 31, 2024		March 31, 2023	
			No of Installments Left	Amount Outstanding as at March 31, 2024	No of Installments Left	Amount Outstanding as at March 31, 2023
Term Loan - Banks						
Bank Name						
HDFC Bank	8.50%	2023-24	-	-	2	0.82
HDFC Bank	8.50%	2023-24	-	-	2	0.82
ICICI Bank	9.25%	2025-26	14	233.33	26	433.33
HDFC Bank	9.84%	2033-34	103	1,073.99	115	1,141.33
HDFC Bank	9.84%	2024-25	4	66.75	16	283.62
HDFC Bank	9.25%	2026-27	25	273.19	37	387.00
CSB Bank	9.60%	2031-32	87	1,798.07	-	-
			Total	3,445.35	Total	2,246.91
	Less : Current maturity of long term borrowings			646.64	-	223.54
			Balance	2,798.71		2,023.37
Term Loan - Others						
Financial institution						
Kotak Mahindra Prime Ltd	9.15%	2023-24	-	-	11	10.95
Kotak Mahindra Prime Ltd	9.15%	2023-24	-	-	11	10.95
Bajaj Finance Ltd.	10.70%	2026-27	26	867.70	38	1,212.07
Aditya Birla Finance Ltd.	13.60%	2033-34	-	-	129	1938.70
North Arc Capital Ltd.	15.45%	2025-26	16	543.65	28	874.33
Vivriti Capital Pvt Ltd-Tranche 1	14.80%	2025-26	18	250.00	30	416.67
Vivriti Capital Pvt Ltd-Tranche 2	14.80%	2025-26	18	250.00	30	416.67
Vivriti Capital Pvt Ltd-Tranche 3	14.90%	2025-26	21	291.67	33	458.33
Vivriti Capital Pvt Ltd-Tranche 4	14.75%	2025-26	21	291.67	33	458.33
Vivriti Capital Pvt Ltd-Tranche 5	14.50%	2026-27	28	388.89	-	-
			Total	2,883.58	Total	5,797.00
	Less : Current maturity of long term borrowings			1,596.53	-	1,842.97
			Balance	1,287.05		3,954.03
			Total Balance	4,085.76		5,977.40



Sadhana Nitro Chem Limited
Notes forming part of the standalone financial statements for the year ended 31st March 2024

Note 16 : Lease Liabilities

(Amount Rs. In Lakhs)

Sr No	Particular	As at March 31, 2024	As at March 31, 2023
A	Non Current	688.31	247.96
B	Current	502.64	441.85
	Total	1,190.95	689.80

Effective from April 1, 2019, the company adopted Ind AS 116 "Lease", applied to all lease contracts existing on April 1, 2019 using the modified retrospective approach and has taken the cumulative adjustment to retained earnings, on date of initial application. Due to transition, the nature of expenses in respect of certain leases under erstwhile standard has changed from 'Lease Rental' to Depreciation & Amortization expenses and Finance cost' for the Right to use assets and on Lease Liability respectively. Due to the accounting treatment as per this Standard, the current year profit has been Reduced by Rs. 198.90 Lakhs

(Previous Year profit Increased by Rs. 159.92 Lakhs)

Details of Payments to be made towards Lease obligations

(Amount Rs. In Lakhs)

Particular	As at March 31, 2024	As at March 31, 2023
Lease obligations paid during the year	585.63	493.92
Lease obligations payable not more than 1 year	626.80	138.77
Lease obligations payable not more than 5 year	783.71	479.11

Note 17: Provisions

(Amount Rs. In Lakhs)

Sr. No	Particular	March 31, 2024	March 31, 2023
	Non Current		
	Employee Benefit Obligations		
	(i) Compensated absences	210.38	192.20
	(ii) Gratuity (Refer Note No. 29)	357.08	282.23
	Total	567.47	474.43
	Current		
	Employee Benefit Obligations		
	(i) Compensated absences	14.43	37.62
	(ii) Gratuity (Refer Note No. 29)	35.78	36.99
	Total	50.21	74.61
	Movement in provisions	Gratuity	
	Opening balance	319.21	317.10
	Add/Less : Provision recognised / (reversed) during the year	73.65	2.12
	Closing balance	392.86	319.21

Note 18: Trade Payables

(Amount Rs. In Lakhs)

Sr. No	Particular	As at March 31, 2024	As at March 31, 2023
(i)	Micro and Small Enterprises	152.12	206.53
(ii)	Others	2,994.78	3,108.38
	Total	3,146.91	3,314.92



Sadhana Nitro Chem Limited
Notes forming part of the standalone financial statements for the year ended 31st March 2024

(a)	Ageing of Trade Payables (Outstanding for following periods from due date of payment)		
	i) Micro and Small Enterprises		
	Less than 1 year	105.20	203.86
	1-2 year	46.05	2.67
	2-3 year	0.87	-
	More than 3 years	-	-
	ii) Undisputed		
	Less than 1 year	2,612.66	2,616.32
	1-2 year	23.75	162.28
	2-3 year	136.99	42.68
	More than 3 years	221.38	112.93
	iii) Disputed		
	Less than 1 year	-	-
	1-2 year	-	-
	2-3 year	-	-
	More than 3 years	-	174.17
	Total	3,146.91	3,314.92

(b) Disclosure required under Clause 22 of Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006

(Amount Rs. In Lakhs)		
Particular	As at March 31, 2024	As at March 31, 2023
a) the principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of accounting year:		
- Principal amount due to Micro and small enterprises:	152.12	206.53
- Interest due on above:	14.55	8.55
b) the amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointment day during each accounting year	-	-
c) the amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act 2006 is not paid)	5.99	6.93
d) the amount of interest accrued and remaining unpaid at the end of accounting year.	14.55	8.55
e) the amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowances as a deductible expenditure under section 23.	-	-

(c) The Company has initiated the process of identification of suppliers registered under the Micro, Small & Medium Enterprises Development Act, 2006, by obtaining confirmations from all suppliers. Information has been collated only to the extent of information received as at the balance sheet date.

(d) All trade payables are 'current'. The Company's exposure to currency and liquidity risks related to trade payables is disclosed in note no 27(ii)

Note 19 : Other financial liabilities

(Amount Rs. In Lakhs)

Sr. No	Particular	March 31, 2024	March 31, 2023
	Current		
(i)	Interest accrued but not due on borrowings	518.01	180.18
(ii)	Unclaimed Dividened	23.85	11.34
(iii)	Creditors for Capital Expenditure	1,273.51	783.93
(iv)	Advance From Customer	3.13	95.91
(v)	Other payables	104.62	111.09
	Total	1,923.12	1,182.44



Sadhana Nitro Chem Limited
Notes forming part of the standalone financial statements for the year ended 31st March 2024

Note 20 : Other Liabilities

(Amount Rs. In Lakhs)

Sr. No	Particular	March 31, 2024	March 31, 2023
	Current		
(i)	Statutory Dues	238.20	228.74
(ii)	Employee Dues	329.73	290.86
	Total	567.94	519.60

Note 21 : Revenue from operation

(Amount Rs. In Lakhs)

Sr. No	Particular	March 31, 2024	March 31, 2023
	Sale of Product		
(i)	(a) Chemical Intermediates	18704.59	14,378.81
	(b) Wireless Network Equipment	51.54	79.32
(ii)	Sale Of Service	-	-
(iii)	Other Operating Revenue		
	(a) Sale of scrap & sales other	5.60	9.41
	(b) Export Benefit	123.74	117.63
	Total	18,885.47	14,585.16

Note 21.1 : Detail of revenue from contract with customer recognised by the company net off indirect tax in the statement of profit and loss.**Product wise Detail of Revenue**

(Amount Rs. In Lakhs)

Sr. No	Particular	March 31, 2024	March 31, 2023
(a)	Sale of product		
	Product Type		
	MAP	8,689.87	8,411.87
	SND 27 (ODB2)	6,873.59	4,125.63
	PAP	2,392.11	673.27
	Other	806.15	1,256.77
	Total	18,761.73	14,467.54

Note 22: Other Income

(Amount Rs. In Lakhs)

Sr. No	Particular	March 31, 2024	March 31, 2023
(i)	Interest income on		
	Bank deposits	35.22	25.05
	Others	36.26	49.69
(ii)	Dividend income from Subsidiaries	4.26	4.58
(iii)	Foreign Exchange Gain	7.73	8.45
(iv)	Mark To Market Gain of Forward Contracts	32.79	-
(v)	Miscellaneous Income	60.18	2.96
(vi)	National Interest on Deposit	4.06	3.11
(vii)	Fair Value Lease Liabilities	-	54.41
(viii)	Reversal of Provision in Diminution in value of Investment	5.08	-
(ix)	Sundry liabilities written back	214.60	23.30
	Total	400.19	171.54



Sadhana Nitro Chem Limited
Notes forming part of the standalone financial statements for the year ended 31st March 2024

Note 23: Cost of materials and packing materials consumed (Amount Rs. In Lakhs)

Sr. No	Particular	March 31, 2024	March 31, 2023
	Cost of materials and packing materials consumed		
	Inventory at the beginning of the year	2,083.35	1,596.76
	Add: Purchases	7,510.19	8,363.41
	Total	9,593.53	9,960.17
	Less: Inventory at the end of the year	(2,405.42)	(2,083.35)
	Cost of materials consumed	7,188.11	7,876.82
	Total	7,188.11	7,876.82

Particulars of Raw material & packaging materials Consumed (Amount Rs. In Lakhs)

Sr. No	Particular	March 31, 2024	March 31, 2023
(i)	Benzne	800.89	1006.36
(ii)	Nitric Acid	396.80	690.37
(iii)	Cast iron powder	596.94	497.77
(iv)	Oleum 65%	129.81	132.95
(v)	Packaging Material	43.36	29.57
(vi)	M.M.D.P.A	1,560.87	1316.78
(vii)	Caustic Soda	349.40	519.80
(viii)	Caustic Potash Lye	874.09	1000.42
(ix)	Soda Ash Light	237.09	235.77
(x)	N-Buty1 Bromide	396.36	277.35
(xi)	Other	1,802.51	2169.68
	Total	7,188.11	7876.82

Note 23 : Change in inventories of finished goods and work in- progress (Amount Rs. In Lakhs)

Sr. No	Particular	March 31, 2024	March 31, 2023
(i)	Opening Stock		
	Work in progress	2,661.22	2,073.79
	Finished goods	4,925.75	4,935.66
	Scrap	3.50	3.50
	Total (i)	7,590.47	7,012.94
(ii)	Closing Stock		
	Work in progress	2,409.85	2661.22
	Finished goods	4,241.62	4925.75
	Scrap	3.00	3.50
	Total (ii)	6,654.47	7,590.47
	Changes in Inventories Decrease/(Increase)(i-ii)	936.00	(577.53)
	Total	936.00	(577.53)

Note 24: Employee Benefit Expenses (Amount Rs. In Lakhs)

Sr. No	Particular	March 31, 2024	March 31, 2023
	Employee Benefit Expenses		
(i)	Salaries & bonus	2,098.15	1661.90
(ii)	Contribution to provident fund, group gratuity, ESIC & other funds	109.18	98.90
(iii)	Gratuity (Refer Note No. 29)	39.24	43.38
(iv)	Leave Encashment expense	(4.85)	(84.88)
(v)	Staff welfare & Medical Expenses	0.39	0.53
	Total	2,242.11	1719.82



Sadhana Nitro Chem Limited
Notes forming part of the standalone financial statements for the year ended 31st March 2024

24.1 During the financial year ended 31st March, 2023, the management has changed the policy with regards to leave encashment. As per the revised leave policy, there will be no leave encashments post 1st April, 2022 and unavailed leave coting to a maximum of 15 days in a year will be allowed to be carried forward subject to a maximum accumulation upto 45 days of leave. This change in policy has resulted in a significant dcrease in accumulated leave encashment liability which has resulted in the reversal of provisions of earlier years during the year ended 31st March, 2023

Note 25: Finance Cost

(Amount Rs. In Lakhs)

Sr. No	Particular	March 31, 2024	March 31, 2023
(i)	Interest expense on term loans, working capital facilities & ICDs	1,547.09	621.44
(ii)	Interest on lease liability	80.95	96.37
(iii)	Interest on delayed Payment of tax & statutory dues	49.43	185.43
(iv)	Bank Charges & Other finance cost	48.56	70.83
	Total	1,726.03	974.06

Note 3: Depreciation & Amortization

(Amount Rs. In Lakhs)

Sr No	Particular	March 31, 2024	March 31, 2023
(i)	Depreciation of tangible assets	1,419.67	738.50
(ii)	Amortization of intangible assets	71.50	22.00
	Total	1,491.17	760.50

Note 26: Other Expenses

(Amount Rs. In Lakhs)

Sr No	Particular	March 31, 2024	March 31, 2023
(i)	Power and fuel	1623.80	1060.33
(ii)	Rent & Subletting Charges	8.50	13.83
(iii)	Rates & Taxes	90.82	24.92
(iv)	Insurance	82.60	70.89
(v)	Printing & Stationery	8.34	7.36
(vi)	Postage, Telegram & Telephone & Internet (Communication Expenses)	17.98	15.63
(vii)	Travelling & Conveyance Expenses	241.62	235.95
(viii)	Legal & Professional fees	248.34	160.34
(ix)	Directors Fees	2.32	3.12
(x)	Electricity charges	14.37	14.69
(xi)	Security Charges	99.31	57.68
(xii)	Stores & spares Consumed	384.08	215.91
(xiii)	Repairs & Maintenance		
	Plant & Machinery	6.13	9.64
	Others (R&M)	55.98	77.12
(xiv)	Other Manufacturing Expenses	193.67	92.26
(xv)	Effluent Expenses	233.05	197.20
(xvi)	Research & Development Expenses	8.62	11.20
(xvii)	Payment to auditors (Refer Note 26(i)below)	16.60	13.78
(xviii)	Selling Expenses		
	Freight and Forwarding Expenses	89.96	222.40
	Commission Charges	188.68	12.70
	Local Freight & other expenses	157.71	256.05
(xix)	Bad debts & Provision for Doubtful Debts	37.30	12.80
(xx)	Miscellaneous Expenses	186.53	160.31
(xxi)	Foreign exchange fluctuation	-	139.01
(xxii)	Loss on forward contracts	16.79	138.57
(xxiii)	CSR Expenses	50.00	34.56
(xxiv)	Sundry Balances Written off	11.68	36.82
(xxv)	Merger Expenses	3.10	-
(xxvi)	Notional Rent (Ind As)	2.85	2.26
(xxvii)	Fair Value Lease Liabilities	10.47	-
	Total	4,091.21	3,297.32



Sadhana Nitro Chem Limited
Notes forming part of the standalone financial statements for the year ended 31st March 2024

Footnotes:

(i) Payment to Auditors

(Amount Rs. In Lakhs)

Sr. No	Particular	March 31, 2024	March 31, 2023
	As Auditor*		
(i)	Statutory Audit Fee	12.00	10.00
(ii)	Tax Audit Fee	1.00	1.00
(iii)	Tax Matters & Certification	3.60	2.78
	TOTAL	16.60	13.78

Note No. 27: Financial Instruments and Risk Review

Capital Management

The key objective of the Company's capital management is to ensure that it maintains a stable capital structure with the focus on total equity to uphold the investor, creditor and customer confidence and to ensure future development of its business. The Company is focused on keeping strong total equity base to ensure independence, security as well high financial flexibility for potential future borrowings, if required without impacting the risk profile of the company. The Company's goal is to continue to be able to return excess liquidity to shareholders by continuing to distribute annual dividends in future periods. The amount of future dividends of equity shares will be balanced with efforts to continue to maintain an adequate liquidity status.

(Amount Rs. In Lakhs)

Particular	March 31, 2024	March 31, 2023
Total equity attributable to equity shareholders of the company	23,229	22,855
As a percentage of total capital	51%	63%
Long term borrowings	12,894	5,977
Short term borrowings	9,179	7,208
Total borrowings	22,073	13,186
As a percentage of total capital	49%	37%
Total Capital (Equity and Borrowings)	45,302	36,041

Financial Risk Management Framework

The company has exposure to the following risks arising from financial assets & liabilities :

- a) Credit risk
- b) Liquidity risk
- c) Market risk

i) Credit Risk

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract leading to financial loss. The credit risk arises principally from its operating activities (primarily trade receivables) and from its financing activities including deposits with banks and financial institutions and other financial instruments.

The customer credit is managed by the company's established policy , procedures and controls relating to customer credit management. The company has established a credit policy under which each new customer is analysed individually for credit worthiness before the company's standard payment and delivery terms and conditions are offered. The company's review includes external ratings where available and other publicly available financial information. Outstanding customers receivables are regularly monitored and any shipment to major customers are generally covered by letter of credit or other forms of credit insurance.

The following table gives details in respect of percentage of revenues generated from top five customer:

(In %)

Particular	March 31, 2024	March 31, 2023
Revenue from top five customers	60.00%	58.17%

The company establishes an allowance for impairment that represents fixed estimate of expected losses in respect of trade and other receivable. The maximum exposure to credit risk as at reporting date is primarily from trade receivable amounting to Rs. 14,574.44 Lakhs (P.Y. Rs. 8,006.68 Lakhs). The movement in allowance for impairment in trade and other receivables during the year was as follows :



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Allowance for impairment	March 31, 2024	March 31, 2023
Opening balance	17.57	8.20
Impairment loss recognised / (reversed)	36.42	9.37
Closing balance	53.98	17.57

Majority of the balance of trade receivables of the Company are from eight (P.Y. seven) customers of which one is a wholly owned subsidiary of the Company.

The total outstanding from these customers as at year end is Rs. 11846.27 Lakh (P.Y. Rs. 6618.70 Lakh)

Credit risk on cash and cash equivalent is limited as the Company generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit ratings agencies.

ii) Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The company's approach to managing liquidity is to ensure as far as possible that will have sufficient liquidity to meet its liabilities when they are due under both normal and stressed conditions without incurring unacceptable losses or risking damage to company's reputation.

The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived. In addition, the company maintains the following line of credit.

The company has foreign currency working capital facilities from a Bank at interest rate of 7.75% p.a. These facilities are secured by exclusive charge on present and future stocks and book debts, exclusive charge on entire plant and machinery. Further secured by personal guarantee of Chairman and Managing Director and Corporate Guarantee of Holding Company.

Further, the Company has working capital facilities in Indian currency from a banks carrying interest rate ranging between 6.60% to 12.75 % p.a. These facilities are repayable on demand, secured by way of first pari passu charge on the present and future current assets of the company, second pari passu charge on entire movable and immovable fixed assets of the company, present and future at plot no 47, MIDC, Roha Industrial Area, Raigad District - 402116, investments in Mutual Funds and further secured by personal guarantee of Chairman and Managing Director of the company and Corporate guarantee of Manekchand Panachand Trading Investment Co Pvt Ltd, holding company of the Company.

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of March 31, 2024

(Rs. Lakhs)

Particulars	Less than 1 year	1 to 2 years	2 - 5 years	5 - 10 years	Total
Long term borrowings	2,243.17	2,798.43	4,971.55	5,123.99	15,137.14
Short term borrowings	6,935.60	-	-	-	6,935.60
Trade payable	3,146.91	-	-	-	3,146.91
Other financial liabilities	1,923.12	-	-	-	1,923.12
Total	14,248.79	2,798.43	4,971.55	5,123.99	27,142.76

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of March 31, 2023

(Rs. Lakhs)

Particulars	Less than 1 year	1 to 2 years	2 - 5 years	5 - 10 years	Total
Long term borrowings	2,066.51	2,014.49	1,942.17	2,020.74	8,043.91
Short term borrowings	5,141.91	-	-	-	5,141.91
Trade payable	3,314.92	-	-	-	3,314.92
Other financial liabilities	1,182.44	-	-	-	1,182.44
Total	11,705.77	2,014.49	1,942.17	2,020.74	17,683.17



Sadhana Nitro Chem Limited
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iii) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

Foreign Currency exchange rate risk

The Company operates internationally and major portion of the business is transacted in several currencies and consequently the company is exposed to foreign exchange risks through operating activities in foreign currency.

1) Details of foreign currency exposures as at the year end :

Particulars	Currency	Amount in foreign currency		Equivalent amount (Rs. Lakhs)	
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Financial Assets					
Trade Receivables	EUR	24,07,505	14,75,550	2,172.00	1,322.20
	USD	52,07,350	37,49,952	4,341.57	3,083.09
Advance to Vendors	USD	-	3,37,759	-	277.69
Balance with bank in foreign currency	USD	-	2,831	-	2.33
Financial Liabilities					
Trade Payables	USD	1,52,957	1,41,759	127.53	116.55
	EUR	800	-	0.72	-
Advance Received from customer	USD	-	1,31,026	-	107.73
Working Capital Borrowings	USD	-	-	-	-
	USD	10,00,000	17,00,000	833.74	1,397.68
Net Asset / (liability)	EUR	24,06,705	14,75,550	2,171.28	1,322.20
Net Asset / (liability)	USD	40,54,393	21,17,757	3,380.31	1,741.16

2) Details of forward contracts outstanding at the year end used to hedge the outstanding foreign currency exposures

Particulars	Currency	Amount in foreign currency		Equivalent amount (Rs. Lakhs)	
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Forward contracts entered into to hedge the receivable exposure	USD	12,80,773	35,92,719	1,067.83	2953.82
Forward contracts entered into to hedge the receivable exposure	EURO	3,00,000	4,93,809	270.65	442.49
Forward contracts entered into to hedge the payable exposure	USD	8,00,000	-	666.99	-

The Company enters into forward contracts to offset foreign currency risks arising from the amounts denominated in currencies other than the Indian Rupee. The counter party in such forward contracts is a bank. These contracts are entered to hedge the foreign currency risks on the firm commitments.

Note 28 : Earnings Per Share

Basic Earning Per Share

(Amount Rs. In Lakhs)

Sr. No	Particulars	March 31, 2024	March 31, 2023
a)	Net Profit for the year attributable to the equity shareholders	740.58	458.43
b)	Opening number of equity shares outstanding	24,70,58,454	24,70,58,454
c)	Closing Number of Equity shares outstanding	24,70,58,454	24,70,58,454
d)	Effective weighted average no. of shares outstanding during the year (Refer Note 28.1 below)	24,70,58,454	24,70,58,454
e)	Basic earning per share (₹ 1/- per share) (P. Y. Rs. 1/- per share)	0.30	0.19



Sadhana Nitro Chem Limited
Notes forming part of the standalone financial statements for the year ended 31st March 2024

Diluted Earning Per Share

(Amount in Rs.Lakhs)

Sr. No	Particulars	March 31, 2024	March 31, 2023
a)	Net Profit for the year attributable to the equity shareholders	740.58	4,58,42,701.38
b)	Opening number of equity shares outstanding on diluted basis	20,21,38,735	19,56,18,129
c)	Closing Number of Equity shares outstanding on diluted basis	24,70,58,454	20,21,38,735
d)	Effective weighted average no. of shares outstanding during the year (Refer Note 28.1 below)	24,70,58,454	19,61,36,205
e)	Basic earning per share (₹ 1/- per share) (P. Y. Rs. 1/- per share)	0.30	0.23

28.1 During the previous year ended 31st March, 2024, the Company has issued and allotted 4,49,19,719 equity shares of Re. 1/- each to eligible equity shareholders on the book closure date (i.e. 5th July, 2023) as fully paid up bonus equity shares by capitalizing reserves.

The earning per share figures for the previous year have been restated to give effect of the allotment of the bonus shares, as required by IND-AS 33, 'Earning Per Share'. Accordingly the opening & closing no. of outstanding equity shares has been restated and consequently the EPS for the previous year has also been restated.

Note 29 : Employee benefits**(a) Defined Contribution Plan**

The Company makes Provident Fund contributions to defined contribution plan administered by the Regional Provident Fund Commissioner. Under this scheme, the Company is required to contribute a specified percentage of payroll cost to fund the benefits. The Company has recognized Rs. 108.98 Lakhs towards Provident Fund and other fund contributions (March 31, 2023: Rs. 98.68 Lakhs) in the Statement of Profit and Loss. The provident fund and ESIC contributions payable by the Company are in accordance with rules framed by the Government from time to time.

(b) Defined Benefit Plans:**Gratuity**

The employee's gratuity fund scheme managed by a trust is a defined benefit plan. The present value of the obligation is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognised in the same manner as gratuity.

The estimated rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority promotion and other relevant factor including supply and demand in the employment market. The above information is certified by actuary. The expected rate on plan assets is determined considering several applicable factor, mainly the composition of plan assets held assessed risk, historical result of return on plan assets and the company's policy for plan assets management.

The Company has a defined benefit plan for every employee who has completed five year or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is unfunded.

The Company has a defined unfunded obligation for leave encashment. Generally the leave encashment is paid to employees as and when claimed.



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Defined benefit plans 1 - as per actuarial valuation on 31st March, 2024

(Amount Rs. In Lakhs)

Particulars	Un-funded Plan Gratuity	
	March 31, 2024	March 31, 2023
Service Cost		
Current Service Cost	15.33	10.18
Past service cost and (gains)/losses from settlements	-	-
Net interest expense	23.91	23.05
Components of defined benefit costs reconised in profit or loss	39.24	33.24
Remeasurement on the net defined benefit liability		
Return on plan assets (excluding amount included in net interest expense)	-	-
Actuarial gains and loss arising form changes in financial assumptions	7.48	(4.64)
Actuarial gains and loss arising form experience adjustments	29.53	(12.35)
Actuarial gains and loss arising from demographic adjustments	-	-
Componenets of defined benefit costs recognised in other comprehensive income	37.01	(16.99)
Total	76.25	16.24
I. Net Asset/(Liability) recognised in the Balance Sheet as at 31st March 24		
1. Present value of defined benefit obligation as at 31st March 24	392.86	319.21
2. Fair value of plan assets as at 31st March 24	-	-
3. Surplus/(Deficit)	392.86	319.21
4. Current portion of the above		
5. Non current portion of the above		
II. Change in the obligation during the year ended 31st March 24		
1. Present value of defined benefit obligation at the beginning of the year	319.21	317.10
2. Add/(Less) on account of Scheme of Arrangement/Business Transfer	-	-
3. Expenses Recognised in Profit and Loss Account		
- Current Service Cost	15.33	10.18
- Past Service Cost	-	-
- Interest Expense (Income)	23.91	23.05
4. Recognised in Other Comprehensive Income	-	-
Remeasurement gains / (losses)		
- Actuarial Gain (Loss) arising from:		
i. Demographic Assumptions	-	-
ii. Financial Assumptions	7.48	(4.64)
iii. Experience Adjustments	29.53	(12.35)
iv) (Gain)/Loss on Curtailments And Settlements	-	-
5. Benefit payments	(2.59)	(14.13)
6. Others (Specify)		
7. Present value of defined benefit obligation at the end of the year	392.86	319.21
III. Change in fair value of assets during the year ended 31st March, 24		
1. Fair value of plan assets at the beginning of the year	-	-
2. Add/(Less) on account of Scheme of Arrangement/Business Transfer	-	-
3. Expenses Recognised in Profit and Loss Account		
- Expected return on plan assets	-	-
- Interest Income	-	-
4. Recognised in Other Comprehensive Income	-	-
Remeasurement gains / (losses)		
- Actual Return on plan assets in excess of the expected return	-	-
- Others (specify)		
5. Contributions by employer (including benefit payments recoverable)	-	-
6. Benefit payments	-	-
7. Fair value of plan assets at the end of the year	-	-



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Particulars	March 31, 2024	March 31, 2023
IV. The Major categories of plan assets - List the plan assets by category here Insurance Fund	-	-
V. Actuarial assumptions		
1. Discount rate	7.49%	7.27%
2. Expected rate of return on plan assets	N.A.	N.A.
3. Salary Increase Rate	4.00%	4.00%
4. Rate of Employee Turnover	2.00%	2.00%
5. Mortality Rate During Employment	Indian Assured Lives Mortality (2012-14)(Urban)	Indian Assured Lives Mortality (2012-14)(Ultimate)
6. Mortality Rate After Employment	N.A.	N.A.
VI. Other Details		
1. No of Active Members	206.00	191.00
2. Per Month Salary For Active Members	65.19	57.81
3. Weighted Average Duration of the Projected Benefit Obligation	8.00	6.00
4. Average Expected Future Service	16.00	15.00
5. Projected Benefit Obligation (PBO)	319.21	317.10
6. Prescribed Contribution For Next Year (12 Months)	-	-
VII. Net Interest Cost		
1. Interest Cost	23.91	23.05
2. Interest Income	-	-
3. Net Interest Cost (1-2)	23.91	23.05

Maturity Analysis of Projected Benefit Obligation: From the Employer

Particular	March 31, 2024	March 31, 2023
Projected Benefits Payable in Future Years From the Date of Reporting		
1st Following Year	35.78	36.99
2nd Following Year	26.42	22.89
3rd Following Year	30.34	21.42
4th Following Year	59.50	39.34
5th Following Year	29.49	46.30
Sum of Year 6 To 10	206.38	137.76
Sum of Year 11 and Above	-	294.32

Sensitivity Analysis

Projected Benefit Obligation on Current Assumptions	392.86	319.21
Delta Effect of +1% Change in Rate of Discounting	(31.88)	(19.58)
Delta Effect of -1% Change in Rate of Discounting	22.02	22.19
Delta Effect of +1% Change in Rate of Salary Increase	15.79	17.62
Delta Effect of -1% Change in Rate of Salary Increase	(27.96)	(15.77)
Delta Effect of +1% Change in Rate of Employee Turnover	1.73	7.46
Delta Effect of -1% Change in Rate of Employee Turnover	(16.01)	(8.24)



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Notes forming part of the standalone financial statements for the year ended 31st March 2024

Note 30 : Corporate Social Responsibility

As required under Section 135 of the Companies Act, 2013, the Board of the Holding Company in its meetings held on 19th October, 2018 has constituted a Corporate Social Responsibility Committee (CSR Committee).

The Board of Directors of the Holding Company has approved the CSR policy based on the recommendation of the CSR Committee and is in the process of identifying the activities for CSR spends.

Particular	Rs. in Lakhs
(a) Amount remaining unspent from previous years to be spent by the company	218.19
(b) Gross amount required to be spent by the company during the year	19.10
(c) Amount spent during the year	50.00
(d) Excess amount spent during the year	30.90
(e) Amount carried forward and available for set off during the year	30.90
(f) Balance amount remaining unspent at the end of the year for previous years	218.19

Reasons for not spending the amount

The Company had undertaken a major expansion project which entailed a significant capital outlay over the past three years. Accordingly, majority of the Company's limited resources were utilized during this period towards the completion of the expansion project & towards the day to day operations of the Company.

However, the unprecedented Covid-19 pandemic, severely affected the market conditions globally which put tremendous strain on the working capital requirements and resulted in a financial squeeze on the operating margins of the Company.

During the current financial year, the company has completed a significant portion of its expansion. This coupled with an improvement in the global market conditions will help reduce the strain on the finances of the Company in the subsequent year which in turn will enable the Company to meet its past obligations with regards to Corporate Social Responsibility.

The Company has already spent the necessary amount towards Corporate Social Responsibility expenditure for the financial year ended 31st March, 2024 which was required to be spent in compliance with the provisions of Section 135 of the Companies Act, 2023. The Company shall strongly endeavour to meet its past CSR spending obligations by transferring the amount of Rs. 218.19 Lakhs to the funds prescribed under Schedule VII of the Companies Act at the earliest possible.

Note 31 : Contingent liabilities and commitments (to the extent not provided for)

Particular	March 31, 2024	March 31, 2023
(i) Contingent liabilities :		
(a) Contingent Liabilities for (Net of amount paid against the demand) :		-
- Income Tax Act 1961 (F.Y. 2013-14)	0.55	0.55
- Employees Provident Fund and Miscellaneous Provisions Act 1952#	-	58.77
- Employees Provident Fund and Miscellaneous Provisions Act 1952#	4.72	4.72

#The Company is subject to legal proceedings and claims which have arisen in the ordinary course of business from Direct tax laws(TDS), Indirect tax laws and Other Laws. Future cash outflow, if any in respect of these matters are determinable only on receipt of judgements /decisions pending at various stages before the appellate authorities. The Management is of the opinion that the matters would be resolved in favour of the Company. The Company Management does not reasonable expect that these legal action when ultimately concluded and determined would have a material and adverse effect on the Company's result of operations or financial condition.

(ii) The erstwhile subsidiary, Spidigo Net Private Limited, which merged with the Company during the current financial year (Refer Note No. 49) had received Demand notice u/s 14B under Employees Provident Funds and Miscellaneous Provisions Act, 1952 from the period 01/04/2016 to 31/05/2019 for Rs 16.98 Lakhs. Demand of Rs 16.98 Lakhs consist of followings:		
Particulars	(Rs. in Lakhs)	
Amount of Damages	11.28	
Amount of Interest	5.70	
Total	16.98	
Against the said demand, the subsidiary Company had paid Rs. 6.50 lakhs & preferred an appeal before the Central Government Industrial Tribunal & obtained a stay against recovery of the the balance amount.		
(iii) Commitments :		
Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of advance)	1,007.65	476.92



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Note 32**A. Value of imports calculated on CIF basis**

Particular	March 31, 2024	March 31, 2023
Raw Material, Stores and Components	861.04	869.70
Capital goods	-	-
Total	861.04	869.70

B. Expenditure in foreign currency

Particular	March 31, 2024	March 31, 2023
Other matters - Foreign travel, Corporate allocations etc.	38.63	32.28
Services Availed	12.49	42.65
Total	51.12	74.93

C. Earnings in Foreign Currency :

Particular	March 31, 2024	March 31, 2023
Export Revenue (FOB Value)	6,783.40	7,510.83
Total	6,783.40	7,510.83

* Includes revenue from related parties amounting to Rs. 2,657.30 (P.Y. Rs. 1,875.01)

Note 33**Transfer Pricing**

The Company has 'international transactions with associated enterprises' which are subject to Transfer Pricing regulations in India. These regulations, inter alia, require the maintenance of prescribed documents and information for the basis of establishing arm's length price including furnishing a report from an Accountant within the due date of filing the return of income.

For the fiscal year ended March 31, 2024, the Company has taken necessary steps including conducting a study as required by the regulations and the Accountant's report in this regard is awaited. In the opinion of the management, the transactions are carried out at arm's length and no adjustments is expected to arise thereon.

Note 34**Segment Reporting**

In accordance with Ind AS 108, "Operating Segments", the Company has presented segment information on the basis of consolidated financial statements which form part of this report.

Note 35**Borrowing Cost**

During the year, the Company has capitalized Rs. 566.70 (P.Y. Rs. 799.31) as part of cost of qualifying CWIP as borrowing costs.



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Notes forming part of the standalone financial statements for the year ended 31st March 2024

Note 36 : Significant estimates and assumptions

Estimates and Assumptions

The preparation of the Company's financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes will be reflected in the assumptions when they occur.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or Cash Generating Unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amounts sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Defined Benefit Plans (Gratuity Benefits)

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Details about gratuity obligations are given in Note 29.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, the fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value target and the discount factor.

The Company has valued its financial instruments through profit & loss which involves significant judgements and estimates such as cash flows for the period for which the instrument is valid, EBITDA of investee company, fair value of share price of the investee company on meeting certain requirements as per the agreement, etc. The determination of the fair value is based on expected discounted cash flows. The key assumptions take into consideration the probability of meeting each performance target and the discount factor.



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Notes forming part of the standalone financial statements for the year ended 31st March 2024

Note 37: Related Party Transaction

I) List of related parties

(A) Holding Company	Manekchand Panachand Trading Investment Co. Private Limited
(B) Subsidiary Companies	Anuchem B.V.B.A. Belgium
(C) Fellow Subsidiary Company	Fun Gateway Arena Private Limited

(D) Key Management Personnel & Board of Directors

i) Shri. Asit D. Javeri	Executive Chairman
ii) Shri. Anhishek A Javeri	Managing Director
iii) Smt. Seema A Javeri	Executive Director (Administration)
iv) Shri. Priyam S Jhaveri	Independent Director
v) Shri. Pradeep N Desai	Independent Director
vi) Shri. Amit M Mehta	Independent Director (Resigned w.e.f. 19th October, 2023)
vii) Smt. Ayesha S Patel	Independent Director
viii) Shri. Nitin R Jani	Company Secretary
ix) Shri. Rakesh Kothari	Chief Financial Officer (Appointed on 02.05.2022)

(E) Associate Concerns / Companies under control / Significant influence of Key Managerial Personnel or the members of the Board of Directors

- i) Lifestyle Networks Limited
- ii) Mirosa Marine Private Limited (Formerly known as DHPL Marine Private Limited)
- iii) Pthalo Color & Chemicals (India) Limited
- iv) Nanavati Speciality Chemicals Private Limited
- v) Nanavati Sons Private Limited
- vi) Phthalo Pigments Private Limited
- vii) Aayan Nanotech Private Limited
- viii) Tanishka Microencapsulation Private Limited
- ix) Trivo Enterprise LLP
- x) Finogra (India) Private Limited
- xi) S.Amit Speciality Chemicals Private Limited
- xii) Perfo Chem (India) Private Limited
- xiii) S Amit & Co
- xiv) Chem Amit
- xv) Hi End Property Developers LLP
- xvi) Reaxa Chemistry Solutions LLP
- xvii) HG Partners LLP



Sadhana Nitro Chem Limited
Notes forming part of the standalone financial statements for the year ended 31st March 2024

II) Disclosure in respect of material related party transactions during the year.

(Amount Rs. In Lakhs)

	Particular	March 31, 2024	March 31, 2023
(A)	Remuneration paid / payable		
	i) Shri. Asit D Javeri	168.00	168.00
	ii) Shri. Abhishek A Javeri	168.00	168.00
	iii) Smt. Seema A Javeri	168.00	168.00
	iv) Shri Nitin R Jani	130.59	124.27
	v) Shri. Rakesh Kothari	113.67	57.21
(B)	Interest Paid		
	i) Manekchand Panachand Trading Investment Co. Pvt. Ltd.	129.94	6.49
	ii) Shri. Asit D Javeri	274.80	77.14
	iii) Shri. Abhishek A Javeri	161.41	7.71
	iv) Smt. Seema A Javeri	12.01	28.09
	v) Nanavati Sons Pvt Ltd	-	1.47
(C)	Revenue from sale of goods		
	i) Anuchem B.V.B.A. Belgium	3,098.43	1,983.43
	ii) Aayan Nanotech Private Limited	80.85	176.40
	iii) Lifestyle Networks Ltd	-	0.56
(D)	Purchase Of goods / Capital goods		
	i) Aayan Nanotech Private Limited	629.00	864.50
	ii) Anuchem BVBA Belgium	9.83	-
(E)	Interest received / receivable		
	i) Nanavati Sons Pvt Ltd	0.46	0.53
(F)	Director Sitting Fees		
	i) Shri. Priyam S Jhaveri	0.98	1.22
	iii) Shri. Pradeep N Desai	0.42	1.10
	iv) Shri. Amit M Mehta	-	0.20
	v) Smt. Ayesha Patel	0.92	0.60
(G)	Business Support Services Provided to		
	i) Manekchand Panachand Trading Investment Co. Pvt. Ltd. -	60.00	-
(H)	Guarantee Commission Paid		
	i) Manekchand Panachand Trading Investment Co. Pvt. Ltd.	156.41	-
(I)	Loan / Advances repayment received during the year		
	i) Nanavati Sons Pvt Ltd	50.00	100.00
(J)	Loan Repaid During the Year		
	i) Shri. Asit D Javeri	356.63	600.23
	ii) Nanavati Sons Pvt. Ltd.	-	15.00
	iii) Manekchand Panachand Trading Investment Co. Pvt. Ltd.	483.15	65.50
	iv) Shri. Abhishek A Javeri	-	226.00
	v) Smt. Seema A Javeri	-	204.00
(K)	Loans received during the year		
	i) Shri. Asit D Javeri	5,305.00	398.00
	ii) Shri. Abhishek A Javeri	2,755.00	233.00
	iii) Smt. Seema A Javeri	-	95.00
	iv) Manekchand Panachand Trading Investment Co. Pvt. Ltd.	1,548.55	165.00
	v) Nanavati Sons Pvt. Ltd.	-	150.00



Sadhana Nitro Chem Limited
Notes forming part of the standalone financial statements for the year ended 31st March 2024

(L)	Closing Balances - Debit/(Credit)		
	i) Shri. Asit D Javeri	(5,644.35)	(312.22)
	ii) Shri. Abhishek A Javeri	(2,998.43)	(82.02)
	iii) Smt. Seema A Javeri	(193.80)	(261.54)
	iv) Anuchem B.V.B.A. Belgium	3,579.05	2,583.15
	v) Lifestyle Networks Limited	-	1.28
	vi) Aayan Nanotech Private Limited	216.45	927.46
	vii) Manekchand Panachand Trading Investment Co. Pvt. Ltd.	(1,412.71)	(124.42)
(M)	The Holding Company, Manekchand Panachand Trading Investment Co. Pvt. Ltd, along with the Executive Chairman, Mr. Asit D Javeri and the Managing Director, Mr. Abhishek A Javeri have given corporate & personal guarantees respectively towards loans obtained by the Company amounting to Rs. 15,641.08 Lakhs (P.Y. Rs. 11,346.11 Lakhs)		

Note 38 : Income Tax

(Amount Rs. In Lakhs)

Tax Expenses	March 31, 2024	March 31, 2023
Recognised in the statement of profit & loss		
Current tax	334.69	89.82
Deferred tax	68.03	158.39
	402.72	248.21
Recognised in other comprehensive income		
Current tax	0.31	3.78
Deferred tax	0.78	7.44
	1.09	11.22
Total Taxes		
Current tax	335.00	93.60
Deferred tax	68.81	165.82
	403.81	259.42
The income tax expense for the year can be reconciled to the accounting profit		
	For the year ended March 31, 2024	For the year ended March 31, 2023
(Loss) / Profit before tax	1,611.03	705.70
Statutory income tax rate	0.25	0.25
Tax expenses	405.46	177.61
Effect of :		
Expenses disallowed for tax purposes	23.81	73.59
Non-taxable income	(10.16)	-
Income taxed at different rate	(1.94)	2.20
Others	(13.37)	6.03
	(1.66)	81.81
Total Tax Expenses	403.81	259.42



Sadhana Nitro Chem Limited
Notes forming part of the standalone financial statements for the year ended 31st March 2024

Note 39 : Fair Value Measurement**(a) Financial Instrument by category**

Tax Expenses	March 31, 2024	March 31, 2023
Measured at Amortised Cost		
- Trade Receivables	14,571.44	8,006.68
- Cash and Cash Equivalents	6.23	109.23
- Bank Balance other than Cash and Cash Equivalents	773.23	763.10
- Other Financial Assets	522.35	685.80
- Loans	102.54	331.38
Measured at Fair Value through Profit & Loss	-	-
Measured at Fair Value through other comprehensive income		
- Investment - Non-current	7.72	7.72
- Investment - Current	587.10	576.56
Financial Liabilities		
Measured at Amortised Cost		
- Trade Payables	3,146.91	3,314.92
- Other Financial Liabilities	1,923.12	1,182.44
- Borrowings	22,072.74	13,185.82
- Lease Liability	1,190.95	689.80

(b) Fair Value Hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consist of the following three levels :

Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs are other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3 - Inputs are not based on observable market data (unobservable inputs). Fair value are determined in whole or in part using a valuation model based on assumption that are neither supported by prices from observable current market transaction in the same instrument nor are they based on available market data.

The Investments included in level 3 of fair value heirachy have been valued using the cost approach to arrive at their fair value. The cost of unquoted investments approximate the fair value because there is a wide range of possible fair value measurements and the cost represents estimate of fair value within the range.

The Following table summarises fair value hierarchy of financial assets measured at fair value on recurring basis

As at March 31, 2024	Level 1	Level 2	Level 3
Measured at Fair Value through Profit & Loss			
Measured at Fair Value through other comprehensive income			
- Investment - Non-current	-		7.72
- Investment - Current	587.10		-
As at March 31, 2023	Level 1	Level 2	Level 3
Measured at Fair Value through Profit & Loss			
Measured at Fair Value through other comprehensive income			
- Investment - Non-current	-		7.72
- Investment - Current	576.56		-

Note 40: Details of Benami Property held

No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder during the year.



Sadhana Nitro Chem Limited
Notes forming part of the standalone financial statements for the year ended 31st March 2024

Note 41: Wilful Defaulter

The Company has not been declared wilful defaulter by any bank or financial institution or any other lender during the year.

Note 42: Relationship with Struck Off Companies

The Company does not have any transactions or balances with the companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the year and the previous year.

Note 43: Registration of Charges or satisfaction with Registrar of Companies (ROC)

During the year, there are no instances of any registration, modification or satisfaction of charges which are pending for registration, modification or satisfaction with Registrar of Companies (ROC) beyond the statutory period.

Note 44: Compliance with number of layers of companies

The Company is in compliance with the relevant provisions of the Companies Act, 2013 with respect to the number of layers prescribed under clause (87) of Section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017.

Note 45: Utilisation of Borrowed Funds and Share Premium under Rule 11(e)

No funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries").

No funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties").

Note 46:

The Company does not have any transactions not recorded in books of accounts that has been surrendered or disclosed as income during the year and previous year in the tax assessments under the Income Tax Act, 1961.

Note 47:

The Company has not traded or invested in any crypto currency or virtual currency during the year and previous year.

Note 48 :

There has been no fraud by the Company or on the Company during the year and previous year.

Note 49 :

There is no scheme of arrangement approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 during the year and hence, no disclosures are required to be made by the Company in these financial statements for the year ended 31st March, 2024

Note 50: Dividend**Dividend paid during the year**

Dividends paid during the year ended March 31, 2024 include an amount of Rs 0.15 per equity share towards final dividend for the year ended March 31, 2023. Dividends paid during the year ended March 31, 2023 include an amount of Rs. 0.15 per equity share towards final dividend for the year ended March 31, 2022.



Sadhana Nitro Chem Limited
Notes forming part of the standalone financial statements for the year ended 31st March 2023

Dividend declared

Dividends declared by the Company are based on the profits available for distribution. The Board of Directors have proposed a final dividend of 15% i.e. Rs. 0.15 (Previous year Rs. 0.15) per equity share amounting to Rs. 370.59 for the year 2023-24 (Previous year Rs. 303.21) after the balance sheet date, subject to the approval of shareholders at the ensuing Annual General Meeting of the Company and therefore, the proposed final dividend has not been recognised as the liability as at the balance sheet date in line with Ind AS 10 on 'Events after the reporting period'.

Note 51: Rounding of Amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

Note 52: Borrowings from banks for Credit Facility

There is no material or significant deviation in the quarterly returns or statements of current assets filed by the Company with the banks or financial institutions vis-à-vis the books of accounts for the year. The deviations, if any, have been intimated by the Company to the banks or financial institutions, wherever necessary.

Name of the Bank	Citibank NA			
	Quarter Ended	June 30, 2023	September 30, 2023	December 31, 2023
Particulars of Securities Provided	First Paripassu charge on stock & book debts and plant & machinery and factory land & building. Exclusive charge on debt mutual funds of 55 million			
Amount as per Books of Accounts (in Rs. Lakhs)	9,394.26	9,381.46	9,692.05	8,990.42
Amount as reported in the quarterly return/ statement (in Rs. Lakhs)	9,395.10	9,379.30	9,693.66	8,990.42
Amount of difference	(0.84)	2.15	(1.62)	(0.00)
Reason for material discrepancies	Refer Note (ii) below			

Name of the Bank	ICICI Bank			
	Quarter Ended	June 30, 2023	September 30, 2023	December 31, 2023
Particulars of Securities Provided	First Paripassu charge on immovable & movable fixed asset and current assets of the Company			
Amount as per Books of Accounts (in Rs. Lakhs)	10,114.40	10,091.71	10,407.42	9,714.91
Amount as reported in the quarterly return/ statement (in Rs. Lakhs)	10115.20	10,089.55	10,409.04	9,714.90
Amount of difference	(0.80)	2.15	(1.62)	(0.00)
Reason for material discrepancies	Refer Note (ii) below			

- (i) The stock statements submitted to ICICI bank includes stock of store spares which are not included in the stock statement of Citibank due to the difference in the definition of Inventories as prescribed by the respective banks.
- (ii) The above difference are due to the fact that the valuation of inventory of raw material, work in progress & finished goods submitted to the banks were based on the approximation / previous quarter's costing figures as the same were due for submission to banks within a fortnight of month closing, whereas in the books of accounts the valuation was done using the actual costing as at the quarter ending. The differences arisen due to these are not material.

Note 53: Events Occuring after the balance sheet date

No adjusting or significant non-adjusting events have occurred between the reporting date and date of authorization.

Note 54: Previous Year Figures

Previous year's figures have been regrouped, rearranged & reclassified where ever considered necessary.



Sadhana Nitro Chem Limited
Notes forming part of the standalone financial statements for the year ended 31st March 2024

Note 55: Financial Ratios

(Amount Rs. In Lakhs)

Sr No	Particulars	Numerator	Denominator	2023-24	2022-23	Variance %	Explanation for Variance
1	Current Ratio = Current Assets / Current Liabilities	26,845	15,604	1.72	1.77	-2.91%	
2	Debt-Equity Ratio = Total Debt / Shareholder's Equity	22,073	23,229	0.95	0.58	64.70%	The Company is into expansion phase for increasing the capacity of existing plants and going for backward integration for which company has raised its debt which is mostly from the promoters itself.
3	Debt Service Coverage Ratio = NPAT + Non-Cash Exp + Depr. + Int. / Debt Service	3,031	5,265	0.58	0.64	-9.42%	
4	Return on Equity Ratio = NPAT - Pref. Dividend / Avg. Shareholder's Equity	741	23,042	3.21%	2.33%	37.70%	During the year, the Company has earned higher margins on its orders which has resulted in improved profitability and a resultant increase in the Return on Equity Ratio.
5	Inventory Turnover Ratio = Cost of Goods Sold / Avg. Inventory	10,549	10,186	1.04	0.89	15.75%	
6	Trade Payable Turnover Ratio = Credit Purchase / Avg. Trade Payable	7,510	3,231	2.32	2.48	-6.11%	
7	Trade Receivable Turnover Ratio = Credit Sales / Avg. Receivable	18,885	11,289	1.67	2.43	-31.13%	During the year, the proportion of sales of the Company in the local market has increased significantly. The credit cycle in the local market is higher than that in the exports and accordingly the trade receivable turnover ratio has reduced during the year.
8	Net Capital Turnover Ratio = Net Sales / Avg. Working Capital	18,885	10,538	1.79	2.06	-13.20%	
9	Net Profit Ratio = Net Profit / Net Sales	741	18,885	3.92%	3.14%	24.76%	
10	Return on Capital Employed = EBIT / Capital Employed	3,207	44,990	7.13%	3.92%	81.76%	During the year, the Company has earned higher margins on its orders which has resulted in improved profitability and generated better returns resulting in an increase in the Return on Capital Employed Ratio.
11	Return on Investment = Income generated from investments / Average Investments	46	582	7.98%	5.73%	39.34%	The company had redeemed some of its investments which during the previous year. This resulted in lower base for the average investments. Combined with the general improvement in market returns, the Return on Investment ratio has improved during the year.

For Jayesh Dadia & Associates LLP
Chartered Accountants
Firm Registration Number : 121142W/W100122

For and on behalf of the Board of Directors

Asit D Javeri
Executive Chairman

Priyam S Jhaveri
Director

Jayesh Dadia
Partner
Membership Number : 033973

Abhishek A Javeri
Managing Director

Rakesh Kothari
Chief Financial Officer

Smt. Seema A Javeri
Executive Director-
Administration

Nitin R Jani
Company Secretary

Place : Mumbai
Date : 17th May 2024



INDEPENDENT AUDITORS' REPORT

To the Members of Sadhana Nitro Chem Limited

Report on the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Sadhana Nitro Chem Limited (hereinafter referred to as the 'Company' or 'Holding Company') and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), which comprise the consolidated balance sheet as at 31st March, 2024, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiary as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2024, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAS) specified under Section 143(10) of the Act. Our responsibilities under those SAS are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained by us and the audit evidence obtained by other auditors in thereon in terms of their report referred to in other matters section below is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The Key Audit Matter	How the matter was addressed in our audit
Recognition, Measurement, Presentation and disclosures of lease transactions in accordance with Ind-As 116 "Leases"	
<p>As described in note no. 2.5 to the consolidated financial statements, the Holding Company has adopted IND AS 116 Leases (Ind-AS 116) for accounting its lease transactions. The application of this accounting standard is an area of focus in our audit since the holding company has taken various premises and items of property, plant & equipment under lease arrangements with different contract terms.</p> <p>Ind-As 116 introduced a new lease accounting model, wherein a lessee is required to recognize a right-of-use (ROU) asset and a lease liability arising from a lease on the balance sheet. The lease liabilities are initially measured by discounting future lease payment during the lease term as per the contract/ arrangement. Adoption of the standard involves significant judgement & estimates including</p>	<p>Our audit procedures on compliance with IndAs 116 include:</p> <ul style="list-style-type: none"> Assessed the Holding Company's evaluation on the identification of leases based on the contractual agreements; Assessed the reasonableness of the discount rates applied in determining the lease liabilities. Tested completeness of the lease data by reconciling the Holding Company's operating lease commitments to data used in computing ROU asset and the lease liabilities. Assessed and tested the presentation and disclosures relating to Ind-As 116 including disclosures relating to transactions.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including



Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholders information, but does not include the consolidated financial statements and our auditors' report thereon. The Holding Company's Annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit reports of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management & Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group is responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(f) of the Act, we are also responsible for expressing our opinion on whether the Holding Company and such companies incorporated in India which are its subsidiary companies have adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related



disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group (Company and its subsidiary) to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- (a) We did not audit the financial statements of one wholly owned subsidiary, located outside India, included in these consolidated financial statements of the Group. This subsidiary accounts for total assets of Rs. 2,729.79 Lakhs as at 31st March, 2024, total revenue of Rs. 3,227.53 Lakhs and a net loss after amounting to Rs. 86.78 Lakhs for the year ended on that date. These financial statements have been audited for the calendar year ended 31st December, 2023 by other auditors whose reports have been furnished to us by the Holding Company's management. Further the accounts of the subsidiary have been drawn upto 31st March, 2024 and have been approved by the management and not subjected to audit.

This subsidiary is located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's Management has converted the financial statements of such subsidiary located outside India from accounting principles generally accepted in its respective country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's Management.

Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures



included in respect of this subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the audit reports of other auditors for the calendar year ended 31st December, 2023 and management accounts drawn upto 31st March, 2024.

Our opinion on the consolidated financial statements is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiary as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors except for the matters stated in the paragraph 2(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit & Auditors) Rule, 2014.
 - c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2024 taken on record by the Board of Directors of the Holding Company, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. The modifications relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
 - g. With respect to the adequacy of internal financial Controls with reference to the Consolidated Financial Statements which include a subsidiary company incorporated outside India (to whom reporting on internal financial control is not applicable), and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
 - h. With respect to the matter to be included in the Auditor's Report under section 197(16) of the Act: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of Section 197 read with Schedule V of the Act. The remuneration paid to any director is not in excess of the limits laid down under Section 197 read with Schedule V of the Act.
 - i. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiary, as noted in the 'Other Matters' paragraph:
 - i. The consolidated financial statements disclose the impact of pending litigations as at 31st March, 2024 on the consolidated financial position of the Group. Refer Note No. 30 to the consolidated financial statements.
 - ii. The Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.



- iii. There has not been any occasion in case of the Group during the year under report to transfer any sums to the Investor Education and Protection Fund. Therefore, the question of delay in transferring such sums does not arise.
- iv. (a) The Management of the Holding Company has represented that, to the best of its knowledge and belief, as disclosed in the note no. 40 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Holding Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The Management of the Holding Company has represented, that, to the best of its knowledge and belief, as disclosed in the note no. 40 to the consolidated financial statements, no funds have been received by the Holding Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (i) and (ii) of Rule II(e), as provided under (a) & (b) above, contain any material misstatement.
- (v) As stated in Note no. 48 to the consolidated financial statements:
- (a) The final dividend proposed in the previous year, declared & paid by the Holding Company during the year is in accordance with Section 123 of the Act, to the extent it applies to payment of dividend.
- (b) The Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with Section 123 of the Act, to the extent it applies to declaration of dividend.
- (vi) The reporting under Rule II(g) of the Companies (Audit and Auditors) Rules, 2014 is applicable from 1 April 2023

Based on our examination which included test checks, except for the instances as mentioned below, the companies in the Group, incorporated in India, have used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software.

- (a) The feature of recording audit trail (edit log) facility was not enabled in the accounting software for the period from 1st April, 2023 to 15th June, 2023.

Further, for the periods after the audit trail (edit log) facility was enabled and operated throughout the year for the accounting software, during the course of our audit, we did not come across any instance of audit trail feature being tampered with once it was implemented.

For Jayesh Dadia & Associates LLP
Chartered Accountants
Firm's Registration No. 121142W/W100122

Jayesh Dadia
Partner
Membership No. 033973
Place of Signature: Mumbai
Date: 17th May, 2024
UDIN: 24033973BKCEKS5996



ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT on the consolidated Financial Statements of Sadhana Nitro Chem Limited for the year ended 31st March, 2024

(Referred to in Paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(xxi) In our opinion and according to the information and explanation given to us, following companies incorporated in India and included in the consolidated financial statements, have unfavorable remarks given by the respective auditors in their reports under the companies (Auditor's Report) Order, 2020 (CARO)

Sr. No.	Name of the entities	CIN	Holding Company / Subsidiary/ JV/ Associate	Clause number of the CARO report which is unfavourable or qualified or adverse
1	Sadhana Nitrochem Limited	L24110MH1973PLC016698	Holding Company	Clause vii(b) &

For Jayesh Dadia & Associates LLP
Chartered Accountants
Firm's Registration No. 121142W/W100122

Jayesh Dadia
Partner
Membership No. 033973
Place of Signature: Mumbai
Date: 17th May, 2024
UDIN: 24033973BKCEKS5996



ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") referred to in paragraph 1 (f) on Report on Other Legal and Regulatory Requirements of our report

Opinion

We have audited the internal financial controls over financial reporting of Sadhana Nitro Chem Limited (hereinafter referred to as the "Company/" or "Holding Company") as at 31st March, 2024 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

In our opinion, to the best of our information and according to the explanations given to us, holding company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2024, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the holding company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the holding company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the holding company.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For Jayesh Dadia & Associates LLP
Chartered Accountants
Firm's Registration No. 121142W/W100122

Jayesh Dadia
Partner
Membership No. 033973
Place of Signature: Mumbai
Date: 17th May, 2024
UDIN: 24033973BKCEKS5996



Sadhana Nitro Chem Limited				
Consolidated Balance Sheet as at 31st March, 2024				
(Amount in Rs. Lakhs)				
	Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
A	ASSETS			
I	Non-current assets			
	(a) Property, Plant and Equipment	3	15,190.86	14,334.26
	(b) Intangible Assets	3	397.02	38.50
	(c) Capital work-in-progress	3	5,309.83	2,449.54
	(d) Intangible Assets under developments	3	-	400.55
	(e) Financial Assets			
	(i) Investments	4	-	-
	(ii) Other financial assets	6	391.06	283.84
	(f) Other non current assets	8	5,438.25	2,731.68
	Total Non-current assets		26,727.01	20,238.38
II	Current assets			
	(a) Inventories	9	11472.39	11585.95
	(b) Financial Assets			
	(i) Investments	4	587.10	576.56
	(ii) Trade receivables	10	12622.91	6556.01
	(iii) Cash and cash equivalents	11	18.13	132.92
	(iv) Bank Balances other than (iii) above	12	773.23	763.10
	(v) Loans & Advances	5	102.54	331.38
	(vi) Other financial assets	6	131.29	483.64
	(c) Income Tax Asset		-	469.44
	(d) Other current assets	8	754.15	1472.60
	Total Current Assets		26,461.75	22371.60
	TOTAL		53,188.76	42,609.97
B	EQUITY AND LIABILITIES			
I	Equity			
	(a) Equity Share capital	13	2,470.58	2,021.39
	(b) Other Equity	14	20,188.70	20,586.60
	Total Equity		22,659.28	22,607.99
II	Liabilities			
	Non-current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	15	12,893.97	5,977.40
	(ia) Lease Liabilities	16	688.31	247.96
	(b) Provisions	17	567.47	474.43
	(c) Deferred Tax Liabilities	7	596.58	527.77
	Total Non current liabilities		14,746.32	7,227.56
III	Current liabilities			
	(a) Financial Liabilities			
	(i) Borrowings	15	9,178.77	7208.42
	(ia) Lease Liabilities	16	502.64	441.85
	(ii) Trade payables	18		
	(a) Due to micro & small enterprises		152.12	206.53
	(b) Due to other than micro & small enterprises		3,172.56	3140.99
	(iii) Other financial liabilities	19	1,923.12	1182.44
	(b) Provisions	17	50.21	74.61
	(c) Income Tax Liabilities		234.43	-
	(d) Other current liabilities	20	569.31	519.60
	Total Current liabilities		15,783.15	12,774.43
	TOTAL		53,188.76	42,609.97

The accompanying notes are an integral part of the Consolidated financials statement (refere Notes 1-51)
As per our report of even date attached

For Jayesh Dadia & Associates LLP
Chartered Accountants
Firm Registration Number : 121142W/W100122

Jayesh Dadia
Partner
Membership Number : 033973

Place : Mumbai
Date : 17th May, 2024

For and on behalf of the Board of Directors

Asit D Javeri
Executive Chairman

Abhishek A Javeri
Managing Director

Smt. Seema A Javeri
Executive Director
Administration

Priyam S Jhaveri
Director

Rakesh Kothari
Chief Financial Officer

Nitin R Jani
Company Secretary



Sadhana Nitro Chem Limited
Statement of Consolidated Profit and loss for the year ended 31st March 2024

(Amount in Rs. Lakhs)

	Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
(I)	INCOME			
	Revenue from operations	21	19,004.73	14,333.47
	Other Income	22	395.97	179.22
	Total Income		19,400.69	14,512.69
(II)	Expenses			
	Cost of raw materials & packing materials consumed	23	7,937.74	8,078.11
	Changes in inventories of finished goods and work-in-progress	23	527.35	(1,072.99)
	Employee benefits expense	24	2,242.11	1,719.82
	Finance costs	25	1,728.81	976.11
	Depreciation and amortization Expenses	3	1,491.17	760.50
	Other expenses	26	4,190.69	3,486.04
	Total expenses		18,117.88	13,947.59
(III)	Profit before exceptional items and tax		1,282.81	565.10
	Exceptional Items		-	-
(IV)	Profit Before Tax		1,282.81	565.10
(V)	Tax expense:			
	Current tax		336.05	89.83
	Prior period short / (excess) provision of tax		470.56	(0.93)
	Deferred tax		68.03	158.39
	Total Tax Expense		874.64	247.28
(VI)	Profit for the year		408.17	317.82
(VII)	Other Comprehensive Income/(Expense) (net off tax)			
	<u>(i) Items that will not be re-classified subsequently to profit or loss</u>		-	-
	Re-measurement on defined benefit plans		(27.69)	9.40
	Change in Fair value of Current Investments through other comprehensive income		30.02	12.72
	Realised gains on Investments classified as FVOCI		1.77	12.25
(VIII)	Total Other Comprehensive Income		4.10	34.36
(IX)	Total Comprehensive Income		412.27	352.18
(X)	Earnings per equity share (Rs)	28		
	(1) Basic EPS [Face Value Rs. 1 Per Share (P.Y Rs. 1 Per Share)]		0.17	0.13
	(2) Diluted EPS [Face Value Rs. 1 Per Share (P.Y Rs. 1 Per Share)]		0.17	0.13

The accompanying notes are an integral part of the Consolidated financials statement (refer Notes 1-49)

As per our report of even date attached

For Jayesh Dadia & Associates LLP
Chartered Accountants
Firm Registration Number :121142W/W100122

Jayesh Dadia
Partner
Membership Number : 033973

Place : Mumbai
Date : 17th May, 2024

For and on behalf of the Board of Directors

Asit D Javeri
Executive Chairman

Abhishek A Javeri
Managing Director

Smt. Seema A Javeri
Executive Director
Administration

Priyam S Jhaveri
Director

Rakesh Kothari
Chief Financial Officer

Nitin R Jani
Company Secretary



Sadhana Nitro Chem Limited
Consolidated Statement of Cash Flows for the year ended 31st March 2024

(Amount in Rs. Lakhs)

Particulars	for the period ended March 31, 2024		for the period ended March 31, 2023	
A. Cash flow from operating activities				
Profit before tax		1,282.81		565.10
Adjustments for:				
Depreciation and amortisation expenses	1,491.17		760.50	
Interest on Lease Liability	80.95		96.37	
Interest expenses	1,598.43		694.32	
Interest Income	(71.52)		(74.76)	
Unrealised Foreign Exchange (Gain)/Loss	10.93		(17.81)	
(Gain) / Loss on Fair Valuation of Forward Contracts	(32.79)		60.30	
Sundry balance Written back	(214.60)		(23.30)	
Surplus / (Deficit) share in profit of subsidiary on audit of its accounts for the previous year	-		(0.04)	
Provision for Doubtful Debts/ Bad Debts	37.30		12.80	
Notional Interest & Rent on Deposits	(1.21)		(0.85)	
(Gain) / Loss on Fair Valuation of Lease Liability	10.47		(54.41)	
Sundry Balances Written off	11.68		36.82	
Profit on sale of Assets	(0.02)			
Reversal of Provision for diminution in value of investments	(5.08)		-	
		2,915.72		1,489.94
Operating profit / (loss) before working capital changes		4,198.53		2,055.04
Changes in working capital:				
Inventories	113.55		(1,522.10)	
Trade receivables	(6,044.42)		2,563.00	
Loans & Advances	(21.46)		10.68	
Other Current Assets & financial assets	934.12		(12.12)	
Trade Payables	178.96		(1,044.79)	
Other Liabilities	439.98		(15.21)	
Provisions	31.63		(74.04)	
		(4,367.65)		(5,330.57)
Cash generated from operations		(169.12)		(3,275.52)
A. Direct Taxes (Paid)		(103.05)		(506.00)
Net cash flow from / (used in) operating activities (A)		(272.17)		(3,781.53)
B. Cash flow from / (used in) investing activities				
Purchase Of Property, plant and equipment	(6,578.02)		(4,830.16)	
Proceeds from sale of fixed assets	0.04		-	
Redemption/(investment) in margin deposits	2.45		(572.01)	
Repayment received for loans given	-		-	
(Acquisition)/Sale of Investment(Net)	36.74		115.35	
Interest received	53.26		8.15	
		(6,485.54)		(5,278.67)
Net cash flow from / (used in) investing activities (B)		(6,485.54)		(5,278.67)
C. Cash flow from / (used in) financing activities				
Borrowings - Net of Repayment	6,916.56		2,517.50	
Short Term Borrowings -Net of Repayment	(552.68)		(1,132.75)	
Interest Paid	(1,260.61)		(583.44)	
Money received against share warrant	-		7,500.00	
Dividend paid including dividend distribution tax	(366.32)		(293.43)	
Funds raising Expense	-		(350.00)	
Payment towards lease liabilities	(585.63)		(493.96)	
		4,151.33		7,163.93
Net cash flow from / (used in) financing activities (C)		4,151.33		7,163.93
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		(2,606.38)		(1,896.27)
Cash and cash equivalents at the beginning of the year		(1,337.16)		559.10
Cash and cash equivalents at the end of the year		(3,943.55)		(1,337.16)



Sadhana Nitro Chem Limited
Consolidated Statement of Cash Flows for the year ended 31st March 2024

(Amount Rs. In Lakhs)

Particulars	for the period ended March 31, 2024	for the period ended March 31, 2023
Cash and Cash equivalent as per above comprises of the following		
Cash and cash equivalent as per Note 11		
- cash in hand	2.04	1.16
- Balances with Banks (on current accounts)	16.09	131.77
	18.13	132.92
- Bank overdraft / cash credit (Note 15)	(3,961.67)	(1,470.09)
Balance as per statement of cash flows	(3,943.55)	(1,337.16)
Figures in brackets represent outflows		

Notes :

- The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.
- Addition to property, plant and equipment include movements of capital work progress during the year.

As per our report of even date attached

For Jayesh Dadia & Associates LLP
Chartered Accountants

Firm Registration Number :121142W/W100122

Jayesh Dadia

Partner

Membership Number : 033973

Place : Mumbai

Date : 17th May, 2024

For and on behalf of the Board of Directors**Asit D Javeri**

Executive Chairman

Priyam S Jhaveri

Director

Abhishek A Javeri

Managing Director

Rakesh Kothari

Chief Financial Officer

Smt. Seema A Javeri

Executive Director

Administration

Nitin R Jani

Company Secretary

Sadhana Nitro Chem Limited
Consolidated Statement of Changes in Equity for the year ended 31st March, 2024

A)		Amount in Rs.Lakhs
Equity Share Capital		1,956.18
Balance As April 01, 2022		65.21
Issue of Equity shares on preferential basis (65,20,606 No of equity shares of Rs 1 Each)		2,021.39
Balance at March 31, 2023		449.20
Issue of Bonus Shares (4,49,19,719 of equity shares of Re 1 Each)		2,470.58
Balance at March 31, 2024		2,470.58

B)		(Amount in Rs. Lakhs)									
Particulars	Equity Share Capital Subscribed	General reserve	Capital Redemption Reserve	Capital reserve	Transition reserve	Securities Premium	Foreign Currency Translation Reserve	Retained earnings	Other Comprehensive Income	Other Equity	Total Equity
Balance as at April 1, 2022	1956.18	1333.30	34.10	2.49	884.49	-	-	9,290.91	15.92	14,061.21	16,017.39
Profit for the year	-	-	-	-	-	-	-	317.82	34.36	317.82	317.82
Other Comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	-	-	34.36	34.36
Total comprehensive income	-	-	-	-	-	-	-	317.82	34.36	352.18	352.18
Less: loss of Spidigo Net Spidigo Private Limited Observed on Merger	-	-	-	-	-	-	-	(636.23)	-	(636.23)	(636.23)
Less: Dividend Paid	-	-	-	-	-	-	-	(293.43)	-	(293.43)	(293.43)
Less: Fund Raise Expenses	-	-	-	-	-	-	-	(350.00)	-	(350.00)	(350.00)
Dividend declared by subsidiary	-	-	-	-	-	-	-	-	-	4.58	4.58
Proceeds from issue of Equity Shares	65.21	-	-	-	-	9,934.80	-	-	-	9,934.80	10,000.00
Less: Good will on Consolidation reserved on account of merger of subsidiary	-	-	-	-	-	-	13.49	-	-	(2500.00)	(2500.00)
Add/(Less) Foreign Currency Monetary item translation difference account	-	-	-	-	-	-	-	4.58	-	13.49	13.49
Add: Dividend declared by the Subsidiary	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 st March 2023	2,021.39	1,333.30	34.10	2.49	884.49	9,934.80	13.49	8,333.65	50.28	20,586.60	22,607.99

Sadhana Nitro Chem Limited
Consolidated Statement of Changes in Equity for the year ended 31st March, 2024

(Amount Rs. In Lakhs)

Particulars	b) Other Equity										Total Equity	
	a) Equity Share capital	Equity Share Capital Subscribed	General reserve	Capital Redemption Reserve	Capital reserve	Transition reserve	Securities Premium	Foreign Currency Translation Reserve	Retained earnings	Other Comprehensive Income		Other Equity
Balance as at April 1, 2023		2,021.39	1,333.30	34.10	2.49	884.49	9,934.80	13.49	8,333.65	50.28	20,586.60	22,607.99
Profit for the year		-	-	-	-	-	-	-	408.17	-	408.17	408.17
Other Comprehensive income for the year, net of income tax									-	4.10	4.10	4.10
Total comprehensive income									408.17	4.10	412.27	412.27
Less: Dividend Paid									370.59		370.59	370.59
Dividend Declared By Subsidiary									4.26		4.26	4.26
Proceeds from issue of Equity Shares												
Add: Issue Of Bonus Share		449.20	-	(34.10)	-	-	(415.10)				(449.20)	-
Add / (Less): Foreign Currency monetary item translation difference account								5.35				
Balance as at 31 st March 2023		2,470.58	1,333.30	-	2.49	884.49	9,519.70	18.84	8,375.50	54.37	20,188.70	22,659.28

For Jayesh Dadia & Associates LLP
Chartered Accountants
Firm Registration Number : 121142W/W100122

Jayesh Dadia
Partner
Membership Number : 033973

Place : Mumbai
Date : 17th May, 2024

For and on behalf of the Board of Directors

Asit D Javeri
Executive Chairman

Abhishek A Javeri
Managing Director

Smt. Seema A Javeri
Executive Director
Administration

Priyam S Jhaveri
Director

Rakesh Kothari
Chief Financial Officer

Nitin R Jani
Company Secretary



Sadhana Nitro Chem Limited
Notes forming part of Consolidated financial statements for 31st March, 2024

1. CORPORATE INFORMATION

1.1 Nature of Operations

Sadhana Nitro Chem Limited (the Parent Company) was incorporated on July 21, 1973. The Group 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 owned 61.91 % of the parent company's equity share capital. The parent company's shares are listed on the Bombay Stock Exchange (BSE). The consolidated financial statements comprises financials of the parent company and its subsidiaries (referred to collectively as "the Group")

1.2 Statement of Compliance

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013 (the "Act") and other relevant provisions of the Act. These consolidated financial statements have been prepared for the Group as a going concern on the basis of relevant Ind AS that are effective at the Company's annual report date, March 31, 2024 These consolidated financial statements were authorized for issuance by the Company's Board of Directors on 17th May, 2024

2. SIGNIFICANT ACCOUNTING POLICIES:

2.1 Basis of preparation and presentation

These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price which that would be received or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

2.2 Principles of Consolidation

- 2.2.1 Subsidiaries are entities controlled by the Parent Company. Control exists when the parent has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. The financial statements of the subsidiaries are included in the consolidated Ind AS financial statements from the date on which control commences until the date on which the control ceases
- 2.2.2 The consolidated Ind AS financial statements comprise of the financial statement of the Parent Company and its subsidiaries referred herein in Para 2.2.9 below. The financial statements of the Parent Company and its subsidiaries have been consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, incomes and expenses after eliminating intra-group balances, intra group transactions and unrealized profits resulting there from and are presented to the extent possible, in the same manner as the Group's independent financial statements
- 2.2.3 In case of foreign subsidiary, revenue items are converted at the average rates prevailing during the year. All assets and liabilities are converted at rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognized in the "Foreign Currency Translation Reserve".
- 2.2.4 The financial statements of the Parent Company and its subsidiaries have been consolidated using uniform accounting policies for like transactions and other events in similar circumstances. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. The financial statements of the subsidiaries used in consolidation are drawn up to the same reporting date as that of the Parent Company i.e., year ended March 31, 2024
- 2.2.5 Non-controlling interests (NCI) in the net assets of consolidated subsidiaries is identified and presented in the consolidated Balance Sheet separately within equity.
- 2.2.6 Non-controlling interests in the net assets of consolidated subsidiaries consists of:
- (a) The amount of equity attributable to non-controlling interests at the date on which investment in a subsidiary is made; and
 - (b) The non-controlling interests' share of movements in equity since the date parent subsidiary relationship came into existence.
 - (c) The profit and other comprehensive income attributable to non-controlling interests of subsidiaries are shown separately in the Statement of Profit and Loss and Statement of Changes in Equity.



2.2.7 Loss of Control

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognized in the Statement of Profit & Loss

2.2.8 Goodwill

Goodwill comprises the portion of the purchase price for an acquisition that exceeds the Group's share in the identifiable assets, with deduction for liabilities, calculated on the date of acquisition. Goodwill is deemed to have an indefinite useful life and is reported at the acquisition value with deduction for accumulated impairments. An impairment test of goodwill is conducted once every year or more often if there is an indication of a decrease in value. The impairment loss on goodwill is reported in the Statement of Profit & Loss.

2.2.9 The subsidiary companies/entities considered in the consolidated financial statements are:

- (a) Anuchem BVBA, Belgium - Wholly Owned Subsidiary

2.3 Use of estimate

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and differences between actual results and estimates are recognized in the periods in which the results are known/materialize.

Key source of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of Fair valuation of financial instruments, useful lives of property, plant and equipment, valuation of deferred tax Assets & liabilities and provisions and contingent liabilities.

Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

Valuation of deferred tax assets & Liabilities

The Company reviews the carrying amount of deferred tax assets & Liabilities at the end of each reporting period. The policy for the same has been explained under Note 2.10.

Provisions and contingent liabilities

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money (if the impact of discounting is significant) and the risks specific to the obligation. The increase in the provision due to unwinding of discount over passage of time is recognized as finance cost. Provisions are reviewed at the each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

A provision for onerous contracts is recognized when the expected benefits to be derived by the company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the expected net cost of continuing with the contract. Before a provision is established, the company recognizes any impairment loss on the assets associated with that contract.

A disclosure for a contingent liability is made where there is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from the past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. Contingent liabilities are not recognised in the financial statements. A contingent asset is neither recognised nor disclosed in the financial statements.



Fair value measurements and valuation processes

Some of the company's assets and liabilities are measured at fair value for financial reporting purposes. The company has obtained independent fair valuation for financial instruments wherever necessary to determine the appropriate valuation techniques and inputs for fair value measurements. In some cases the fair value of financial instruments is done internally by the management of the Company using market-observable inputs.

In estimating the fair value of an asset or a liability, the company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the company engages third party qualified valuers to perform the valuation. The qualified external valuers establish the appropriate valuation techniques and inputs to the model. The external valuers report to the management of the Company their findings for every reporting period to explain the cause of fluctuations in the fair value of the assets and liabilities.

2.4 Revenue Recognition

i. Sale of goods

Revenue is recognised upon transfer of control of promised goods to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those goods.

Revenue from sale of goods is recognised at the point in time when control is transferred to the customer which is usually on dispatch/ delivery of goods based on contract with customers.

Revenue is measured on the transaction price, which is the consideration, adjusted for volume discounts, price concessions, incentives and returns, if any, as specified in the contracts with customers. Revenue excludes taxes collected from customers on behalf of the government. Accruals for discount/ incentive and returns are estimated (using the most likely method) based on accumulated experience and underlying schemes and arrangements with customers. Due to the short nature of credit period given to customers, there is no financing component in the contract.

The Company has adopted Ind AS 115 Revenue from Contract with Customers, with effect from April 1, 2018. Ind AS 115 establishes principles for reporting information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the contracts with its customers and replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts.

ii. Other Income

- a. Dividend income from investments is recognised when the shareholder's right to receive payment has been established which is when the shareholders approve the dividend. (provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably).
- b. Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

2.5 Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration

Group as a lessee

The Group recognizes right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any re-measurement of the lease liability. The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognized in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the company uses incremental borrowing rate. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the company is reasonably certain to exercise that option and



payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently re-measured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and re-measuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

The Group recognizes the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the re-measurement in statement of profit and loss.

The Group has elected not to apply the requirements of Ind AS 116 Leases to short term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

2.6 Foreign Currency Transactions & Translations

The functional currency of the Group is Indian rupee.

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of transaction. Foreign currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the balance sheet date.

Exchange rate differences resulting from foreign currency transactions settled during the period including year-end translation of assets & liabilities are recognised in the statement of profit and loss.

Non-monetary assets which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of initial transaction.

Changes in fair value of forward contracts designated as fair value hedge are recognised in the statement of profit and loss.

2.7 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Capitalization of borrowing cost is suspended and charges to the statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.8 Government grants

(i) Government grants in respect to manufacturing units located in developing regions :

The Company is entitled to various incentives from government authorities in respect of manufacturing units located in developing regions. The Company accounts for its entitlements on accrual basis on approval of the initial claim by the relevant authorities and there is reasonable assurance that the grants will be received.

(ii) Government grants in respect of additional Capital Expenditures :

Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire capital assets is accounted for as deferred income. The grant is recognised as income over the life of a depreciable asset by accounting deferred income in the Statement of Profit and Loss on a systematic and rational basis over the useful life of the asset.

(iii) Export Incentives

Export incentives under various schemes are accounted for in the year of export.

2.9 Employee benefits

(1) Defined Contribution Plan:

Payments to defined contribution retirement benefit schemes viz. Company's Provident Fund Scheme and Superannuation Fund are recognised as an expense when the employees have rendered the service entitling them to the contribution.

(2) Defined Benefit Plan:

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur

Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability



or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
 - net interest expense or income; and
 - remeasurement.
- (i) **Gratuity:** The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15/26 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company accounts for the liability for gratuity benefits payable in future based on an independent actuarial valuation. The Company has taken a Group Gratuity cum Life Assurance Scheme with Life Insurance Corporation for future payment of gratuity to the eligible employees.
- (ii) **Compensated Absences:** The Company provides for the encashment of compensated absences with pay subject to certain rules. The employees are entitled to accumulate compensated absences subject to certain limits, for future encashment. Accumulated leave, which is expected to be utilised within the next twelve months, is treated as short-term employee benefit and the accumulated leave expected to be carried forward beyond twelve month is treated as long-term employee benefit which are provided based on the number of days of un utilised compensated absence on the basis of an independent actuarial valuation.

2.10 Taxation

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively. Income tax expense represents the sum of the tax currently payable and deferred tax.

Current income tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit or loss and other comprehensive income/statement of profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intends to settle the asset and liability on a net basis

Taxes Paid include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as advance tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

Deferred income taxes

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

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

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the relevant entity intends to settle its current tax assets and liabilities on a net basis.

2.11 Property, Plant and Equipment

Property, plant and equipment held for use in production or supply of goods or services or for administrative purposes



are stated at cost less accumulated depreciation/amortization less accumulated impairment, if any. The cost of fixed assets comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

Capital work-in-progress for production, supply of administrative purposes is carried at cost less accumulated impairment loss, if any, until construction and installation are complete and the asset is ready for its intended use.

Depreciation is recognized (other than on capital work-in-progress) on a straight line basis over the estimated useful lives of assets in respect of property plant & equipment & computers acquired after 1st April 2006. Property plant & equipment including non factory building furniture fixtures & vehicles acquired prior to 1st April 2006 are depreciated under WDV Method at the rates prescribed under Schedule II of Companies Act, 2013. Depreciation on assets acquired/ purchased, sold/discarded during the year is provided on a pro-rata basis from the date of each addition till the date of sale/retirement.

The economic useful lives of assets is assessed based on a technical evaluation, taking into account the nature of assets, the estimated usage of assets, the operating conditions of the assets, past history of replacement, anticipated technological changes, maintenance history, etc. The estimated useful life is reviewed at the end of each reporting period, with effect of any change in estimate being accounted for on a prospective basis.

Where the cost of part of the asset is significant to the total cost of the assets and the useful life of that part is different from the useful of the remaining asset, useful life of that significant part is determined separately. Depreciation of such significant part, if any, is based on the useful life of that part.

Freehold land is not depreciated.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment, determined as the difference between the sales proceeds and the carrying amount of the asset, is recognized in the Statement of Profit or Loss.

2.12 Intangible Assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization. Amortization is recognized on a straight line basis over their estimated useful lives of 5 years, which reflects the pattern in which the asset's economic benefits are consumed. The estimated useful life, the amortization method and the amortization period are reviewed at the end of each reporting period, with effect of any change in estimate being accounted for on a prospective basis.

An intangible asset is derecognized on disposal or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognised in the profit or loss when the asset is derecognised.

2.13 Impairment of tangible and intangible assets other than goodwill:

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit and loss.



2.14 Inventories

Inventories of raw materials, stock-in-trade, stores & spares, Fuel, packing material, work in progress, stock in trade and finished goods are valued at the lower of cost and net realizable value after providing for obsolescence and other losses, where considered necessary. Stock of scrap and spent acid is valued at net realizable value. Cost comprises all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Stores and spares are valued on weighted average cost basis and all others are valued on a FIFO basis.

2.15 Financial instruments

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

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through other comprehensive income

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

Financial assets at fair value through profit or loss

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

Investment in subsidiaries

Investment in subsidiaries are measured at cost as per Ind AS 27 - Separate Financial Statements.

Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

Financial guarantee contracts:

A Financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instruments.

Financial guarantee contracts issued by a holding company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- The amount of loss allowance determined in accordance with impairment requirements of IND AS 109; and
- The amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of IND AS 18.

Equity instruments

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments recognised by the Company are recognised at the proceeds received net off direct issue cost.

Reclassification of Financial Assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior



management determines change in the business model as a result of external or internal changes which are significant to the company's operations. Such changes are evident to external parties. A change in the business model occurs when a company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses (including impairment gains and losses) or interest.

Offsetting of financial instruments

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

2.16 Earnings Per Share (EPS)

The Company reports basic and diluted earnings per share in accordance with Ind AS 33 on Earnings per share. Basic earnings per share is computed by dividing the net profit or loss for the period by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit or loss for the period by the weighted average number of equity shares outstanding during the period as adjusted for the effects of all diluted potential equity shares except where the results are anti-dilutive.

2.17 Cash flow statement

The Cash Flow Statement is prepared by the indirect method set out in Ind AS 7 on Cash Flow Statements and presents cash flows by operating, investing and financing activities of the Company.

2.18 Current/Non-Current Classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is classified as current when it satisfies any of the following criteria:

- It is expected to be realized or intended to be sold or consumed in normal operating cycle
- It is held primarily for the purpose of trading
- It is expected to be realized within 12 months after the date of reporting period, or
- Cash and cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after reporting period.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

A liability is current when it satisfies any of the following criteria:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within 12 months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period

Current liabilities include the current portion of long term financial liabilities.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets and their realization in cash and cash equivalents.

The Company has identified 12 months as its operating cycle.

2.19 Share Capital

Ordinary Shares

Ordinary shares are classified as equity. Incremental costs, if any, directly attributable to the issue of ordinary shares are recognized as a deduction from other equity, net of any tax effects.

2.20 Fair Value Measurement

Fair value is the price that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell an asset or transfer the liability takes place either:

- in the principle market for the asset or liability
- in the absence of principle market, in the most advantageous market for the asset or liability.

The principle or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.



The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (Unadjusted) Market prices in active markets for incidental assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation Techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers that have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Determination of Fair Value

1) Financial Assets - Debt Instruments at amortized cost

After initial measurement the financial assets are subsequently measured at amortized cost using the Effective Interest Rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or cost that are an integral part of the EIR.

2) Financial Assets - Debt Instruments at Fair Value through Other Comprehensive Income (FVTOCI)

Measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the Other Comprehensive Income (OCI). On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to P&L.

3) Debt instruments & derivatives at Fair Value through Profit or Loss (FVTPL)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

4) Equity Instruments at Fair Value through Other Comprehensive Income

On initial recognition, the Company can make an irrevocable election (on an instrument by instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains / losses arising from changes in fair value recognized in other comprehensive income. This cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

5) Financial Liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit & loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Companies financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

Subsequent Measurement

Fair value through Profit & Loss

Financial liabilities at fair value through profit & loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. All changes in fair value of such liabilities are recognised in statement of profit or loss.

Loans and Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. The EIR amortization is included as finance costs in the statement of profit and loss.

2.21 Dividend

Dividend on share is recorded as liability on the date of approval by the shareholders and is shown gross of Dividend Distribution tax as a reduction from retained earnings under Other Equity.



2.22 Segment Reporting

The Group has two operating/reportable segment based on geographical area, i.e. domestic sales and export sales. The operating segments is managed separately as each involves different regulations, marketing approaches and other resources. These operating segments are monitored by the Group's chief operating decision maker and strategic decisions are made on the basis of segment operating results. All inter-segment transfers are carried out at arm's length prices based on prices charged to unrelated customers in standalone sales of identical goods or services.

For management purposes, the Group uses the same measurement policies as those used in its financial statements. In addition, corporate assets which are not directly attributable to the business activities of any operating segment are not allocated to a segment

The Group identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the Chief Operating Decision Maker (CODM) in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Group. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors. Revenue, expenses, assets and liabilities which relate to the Group as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

Sadhana Nitro Chem Limited
Notes forming part of the Consolidated financial statements for the year ended 31st March, 2024

(Amount Rs. In lakhs)

Particulars	Freehold Land	Factory Buildings	Non factory Buildings	Plant & Equipment	Furniture & Fixtures	Computers	Vehicles	Software	Right To use of assets	Lease Office	Total	Capital work-in-progress	Intangible Under Development
Gross Carrying amount													
Balance as at April 1, 2022	1,651.44	614.85	194.49	4,493.47	31.99	75.98	490.98	110.00	723.52	31.87	8,418.58	6,544.31	305.67
Additions	-	2,589.39	30.17	4,748.93	1.24	2.48	-	-	912.18	-	8,284.40	841.07	94.88
Disposals	-	-	-	-	-	-	-	-	-	-	-	4,935.84	-
Amount capitalized from opening CWIP	-	-	-	442.01	17.89	26.50	-	-	-	-	486.40	-	-
Addition with Merger (Refer Note iii)	-	-	-	9,684.41	51.11	104.97	490.98	110.00	1,635.70	31.87	17,189.38	2,449.54	400.55
Balance as at March 31, 2023	1,651.44	3,204.24	224.66	9,684.41	51.11	104.97	490.98	110.00	1,635.70	31.87	17,189.38	2,449.54	400.55
Additions	-	354.08	123.70	827.48	1.01	4.14	-	400.55	1,023.64	-	2,734.60	2,860.29	-
Disposals (Refer Foot Note iii)	-	-	-	0.04	-	-	-	-	28.29	-	28.33	-	400.55
Reclassification as held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-
Addition with Merger (Spidigo)	-	-	-	-	-	-	-	-	-	-	-	-	-
(Refer Foot Note iv)	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2024	1,651.44	3,558.32	348.36	10,511.85	52.12	109.11	490.98	510.55	2,631.05	31.87	19,895.65	5,309.83	-
Accumulated Depreciation													
Balance as at April 1, 2022	-	145.09	27.28	898.84	11.17	50.13	195.98	49.50	326.28	19.12	1,723.39	-	-
Depreciation for the Year	-	51.74	8.63	356.01	4.66	11.30	62.16	22.00	237.63	6.37	760.50	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-
Addition on account of Merger (Refer Note iii)	-	-	-	292.66	14.88	25.18	-	-	-	-	332.72	-	-
Balance as at March 31, 2023	-	196.83	35.91	1,547.51	30.71	86.61	258.14	71.50	563.92	25.50	2,816.62	-	-
Additions (Depreciation for the Year)	-	109.33	12.22	547.63	2.54	5.56	61.92	42.03	703.57	6.37	1,491.17	-	-
Disposals (Refer Foot Note iii)	-	-	-	0.02	-	-	-	-	-	-	0.02	-	-
Addition Depreciation on Merger	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2024	-	306.16	48.13	2,095.13	33.25	92.17	320.06	113.53	1,267.49	31.87	4,307.77	-	-
Net carrying amount													
Balance as at March 31, 2023	1,651.44	3,007.41	188.76	8,136.90	20.41	18.36	232.84	38.50	1,071.78	6.37	14,372.76	2,449.54	400.55
Balance as at March 31, 2024	1,651.44	3,252.16	300.24	8,416.73	18.88	16.93	170.92	397.02	1,363.56	-	15,587.88	5,309.83	-

Foot Note :

- (i) Plant & Equipment includes Office Equipments
(ii) Refer Note 15(a)(b) & (d) for information on Property plant & equipment pledged as security by the company.
(iii) Pursuant to the Scheme of Merger (by absorption) sanctioned by the Honorable National Company Tribunal, Mumbai & Ahmedabad bench vide their orders dated February, 2023 & 24th November, 2021, Spidigo Net Private Limited, a wholly owned subsidiary of the Company, has been merged with the Company with effect from 1st April, 2020 (the appointed date). The Company has accounted for the merger 'pooling of interest method' under which assets, liabilities & reserves of Spidigo Net Private Limited have been recorded in the Company's books at their respective book values as at 01.04.2022. Accordingly, the same have been added to the gross block & accumulated depreciation.
(iv) During the financial year ended 31st March, 2023, the Company has successfully started its plant for the manufacture & production of Para Amino Phenol (PAP). The Company had initially started the test production under the batch process methodology but subsequently migrated to the continuous process methodology for the commercial production on achieving the desired quality & output levels. Accordingly on the plant being ready for use for commercial production under continuous process the same along with the factory building has been capitalized.





Sadhana Nitro Chem Limited
Notes forming part of the Consolidated financial statements for the year ended 31st March, 2024

Capital Work in Progress

The ageing of Capital Work in Progress for Projects

For the year	Total	< 1 Year	1-2 Years	2-3 Years	> 3 Years
Ended 31.03.2023	2,449.54	841.07	116.01	92.31	1,400.15
Ended 31.03.2024	5,309.83	2,905.18	841.07	116.01	1,447.56

Ageing of Capital Work in Progress as at 31.03.2024

Particulars	Total	< 1 Year	1-2 Years	2-3 Years	> 3 Years
Projects in Progress	4,078.33	2,905.18	617.49	97.08	458.58
Projects temporarily suspended	1,231.50	-	223.58	18.93	988.98
Total	5,309.83	2,905.18	841.07	116.01	1,447.56

Ageing of Capital Work in Progress as at 31.03.2023

Particulars	Total	< 1 Year	1-2 Years	2-3 Years	> 3 Years
Projects in Progress	1,608.97	841.07	116.01	92.15	559.73
Projects temporarily suspended	840.57	-	-	0.16	840.41
Total	2,449.54	841.07	116.01	92.31	1,400.15

Intangible Assets Under Development

The ageing of Intangible Assets Under Development

For the year	Total	< 1 Year	1-2 Years	2-3 Years	> 3 Years
Ended 31.03.2023	400.55	94.88	135.02	130.65	40.00
Ended 31.03.2024	-	-	-	-	-

Ageing of Intangible Assets Under Development as at 31.03.2024

Particulars	Total	< 1 Year	1-2 Years	2-3 Years	> 3 Years
Projects in Progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
Total	-	-	-	-	-

Ageing of Intangible Assets Under Development as at 31.03.2023

Particulars	Total	< 1 Year	1-2 Years	2-3 Years	> 3 Years
Projects in Progress	400.55	94.88	135.02	130.65	40.00
Projects temporarily suspended	-	-	-	-	-
Total	305.67	135.02	130.65	40.00	-



Sadhana Nitro Chem Limited
Notes forming part of the Consolidated financial statements for the year ended 31st March, 2024

Note 4 : Investments - Non-Current Investment (Amount Rs. In Lakhs)

Sr. No.	Particular	Face Value	As at March 31, 2024		As at March 31, 2023	
			No. of shares	Rs	No. of shares	Rs
	Non-current investments					
	Unquoted					
(i)	Other Investments (At fair value through other comprehensive income)					
	Quoted					
(ii)	Anco Communication Ltd	Rs.10	500	0.72	500	0.72
	Enarai Finance Ltd	Rs.10	3,900	0.78	3,900	0.78
	Indian Extractions Ltd	Rs.10	-	-	18,000	5.08
	Indo-biotech Ltd	Rs.10	5,000	1.91	5,000	1.91
	First object Technoliges Ltd	Rs.10	2,000	0.81	2,000	0.81
	Maxworth orchards Ltd	Rs.10	1,300	0.13	1,300	0.13
	Ojas Technochem Products Ltd		5,000	1.31	5,000	1.31
			17,700	5.67	35,700	10.75
	Less: Provision for decline other than temporary, in value of non current investments		-	5.67	-	10.75
	Total (B)			-		-
	Total (A+B)			-		-
	Footnotes :					
	(i) Aggregate cost of quoted investments		-	-	-	10.75
	(ii) Aggregate market value of quoted investments		-	5.67	-	-
	(iii) Aggregate value of unquoted investments		-	-	-	-
	(iv) Aggregate amount of impairment in value of investments		-	5.67	-	10.75

Note 4 : Current Investments (Amount Rs. In Lakhs)

Sr. No.	Particular	As at March 31, 2024		As at March 31, 2023	
		No. of Unit	Rs	No. of Unit	Rs
(i)	Investments measured at fair value through other comprehensive income				
	In Mutual Fund				
	Quoted				
	HSBC Low Duration Fund-Growth (Formerly known as L&T Low Duration Fund)	12,98,141	303.47	12,98,141	312.18
	HDFC Long Duration Growth	6,62,552	283.63	6,62,552	264.38
	Aditya Birla Sun Life Low Duration Fund		-		-
	Total		587.10		576.56
	(i) Aggregate cost of quoted investments		423.67		552.57
	Aggregate market value of quoted investments		587.10		576.56

As mentioned in note no. 15(c)(i), all the above investments in mutual funds have been pledged with the lenders against the working capital facilities extended by them to the Company

Note 5: Loans

(Amount Rs. In Lakhs)

Sr. No.	Particular	As at March 31, 2024	As at March 31, 2023
	Non Current Loans	-	-
	Current Loans		
	(Unsecured Considered Good, unless otherwise stated)		
(i)	Loan to staff	47.54	26.08
	(Secured, Considered Good)		
(ii)	Inter Corporate Deposits	55.00	305.30
	Total	102.54	331.38



Sadhana Nitro Chem Limited
Notes forming part of the Consolidated financial statements for the year ended 31st March, 2024

Note 6: Other financial assets

(Amount Rs. In Lakhs)

Sr. No.	Particular	As at March 31, 2024	As at March 31, 2023
	Non Current (Unsecured, Considered Goods)		
	Security Deposits with Public Bodies and others	391.06	283.84
	Total	391.06	283.84
	Current Financial Assets (Considered Goods)		
	(i) Interest Accrued on Inter Corporate Deposits	28.65	59.86
	(ii) Interest Accrued on Bank Deposits	23.62	23.08
	(iii) Other receivable	17.31	30.29
	(iv) Advance to Vendors	61.72	370.41
	Total	131.29	483.64

Note 7: Deferred tax Liabilities/(Asset) (Net)

(Amount Rs. In Lakhs)

Sr. No.	Particular	As at March 31, 2024	As at March 31, 2023
	Deferred Tax Liability		
(i)	Depreciation on fixed assets	727.37	562.85
(ii)	Fair Valuation	56.35	114.87
	Gross Deferred Tax Liability	783.72	677.72
	Deferred Tax Asset		
(i)	Employee Benefit obligations	(172.40)	(146.72)
(ii)	Other disallowable expenses	(14.75)	(3.23)
	Gross Deferred Tax Asset	(187.15)	(149.96)
	Net Deferred Tax Liability/(Asset)	596.58	527.77

Movement in Deffered Tax during the year

(Amount Rs. In Lakhs)

For the year ended March 31, 2024	Opening Balance	Recognised in profit or loss	Recognised in OCI	Closing Balance
Deffered Tax Liability				
Plant Property Equipment	562.85	164.52	-	727.37
Fair Valuation	114.87	(48.42)	(10.10)	56.35
Gross Deffered Tax Liability (1)	677.72	116.10	(10.10)	783.72
Deffered Tax Asset				
Employee Benefit obligations	(146.72)	(34.99)	9.31	(172.40)
Other Disallowable Expenses	(3.23)	(11.51)	-	(14.75)
Gross Deffered Tax Asset (2)	(149.96)	(46.51)	9.31	(187.15)
Net Deffered Tax Liability/(Asset) (1-2)	527.77	69.59	(0.78)	596.58



Sadhana Nitro Chem Limited
Notes forming part of the Consolidated financial statements for the year ended 31st March, 2024

Note 8: Other Assets

(Amount Rs. In Lakhs)

Sr. No.	Particular	As at March 31, 2024	As at March 31, 2023
	Non Current Other Assets		
(i)	Capital advance	5,438.25	2,731.68
	Total	5,438.25	2,731.68
	Current Other Assets		
(i)	Balance with Statutory/Revenue Authorities	663.48	1,413.73
(ii)	Prepaid Expenses	90.67	58.87
	Total	754.15	1,472.60

Note 9: Inventories (At lower of cost and net realisable value)

(Amount Rs. In Lakhs)

Sr. No.	Particular	As at March 31, 2024	As at March 31, 2023
	Valued & certified by the Management		
(i)	Raw materials (Include Packing Materials)	2,405.42	2,083.35
(ii)	Work-in-progress	2,409.85	2,661.22
(iii)	Finished Goods	5,788.67	6,064.15
(iv)	Goods in Transit (Raw Material)	137.61	23.66
(v)	Stores & Spares	724.47	730.96
(vi)	Others (Fuel, scrap, etc.)	6.37	22.61
	Total	11,472.39	11,585.95

Note 10: Trade receivables

(Amount Rs. In Lakhs)

Sr. No.	Particular	As at March 31, 2024	As at March 31, 2023
	Unsecured, Undisputed		
(i)	Considered good	12,622.91	6,536.10
(ii)	Considered doubtful	53.98	37.48
		12,676.90	6,573.58
	Less : Allowance for doubtful debts	(53.98)	(17.57)
	Total	12,622.91	6,556.01

Footnotes :

- Trade receivables are dues in respect of goods sold in the normal course of business.
- The normal credit period allowed by the company ranges from 60 to 90 days.
- Refer Note no 15C(d) for information on Trade Receivables mortgaged as security for borrowings .
- Refer note no 26(i) for Credit Risk

	Ageing of Trade Receivables (Outstanding for following periods from due date of payment)		
	Undisputed Trade Receivables		
	- Considered Good		
	Less than 6 months	9,790.06	5,494.99
	6 months to 1 year	1,981.11	315.90
	1 to 2 years	251.92	579.54
	2 to 3 years	481.99	1.92
	More than 3 years	117.83	143.75
	- Considered doubtful		
	Less than 6 months	-	-
	6 months to 1 year	-	-
	1 to 2 years	-	-
	2 to 3 years	-	-
	More than 3 years	53.98	37.48
	Total	12,676.90	6,573.58



Sadhana Nitro Chem Limited
Notes forming part of the Consolidated financial statements for the year ended 31st March, 2024

Note 11: Cash and Cash Equivalents

(Amount Rs. In Lakhs)

Sr. No.	Particular	As at March 31, 2024	As at March 31, 2023
(i)	Cash in hand	2.04	1.16
(ii)	Balance with bank (in current account)	16.06	131.77
	Total	18.13	132.92

Note 12: Other Bank Balances

(Amount Rs. In Lakhs)

Sr. No.	Particular	As at March 31, 2024	As at March 31, 2023
(i)	Call and short term deposit accounts Deposits (under lien) with original Maturity <12 Months [Refer note below]	750.00	752.00
(ii)	Dividend Accounts	24.00	11.00
	Total	773.00	763.00

Footnotes:

- (i) Deposit with carrying amount of Rs 7.50/- Lakhs (31st March 2023 Rs 13.00/- Lakhs) are subject to first charge against bank guarantees.
- (ii) Deposit with carrying amount of Rs. 50.00/- Lakhs(31st March 2023 Rs 50.00/- Lakhs) has been given as a security deposit to the Ministry of Pharmaceuticals, Chemicals & Fertilizers towards the PLI Scheme
- (iii) Deposit with carrying amount of Rs. 110.79/- Lakhs (31st March 2023 Rs. 110.79/- Lakhs) has been given as a security deposit to Northern Arc Pvt Ltd against the borrowing of Rs. 10 crores from them.
- (iv) Deposit with carrying amount of Rs. 247.37/- Lakhs(31st March 2023 Rs. 238.23/- Lakhs) has been given as a security deposit to Vivriti Capital Pvt Ltd against the borrowing of Rs. 20 crores from them.
- (v) Deposit with carrying amount of Rs. 331.34 /- (31st March 2023 Rs 328.82/- Lakhs) has been given as a security against Overdraft facility and Term Loan facilities availed from them.

Note 13: Equity Share Capital

(Amount Rs. In Lakhs)

Sr. No	Particular	As at March 31, 2024	As at March 31, 2023
	Authorised Capital:* 60,00,00,000 Equity Shares of Rs.1/- each (March 31, 2023: 30,00,00,000 Equity Shares of Rs 1/- each)	6,000.00	3,000.00
		6,000.00	3,000.00
	Issued Subscribed & Paid up: 24,70,58,452. Equity Shares of Rs.1/- each fully paid (Refer note no (i) below) (March 31, 2023 20,21,38,735 Equity Shares of Rs 1/- each) (Refer note no (ii) below)	2,470.58	2,021.39
		-	-
	Total	2,470.58	2,021.39

Footnotes:Footnotes:

- (i) During the year ended 31st March, 2024, the Company has issued and allotted 4,49,19,719 equity shares of Re. 1/- each to eligible shareholders of equity shares on the book closure date (i.e. 5th July, 2023) as fully paid up bonus equity shares by capitalizing reserves
- (ii) The company has converted 65,20,606 share warrants into equivalent no of equity shares of Rs 1 each at a premium of Rs 152.36 /- per equity shares on preferential basis during the year ended 31-03-2023 .These shares are under lock -in for a period of one year from the date of issue and consequently restricted for transfer.
- (iii) During the year ended 31st March, 2022, the Company has issued and allotted 5,58,90,894/- equity shares of Re. 1/- each to eligible shareholders of equity shares on the book closure date (i.e. 19th July, 2021) as fully paid up bonus equity shares by capitalizing reserves.
- (iv) During the year ended 31st March, 2021, the Company has issued and allotted 4,65,75,745/- equity shares of Re. 1/- each to eligible shareholders of equity shares on the book closure date (i.e. 17th September, 2020) as fully paid up bonus equity shares by capitalizing reserves.



Sadhana Nitro Chem Limited
Notes forming part of the Consolidated financial statements for the year ended 31st March, 2024

(a) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year

Particulars	As at March 31, 2024		As at March 31, 2023	
	Equity Share		Equity Share	
	No. of Shares	Amount in Rs. Lakhs	No. of Shares	Amount in Rs. Lakhs
Equity				
No of shares outstanding at the beginning of the year	20,21,38,735	2,021.39	19,56,18,129	1,956.18
Add: Additional shares issued during the year			65,20,606	65.21
Add : Increase on account of shares sub -divided during the year (Refer Note no (ii) above)			-	-
Add: Bonus Issue in the ratio 2:9 (Refer Footnote no. (i) above)	4,49,19,717	449.20		
Less: Shares forfeited/Bought back during the year	-	-	-	-
No of shares outstanding at the end of the year	24,70,58,452	2,470.58	20,21,38,735	2,021.39

(b) Terms/Rights attached to Equity shares:

The company has only one class of equity shares having at par value of ₹ 1/- (P.Y. ₹ 1/-) per share. Each holder of equity share is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Director is subject to the approval of the share holders in the ensuing annual general meeting. In the event of liquidation of the company, the holder of equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to number of shares held by share holder.

(c) Shareholders holding more than 5% shares in the Company :

Particulars	As at March 31, 2024		As at March 31, 2023	
	Equity Share		Equity Share	
Equity Shares of Rs. 1/- each (P.Y.Rs. 1/-) fully paid	No. of Shares	% of Holding	No. of Shares	% of Holding
Manekchand Panachand Trading Investment Co. Pvt Ltd	15,29,58,115	61.91%	12,51,72,831	61.92%
Asit Javeri	46,05,811	1.86%	1,16,91,771	5.78%

As per records of the Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of

(d) Equity Shares in the entity held by holding company:

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Manekchand Panachand Trading Investment Co. Pvt Ltd	15,29,58,115	61.91%	12,51,72,831	61.92%

(e) Details of changes in shareholding of promoters

Particulars	As at March 31, 2024		As at March 31, 2023		Increase / (Decrease) % of holding
	No. of Shares	% of Holding	No. of Shares	% of Holding	
Promoters' Holding (including Promoter Group)					
Manekchand Panachand Trading Investment Co Pvt Ltd	15,29,58,115	61.91%	12,51,72,831	61.92%	-0.01%
Asit A Javeri	46,05,811	1.86%	1,16,91,771	5.78%	-3.92%
Abhishek A Javeri	20,14,729	0.82%	59,02,764	3.02%	-2.20%
Seema A Javeri	4,70,393	0.19%	38,45,867	0.20%	-0.01%

As per records of the company, including its register of members, the above shareholding represents both legal and beneficial ownership of shares.



Sadhana Nitro Chem Limited
Notes forming part of the Consolidated financial statements for the year ended 31st March, 2024

Note 14: Other Equity

(Amount Rs. In Lakhs)

Sr. No	Particulars	As at March 31, 2023	As at March 31, 2022
	Reserves and Surplus		
(i)	Capital Reserve		
	Opening and Closing balance (CR)	2.49	2.49
	Closing balance	2.49	2.49
(ii)	Capital Redemption Reserve		
	Opening balance (CRR)	34.10	34.10
	Less: Utilized for issued of Bonus shares	(34.10)	-
	Closing balance	-	34.10
(iii)	Securities Premium Account		
	Opening balance	9,934.80	9,934.80
	Less: Utilized for issued of Bonus shares	(415.10)	-
	Closing balance	9,519.70	9,934.80
(iv)	Retained Earnings		
	Opening balance	8,333.65	9,290.91
	Profit for the year	408.17	317.82
	Less: Loss of Spidigo Net Private Limited absorbed on merger		-
	Less: Dividend Paid	(370.59)	(293.43)
	Less: Fund Raising Expense		(350.00)
	Dividend Declared by Subsidiary	4.26	4.58
	Less: Goodwill on Consolidation reversed on account of merger of subsidiary		(636.23)
	Closing Balance	8,375.50	8,333.65
(v)	Other Comprehensive Income		
	Opening Balance	50.28	15.92
	Add: Gain / (Loss) on fair value of Defined Benefit Plan (Net of Tax)	(27.69)	9.40
	Add: Gain / (Loss) on fair valuation of investments	30.02	12.72
	Add: Gain / (Loss) on sale of investments	1.77	12.25
	Closing Balance	54.37	50.28
(vi)	Foreign Currency Translation Reserve		
	Opening Balance	13.49	-
	Add / (Less): Foreign Currency monetary item translation difference account	5.35	13.49
	Closing Balance	18.84	13.49
(vii)	Transition Revaluation Reserve		
	Opening balance (TRR)	884.49	884.49
	Add: Additions		
	Closing balance	884.49	884.49
(viii)	General Reserve		
	Opening balance	1,333.30	1,333.30
	Add: additions	-	-
	Closing Balance	1,333.30	1,333.30
(ix)	Money received against Share Warrant		
	Opening balance	-	2,500.00
	Add : Received during the year	-	-
	Less: Adjusted against conversion into equity shares	-	(2,500.00)
	Closing Balance	-	-
	Total	20,188.70	20,586.60

Capital Reserve:

Capital Reserve is utilised in accordance with the provisions of the Act.

Capital Redemption Reserve

Capital redemption reserve represents reserve created on redemption of preference shares. It is non distributable reserve. During the year ended March 31, 2024 the company has utilised Rs. 34.10 Lakh whole of reserve towards issue of fully paid up bonus shares.

Securities Premium Reserve

Capital redemption reserve represents reserve created on redemption of preference shares. It is non distributable reserve. During the year ended March 31, 2024 the company has utilised part of reserve towards issued of fully paid up bonus shares.



Sadhana Nitro Chem Limited
Notes forming part of the Consolidated financial statements for the year ended 31st March, 2024

The amount that can be distributed by the company as dividend to its equity shareholders.

Transition Revaluation Reserve

Transition Reserve represents reserve created on transition from Accounting Standards to Ind AS.

General Reserve

General reserve is used from time to time to transfer profits from retained earnings for appropriation purpose.

Note 15 : Borrowings

(Amount Rs. In Lakhs)

Sr. No	Particular	As at March 31, 2024	As at March 31, 2023
	Non Current Borrowings		
(a)	Secured Borrowings:		
(i)	Term loan - Bank (Refer Note 15(a) below)	3,445.35	4,412.21
(ii)	Term Loan - Others (Refer Note 15 (b) below)	2,883.58	3,631.71
		6,328.93	8,043.92
	Less: Current Maturity of Long term borrowings disclosed under the head Short Term Borrowings	2,243.17	2,066.51
(b)	Unsecured Borrowings		
(i)	Loan from Holding Company	1,181.21	-
(ii)	Loan From Director	7,627.00	-
	Balance	12,893.97	5,977.40
	Total	12,893.97	5,977.40
	Current Borrowings		
(a)	Secured Borrowings		
(i)	Working Capital Loan from Banks denominated in [Refer Note (i) and (ii)]		
	Foreign Currency	833.74	1,397.69
	Indian Currency - Overdraft & Cash Credit	3,961.67	1,470.09
	Indian Currency - Export Credit	1,067.52	1,565.48
(b)	Unsecured Borrowings		
(i)	From Financial Institutions	-	-
(ii)	Inter Corporate Deposit [Refer note (d) below]	425.55	331.08
(iii)	Loan From Director	647.11	377.58
(c)	Current Maturity of Long term borrowings disclosed under the head Short Term Borrowings	2,243.17	2,066.51
	Total	9,178.77	7,208.42

Footnotes:

- Term loan from banks & other financial institutions are secured by charge created on plant & machinery, motor vehicles and factory land and building and residential property situated at Roha Raigad. Refer Note (e) below for terms of repayment, rate of interest etc. Further, these loans are secured by a lien on amounts invested in fixed deposits as mentioned in Note No. 12 to these financial statements. Further, these loans are also secured by the personal guarantees of Mr. Asit Javeri & Abhishek Javeri, Chairman and Managing Director, and Corporate guarantee of Manekchand Panachand Trading Investment Co Pvt Ltd, holding company of the Company and shares of the Company held by the holding Company.
- The company has foreign currency working capital facilities from a Bank at interest rate of 7.75% p.a. These facilities are secured by exclusive charge on present and future stocks and book debts, exclusive charge on entire plant and machinery. Further secured by personal guarantee of Chairman and Managing Director and Corporate Guarantee of Holding Company.
- Further, the Company has working capital facilities in Indian currency from a banks carrying interest rate ranging between 6.60% to 12.75 % p.a. These facilities are repayable on demand, secured by way of first pari passu charge on the present and future current assets of the company, second pari passu charge on entire movable and immovable fixed assets of the company, present and future at plot no 47, MIDC, Roha Industrial Area, Raigad District - 402116, investments in Mutual Funds and further secured by personal guarantee of Chairman and Managing Director of the company and Corporate guarantee of Manekchand Panachand Trading Investment Co Pvt Ltd, holding company of the Company.
- Further, the Company has working capital facilities in Indian currency from a bank carrying interest rate ranging between 6.65% to 12.00 % p.a. These facilities are repayable on demand, secured by way of first pari passu charge on the present and future current assets of the company, second pari passu charge on entire movable and immovable fixed assets of the company, present and future at plot no 47, MIDC, Roha Industrial Area, Raigad District - 402116 and further secured by personal guarantee of Chairman and Managing Director of the company
- Inter Corporate Deposits are carrying interest rate in the range of 10-15% and repayable on or before March 31, 2025.



Sadhana Nitro Chem Limited
Notes forming part of the Consolidated financial statements for the year ended 31st March, 2024

e Terms of repayment
Term Loan - Banks

(Amount Rs. In Lakhs)

Particulars	Rate of Interest	Year of Maturity	March 31, 2024		March 31, 2023	
			No of Installments Left	Amount Outstanding as at March 31, 2024	No of Installments Left	Amount Outstanding as at March 31, 2023
Bank Name						
HDFC Bank	8.50%	2023-24	-	-	2	0.82
HDFC Bank	8.50%	2023-24	-	-	2	0.82
ICICI Bank - ECLGS	9.25%	2025-26	14	233.33	26	433.33
HDFC Bank	9.84%	2033-34	114	273.19	115	1,141.33
HDFC Bank	9.84%	2024-25	4	1,073.99	16	283.62
HDFC Bank	9.25%	2026-27	25	66.75	37	387.00
CSB Bank - ABFL take over	9.60%	2031-32	87	1,798.07	-	-
			Total	3,445.35	Total	2,246.91
			Less : Current maturity of long term borrowings shown	646.64	-	223.54
			in current liabilities	Balance		2,023.37
Term Loan - Others						
Financial institution						
Kotak Mahindra Prime Ltd	9.15%	2023-24	-	-	11	10.95
Kotak Mahindra Prime Ltd	9.15%	2023-24	-	-	11	10.95
Bajaj Finance Ltd	10.70%	2026-27	26	867.70	38	1,212.07
Aditya Birla Finance Ltd - New	13.60%	2033-34	-	-	129	1,938.70
North Arc Capital Ltd - New	15.45%	2025-26	16	543.65	28	874.33
Vivriti Capital Pvt Ltd - Tranche 1	14.80%	2025-26	18	250.00	30	416.67
Vivriti Capital Pvt Ltd - Tranche 2	14.80%	2025-26	18	250.00	30	416.67
Vivriti Capital Pvt Ltd - Tranche 3	14.90%	2025-26	21	291.67	33	458.33
Vivriti Capital Pvt Ltd - Tranche 4	14.75%	2025-26	21	291.67	33	458.33
Vivriti Capital Pvt Ltd - Tranche 5	14.50%	2026-27	28	388.89	-	-
			Total	2,883.58	Total	5,797.00
			Less : Current maturity of long term borrowings shown	1,596.53	-	1,842.97
			in current liabilities	Balance		3,954.03
			Total Balance	4,085.76		5,977.40

Note 16 : Lease Liabilities

(Amount Rs. In Lakhs)

Sr. No	Particular	As at March 31, 2024	As at March 31, 2023
A	Non Current	688.31	247.96
B	Current	502.64	441.85
	Total	1,190.95	689.80

Effective from April 1, 2019, the company adopted Ind AS 116 "Lease", applied to all lease contracts existing on April 1, 2019 using the modified retrospective approach and has taken the cumulative adjustment to retained earnings, on date of initial application. Due to transition, the nature of expenses in respect of certain leases under erstwhile standard has changed from 'Lease Rental' to Depreciation & Amortization expenses and Finance cost' for the Right to use assets and on Lease Liability respectively.

Due to the accounting treatment as per this Standard, the current year profit has been Reduced by Rs. 198.89/- Lakhs (Previous Year profit Increased by Rs. 159.92/- Lakhs)

Details of Payments to be made towards Lease obligations

(Amount Rs. In Lakhs)

Particular	As at March 31, 2024	As at March 31, 2023
Lease liability paid during the year	585.63	493.96
Lease liability payable not more than 1 year	626.80	492.90
Lease liability payable not more than 5 year	783.71	239.47



Sadhana Nitro Chem Limited
Notes forming part of the Consolidated financial statements for the year ended 31st March, 2024

Note 17: Provisions

(Amount Rs. In Lakhs)

Sr. No	Particular	As at March 31, 2024	As at March 31, 2023
	Non Current		
	Employee Benefit Obligations		
(i)	Compensated absences	210.38	192.20
(ii)	Gratuity (Refer Note No. 29)	357.08	282.23
	Total	567.47	474.43
	Current		
	Employee Benefit Obligations		
(i)	Compensated absences	14.43	37.62
(ii)	Gratuity (Refer Note No. 29)	35.78	36.99
	Total	50.21	74.61
Movement in provisions		Gratuity	
	Opening balance	319.21	317.10
	Add/Less : Provision recognised /(reversed) during the year	73.65	2.12
	Closing balance	392.86	319.21

Note 18: Trade Payables

(Amount Rs. In Lakhs)

Sr. No	Particular	March 31, 2024	March 31, 2023
(i)	Micro and Small Enterprises	152.12	206.53
(ii)	Others	3,172.56	3,140.99
	Total	3,324.68	3,347.52
(a)	Ageing of Trade Payables (Outstanding for following periods from due date of payment)		
	i) Micro and Small Enterprises		
	Total outstanding dues of micro enterprise and small enterprises		
	Less than 1 year	105.20	203.91
	1-2 year	46.05	2.62
	2-3 year	0.87	-
	More than 3 years	-	-
	ii) Undisputed		
	Total outstanding dues of creditors other than micro enterprise & small enterprises		
	Less than 1 year	2,790.43	2,631.68
	1-2 year	23.75	179.53
	2-3 year	136.99	42.68
	More than 3 years	221.38	112.93
	iii) Disputed		
	Total outstanding dues of creditors other than micro enterprise & small enterprises		
	Less than 1 year	-	-
	1-2 year	-	-
	2-3 year	-	174.17
	More than 3 years	-	-
	Total	3,324.68	3,347.52



Sadhana Nitro Chem Limited
Notes forming part of the Consolidated financial statements for the year ended 31st March, 2024

(b) Disclosure required under Clause 22 of Micro, Small and Medium Enterprises Development ('MSMED') Act, 2006

(Amount Rs. In Lakhs)

Particular	As at March 31, 2024	As at March 31, 2023
a) the principal amount and the interest due thereon (to be shown separately)		
- Principal amount due to Micro and small enterprises:	152.12	206.53
- Interest due on above:	14.55	8.55
b) the amount of interest paid by the buyer under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointment day during each accounting year	-	-
c) the amount of interest due and payable for the period (where the principal has been paid but interest under the MSMED Act 2006 is not paid)	5.99	6.93
d) the amount of interest accrued and remaining unpaid at the end of accounting year.	14.55	8.55
e) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowances as a deductible expenditure under section 23.	-	-

(c) The Company has initiated the process of identification of suppliers registered under the Micro, Small & Medium Enterprises Development Act, 2006, by obtaining confirmations from all suppliers. Information has been collated only to the extent of information received as at the balance sheet date.

(d) All trade payables are 'current'. The Company's exposure to currency and liquidity risks related to trade payables is disclosed in note no 26(ii)

Note 19 : Other financial liabilities

(Amount Rs. In Lakhs)

Sr. No	Particular	As at March 31, 2024	As at March 31, 2023
	Current		
(i)	Interest accrued but not due on borrowings	518.01	180.18
(ii)	Unclaimed Dividend	23.85	11.34
(iii)	Creditors for Capital Expenditure	1,273.51	783.93
(iv)	Advance From Customer	3.13	95.91
(vi)	Other payables	104.62	111.09
	Total	1,923.12	1,182.44

Note 20 : Other Liabilities

(Amount Rs. In Lakhs)

Sr. No	Particular	As at March 31, 2024	As at March 31, 2023
	Current		
(i)	Statutory Dues	239.57	228.74
(ii)	Employee Dues	329.73	290.86
	Total	569.31	519.60

Note 21 : Revenue from operation

(Amount Rs. In Lakhs)

Sr. No	Particular	March 31, 2024	March 31, 2023
	Sale of Product		
(i)	(a) Chemical Intermediates	18,823.84	14,127.11
	(b) Wireless Network Equipment	51.54	79.32
(ii)	Sale Of Service	-	-
(ii)	Other Operating Revenue		
	(a) Sale of scrap & sales other	5.60	9.41
	(b) Export Benefit	123.74	117.63
	Total	19,004.73	14,333.47



Sadhana Nitro Chem Limited
Notes forming part of the Consolidated financial statements for the year ended 31st March, 2024

Note 21.1 : Detail of revenue from contract with customer recognised by the company net off indirect tax in the statement of profit and loss.

Product wise Detail of Revenue

(Amount Rs. In Lakhs)

Sr. No	Particular	March 31, 2024	March 31, 2023
(a)	Sale of product		
	Product Type		
	MAP	8,029.44	8,146.36
	SND 27 (ODB2)	7,644.60	4,125.63
	PAP	2,392.11	663.86
	Other	814.82	1,279.99
	Total	18,880.98	14,215.84

Note 22: Other Income

(Amount Rs. In Lakhs)

Sr. No	Particular	March 31, 2024	March 31, 2023
(i)	Interest income on		
	Bank deposits	35.22	25.05
	Loan to others	36.30	49.71
	Notional Interest	4.06	3.11
(ii)	Foreign Exchange Gain	7.73	20.69
(iii)	Mark To Market Gain of Forward Contracts	32.79	-
(iv)	Miscellaneous Income	60.18	2.96
(v)	Fair Value Lease Liabilities	-	54.41
(vi)	Reversal of Provision in Diminution in value of Investment	5.08	-
(vii)	Sundry liabilities written back	214.60	23.30
	Total	395.97	179.22

Note 23: Cost of materials and packaging material consumed

(Amount Rs. In Lakhs)

Sr. No	Particular	March 31, 2024	March 31, 2023
	Inventory at the beginning of the year	2,083.35	1,596.76
	Add: Purchases	8,259.81	8,564.69
	Total	10,343.16	10,161.46
	Less: Inventory at the end of the year	(2,405.42)	(2,083.35)
	Cost of materials consumed	7,937.74	8,078.11
	Total	7,937.74	8,078.11

Particulars of Raw material & packaging materials Consumed

(Amount Rs. In Lakhs)

Sr. No	Particular	March 31, 2024	March 31, 2023
(i)	Benzene	800.89	1,006.36
(ii)	Nitric acid	396.80	690.37
(iii)	Cast iron powder	596.94	497.77
(iv)	Oleum 65%	129.81	132.95
(v)	Packaging Material	43.36	29.57
(vi)	M.M.D.P.A	1,560.87	1,316.78
(vii)	Caustic Soda	349.40	528.88
(viii)	Caustic Potash Lye	874.09	1,000.42
(ix)	Soda Ash light	237.09	235.77
(x)	N-Butyl Bromide	396.36	277.35
(xi)	Other	2,552.14	2,361.89
	Total	7,937.74	8,078.11



Sadhana Nitro Chem Limited
Notes forming part of the Consolidated financial statements for the year ended 31st March, 2024

Note 23: Change in inventory of Finished Goods and Work in progress (Amount Rs. In Lakhs)

Sr. No	Particular	March 31, 2024	March 31, 2023
(i)	Opening Stock		
	Work in progress	2,661.22	2,073.79
	Finished goods	6,064.15	5,578.59
	Scrap	3.50	3.50
	Total (i)	8,728.87	7,655.88
(ii)	Closing Stock		
	Work in progress	2,409.85	2,661.22
	Finished goods	5,788.67	6,064.15
	Scrap	3.00	3.50
	Total (ii)	8,201.52	8,728.87
	Changes in Inventories Decrease/(Increase)(i-ii)	527.35	(1,072.99)
	Total	527.35	(1,072.99)

Note 24: Employee Benefit Expenses (Amount Rs. In Lakhs)

Sr. No	Particular	March 31, 2024	March 31, 2023
(i)	Salaries & bonus	2,098.15	1,661.90
(ii)	Contribution to provident fund, group gratuity, ESIC & other funds	109.18	98.90
(iii)	Gratuity (Refer Note No. 29)	39.24	43.38
(iv)	Leave Encashment expense	(4.85)	(84.88)
(v)	Staff welfare & Medical Expenses	0.39	0.53
	Total	2,242.11	1,719.82

24.1 During the financial year ended 31st March, 2023, the management has changed the policy with regards to leave encashment. As per the revised leave policy, there will be no leave encashments post 1st April, 2022 and unavailed leave counting to a maximum of 15 days in a year will be allowed to be carried forward subject to a maximum accumulation upto 45 days of leave. This change in policy has resulted in a significant decrease in accumulated leave encashment liability which has resulted in the reversal of provisions of earlier years during the year ended 31st March, 2023

Note 25: Finance Cost (Amount Rs. In Lakhs)

Sr. No	Particular	March 31, 2024	March 31, 2023
(i)	Interest expense on term loans and other financial liabilities	1,547.09	621.44
(ii)	Interest on lease liability	80.95	96.37
(iii)	Interest on delayed Payment of tax	49.43	185.43
(iv)	Other borrowing cost	51.34	72.88
	Total	1,728.81	976.11

Note 3: Depreciation & Amortization (Amount Rs. In Lakhs)

Sr. No	Particular	March 31, 2024	March 31, 2023
(i)	Depreciation of tangible assets	1,449.15	738.50
(ii)	Amortization of intangible assets	42.03	22.00
	Total	1,491.17	760.50



Sadhana Nitro Chem Limited
Notes forming part of the Consolidated financial statements for the year ended 31st March, 2024

Note 26: Other Expenses

(Amount Rs. In Lakhs)

Sr. No	Particular	March 31, 2024	March 31, 2023
(i)	Power and fuel	1,623.80	1,060.33
(ii)	Rent & Subletting Charges	8.50	13.83
(iii)	Rates & Taxes	91.78	25.73
(iv)	Insurance	82.60	70.89
(v)	Printing & Stationery	8.34	7.36
(vi)	Postage, Telegram & Telephone & Interent (Communication Expenses)	17.98	15.63
(vii)	Travelling & Conveyance Expenses	248.67	249.04
(viii)	Legal & Professional fees	248.34	163.11
(ix)	Directors Fees	2.32	3.12
(x)	Electricity charges	14.37	14.69
(xi)	Security Charges	99.31	57.68
(xii)	Stores & spares Consumed	384.08	215.91
(xiii)	Repairs & Maintenance		
	Plant & Machinery	6.13	9.64
	Others (R&M)	55.98	77.12
(xiv)	Other Manufacturing Expenses	193.67	92.26
(xv)	Effluent Expenses	233.05	197.20
(xvi)	Research & Development Expenses	8.62	11.20
(xvii)	Payment to auditors (Refer Note 26(a) below)	16.60	11.00
(xviii)	Selling Expenses		
	Freight and Forwarding Expenses	89.96	130.57
	Commission Charges	188.68	12.70
	Local Freight & other expenses	238.92	469.60
(xix)	Bad debts & Sundry Debit Balances written off	37.30	12.80
(xx)	Miscellaneous Expenses	186.53	160.31
(xxi)	Foreign exchange fluctuation	10.27	192.11
(xxii)	Loss on forward contracts	16.79	138.57
(xxiii)	CSR Expenses	50.00	34.56
(xxiv)	Sundry Balances Written off	11.68	36.82
(xxv)	Merger Expenses	3.10	-
(xxvi)	Notional Rent (Ind As)	2.85	2.26
(xxvii)	Fair Value of lease liabilities	10.47	-
	Total	4,190.69	3,486.04

Footnotes:

(i) Payment to Auditors

(Amount Rs. In Lakhs)

Sr. No	Particular	March 31, 2024	March 31, 2023
	As Auditor*		
(i)	Statutory Audit Fee	12.00	10.00
(ii)	Tax Audit Fee	1.00	1.00
(iii)	Tax Matters & Certification	3.60	2.78
	Total	16.60	13.78



Sadhana Nitro Chem Limited
Notes forming part of the Consolidated financial statements for the year ended 31st March, 2024

Note 27: Financial Instruments and Risk Review**Capital Management**

The key objective of the Company's capital management is to ensure that it maintains a stable capital structure with the focus on total equity to uphold the investor, creditor and customer confidence and to ensure future development of its business. The Company is focused on keeping strong total equity base to ensure independence, security as well high financial flexibility for potential future borrowings, if required without impacting the risk profile of the company. The Company's goal is to continue to be able to return excess liquidity to shareholders by continuing to distribute annual dividends in future periods. The amount of future dividends of equity shares will be balanced with efforts to continue to maintain an adequate liquidity status.

(Amount Rs. In Lakhs)

Particular	March 31, 2024	March 31, 2023
Total equity attributable to equity shareholders of the company	22,659.28	22,607.99
As a percentage of total capital	51%	63%
Long term borrowings	12,893.97	5,977.40
Short term borrowings	9,178.77	7,208.42
Total borrowings	22,072.74	13,185.82
As a percentage of total capital	49%	37%
Total Capital (Equity and Borrowings)	44,732.03	35,793.81

Financial Risk Management Framework

The company has exposure to the following risks arising from financial assets & liabilities:

- a) Credit risk
- b) Liquidity risk
- c) Market risk

i) Credit Risk

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract leading to financial loss. The credit risk arises principally from its operating activities (primarily trade receivables) and from its financing activities including deposits with banks and financial institutions and other financial instruments.

The customer credit is managed by the company's established policy, procedures and controls relating to customer credit management. The company has established a credit policy under which each new customer is analysed individually for credit worthiness before the company's standard payment and delivery terms and conditions are offered. The company's review includes external ratings where available and other publicly available financial information. Outstanding customers receivables are regularly monitored and any shipment to major customers are generally covered by letter of credit or other forms of credit insurance.

The following table gives details in respect of percentage of revenues generated from top five customer:

(In %)

Particular	March 31, 2024	March 31, 2023
Revenue from top five customers	55.39%	52.70%

The company establishes an allowance for impairment that represents fixed estimate of expected losses in respect of trade and other receivable. The maximum exposure to credit risk as at reporting date is primarily from trade receivable amounting to Rs. 3178. 29/- Lakhs (P.Y. Rs. 6556.00/- Lakhs). The movement in allowance for impairment in trade and other receivables during the year was as follows :

(Rs. Lakhs)

Allowance for impairment	March 31, 2024	March 31, 2023
Opening balance	17.57	8.20
Impairment loss recognised / reversed	36.42	9.37
Closing balance	53.98	17.57



Sadhana Nitro Chem Limited
Notes forming part of the Consolidated financial statements for the year ended 31st March, 2024

Majority of the balance of trade receivables of the Company are from eight customers (P.Y. eight customer)

The total outstanding from these customers as at year end is Rs. 8768.19/- Lakhs (P.Y. Rs. 5805.22/- Lakhs)

Credit risk on cash and cash equivalent is limited as the Company generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit ratings agencies.

ii) Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The company's approach to managing liquidity is to ensure as far as possible that will have sufficient liquidity to meet its liabilities when they are due under both normal and stressed conditions without incurring unacceptable losses or risking damage to company's reputation.

The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived. In addition, the company maintains the following line of credit.

The company has foreign currency working capital facilities from a Bank at interest rate of 7.75% p.a. These facilities are secured by exclusive charge on present and future stocks and book debts, exclusive charge on entire plant and machinery. Further secured by personal guarantee of Chairman and Managing Director and Corporate Guarantee of Holding Company.

Further, the Company has working capital facilities in Indian currency from a bank carrying interest rate ranging between 6.60% to 12.75 % p.a. These facilities are repayable on demand, secured by way of first pari passu charge on the present and future current assets of the company, second pari passu charge on entire movable and immovable fixed assets of the company, present and future at plot no 47, MIDC, Roha Industrial Area, Raigad District - 402116, investments in Mutual Funds and further secured by personal guarantee of Chairman and Managing Director of the company and Corporate guarantee of Manekchand Panachand Trading Investment Co Pvt Ltd, holding company of the Company.

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of March 31, 2023

(Rs. Lakhs)

Particulars	Less than 1 year	1 to 2 years	2 - 5 years	5 - 10 years	Total
Long term borrowings	2,243.17	2,014.50	1,942.17	2,020.74	8,220.57
Short term borrowings	6,935.60	-	-	-	6,935.60
Trade payable	3,172.56	-	-	-	3,172.56
Other financial liabilities	1,923.12	-	-	-	1,923.12
Total	14,274.45	2,014.50	1,942.17	2,020.74	20,251.85

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of March 31, 2022

(Rs. Lakhs)

Particulars	Less than 1 year	1 to 2 years	2 - 5 years	5 - 10 years	Total
Long term borrowings	2,066.51	1,035.29	1,730.57	694.04	5,526.41
Short term borrowings	5,141.91	-	-	-	5,141.91
Trade payable	3,347.52	-	-	-	3,347.52
Other financial liabilities	1,182.44	-	-	-	1,182.44
Total	11,738.38	1,035.29	1,730.57	694.04	15,198.28

iii) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes. The Company's exposure to market risk is primarily on account of foreign currency exchange rate risk.

Foreign Currency exchange rate risk

The Company operates internationally and major portion of the business is transacted in several currencies and consequently the company is exposed to foreign exchange risks through operating activities in foreign currency.



Sadhana Nitro Chem Limited
Notes forming part of the Consolidated financial statements for the year ended 31st March, 2024

1) Details of foreign currency exposures as at the year end :

Particulars	Currency	Amount in foreign currency		Equivalent amount (Amount Rs. In Lakhs)	
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Financial Assets					
Trade Receivables	EUR	15,37,090	14,75,550	1,386.73	1,322.20
	USD	35,53,904	37,49,952	2,963.03	3,083.09
Advance to Vendors	USD	-	3,37,759	-	277.69
Balance with bank in foreign currency	USD	-	2,831	-	2.33
Financial Liabilities					
Trade Payables	USD	1,42,017	1,41,759	118.40	116.55
	EUR	2,45,247	-	221.26	-
Advance Received from customer	USD	-	1,31,026	-	107.73
	EUR	-	-	-	-
Working Capital Borrowings	EUR	-	-	-	-
	USD	10,00,000	17,00,000	833.74	1,397.68
Net Asset / (liability)	EUR	17,82,337	14,75,550	1,607.99	1,322.20
Net Asset / (liability)	USD	26,95,921	23,98,444	2,247.69	1,971.93

2) Details of forward contracts outstanding at the year end used to hedge the outstanding foreign currency exposures

Particulars	Currency	Amount in foreign currency		Equivalent amount (Amount Rs. In Lakhs)	
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Forward contracts entered into to hedge the receivable exposure	USD	12,80,773	35,92,719	1,067.83	2,953.82
Forward contracts entered into to hedge the receivable exposure	EURO	3,00,000	4,93,809	270.65	442.49
Forward contracts entered into to hedge the payable exposure	USD	8,00,000	3,02,080	666.99	-

The Company enters into forward contracts to offset foreign currency risks arising from the amounts denominated in currencies other than the Indian Rupee. The counter party in such forward contracts is a bank. These contracts are entered to hedge the foreign currency risks on the firm commitments.

Note 28 : Earnings Per Share

Basic Earning Per Share

(Amount Rs. In Lakhs)

Sr. No	Particulars	March 31, 2024	March 31, 2023
a)	Net Profit for the year attributable to the equity shareholders	418.17	317.82
b)	Opening number of equity shares outstanding	24,70,58,452	24,70,58,452
c)	Closing Number of Equity shares outstanding	24,70,58,452	24,70,58,452
d)	Effective weighted average no. of shares outstanding during the year (Refer Note 28.1 below)	24,70,58,452	24,70,58,452
e)	Basic earning per share (₹ 1/- per share) (P. Y. Rs. 1/- per share)	0.17	0.13

Diluted Earning Per Share

(Rs.Lakhs)

Sr. No	Particulars	March 31, 2024	March 31, 2023
a)	Net Profit for the year attributable to the equity shareholders	408.17	317.82
b)	Opening number of equity shares outstanding on diluted basis	20,21,38,735	19,56,18,129
c)	Closing Number of Equity shares outstanding on diluted basis	24,70,58,452	20,21,38,735
d)	Effective weighted average no. of shares outstanding during the year (Refer Note 28.1 & 28.2 below)	24,70,58,452	19,61,36,205
e)	Basic earning per share (₹ 1/- per share) (P. Y. Rs. 1/- per share)	0.17	0.16



Sadhana Nitro Chem Limited
Notes forming part of the Consolidated financial statements for the year ended 31st March, 2024

28.1 During the previous year ended 31st March, 2024, the Company has issued and allotted 4,49,19,719 equity shares of Re. 1/- each to eligible equity shareholders on the book closure date (i.e. 5th July, 2023) as fully paid up bonus equity shares by capitalizing reserves.

The earning per share figures for the previous year have been restated to give effect of the allotment of the bonus shares, as required by IND-AS 33, 'Earning Per Share'. Accordingly the opening & closing no. of outstanding equity shares has been restated and consequently the EPS for the previous year has also been restated.

Note 29 : Employee benefits

(a) Defined Contribution Plan

The Holding Company makes Provident Fund contributions to defined contribution plan administered by the Regional Provident Fund Commissioner. Under this scheme, the Holding Company is required to contribute a specified percentage of payroll cost to fund the benefits. The Holding Company has recognized Rs.108.97/- Lakhs towards Provident Fund and other fund contributions (March 31, 2023: Rs. 98.67/- Lakhs) in the Statement of Profit and Loss. The provident fund and ESIC contributions payable by the Holding Company are in accordance with rules framed by the Government from time to time.

(b) Defined Benefit Plans:

Gratuity

The employee's gratuity fund scheme managed by a trust is a defined benefit plan. The present value of the obligation is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognised in the same manner as gratuity.

The estimated rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority promotion and other relevant factor including supply and demand in the employment market. The above information is certified by actuary. The expected rate on plan assets is determined considering several applicable factor, mainly the composition of plan assets held assessed risk, historical result of return on plan assets and the company's policy for plan assets management.

The Holding Company has a defined benefit plan for every employee who has completed five year or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is unfunded.

The Holding Company has a defined unfunded obligation for leave encashment. Generally the leave encashment is paid to employees as and when claimed.

Defined benefit plans - as per actuarial valuation on 31st March, 2024

(Amount Rs. In Lakhs)

Particulars	Funded Plan Gratuity	
	March 31, 2024	March 31, 2023
Service Cost		
Current Service Cost	15.33	10.18
Past service cost and (gains)/losses from settlements	0.00	0.00
Net interest expense	23.91	23.05
Components of defined benefit costs recognised in profit or loss	39.24	33.24
Remeasurement on the net defined benefit liability		
Return on plan assets (excluding amount included in net interest expense)	0.00	0.00
Actuarial gains and loss arising form changes in financial assumptions	7.48	-4.64
Actuarial gains and loss arising form experience adjustments	29.53	-12.35
Actuarial gains and loss arising from demographic adjustments	0.00	0.00
Components of defined benefit costs recognised in other comprehensive income	37.01	-16.99
Total	76.25	16.24



Sadhana Nitro Chem Limited
Notes forming part of the Consolidated financial statements for the year ended 31st March, 2024

(Amount Rs. In Lakhs)

Particulars	Funded Plan Gratuity	
	March 31, 2024	March 31, 2023
I. Net Asset/(Liability) recognised in the Balance Sheet as at 31st March 24		
1. Present value of defined benefit obligation as at 31st March 24	392.86	319.21
2. Fair value of plan assets as at 31st March	0.00	0.00
3. Surplus/(Deficit)	392.86	319.21
4. Current portion of the above		
5. Non current portion of the above		
II. Change in the obligation during the year ended 31st March 24		
1. Present value of defined benefit obligation at the beginning of the year	319.21	317.10
2. Add/(Less) on account of Scheme of Arrangement/Business transfer	0.00	0.00
3. Expenses Recognised in Profit and Loss Account		
- Current Service Cost	15.33	10.18
- Past Service Cost	0.00	0.00
- Interest Expense (Income)	23.91	23.05
4. Recognised in Other Comprehensive Income	0.00	0.00
Remeasurement gains / (losses)		
- Actuarial Gain (Loss) arising from:		
i. Demographic Assumptions		0.00
ii. Financial Assumptions	7.48	-4.64
iii. Experience Adjustments	29.53	-12.35
iv. (Gain)/Loss on Curtailments And Settlements	0.00	0.00
5. Benefit payments	-2.59	-14.13
6. Others (Specify)		
7. Present value of defined benefit obligation at the end of the year	392.86	319.21
III. Change in fair value of assets during the year ended 31st March		
1. Fair value of plan assets at the beginning of the year	-	-
2. Add/(Less) on account of Scheme of Arrangement/Business Transfer	-	-
3. Expenses Recognised in Profit and Loss Account	-	-
- Expected return on plan assets	-	-
- Interest Income	-	-
4. Recognised in Other Comprehensive Income	-	-
Remeasurement gains / (losses)	-	-
- Actual Return on plan assets in excess of the expected return	-	-
- Others (specify)	-	-
5. Contributions by employer (including benefit payments recoverable)	-	-
6. Benefit payments	-	-
7. Fair value of plan assets at the end of the year	-	-
IV. The Major categories of plan assets		
- List the plan assets by category here		
Insurance Fund	-	-
V. Actuarial assumptions		
1. Discount rate	7.49%	7.27%
2. Expected rate of return on plan assets	NA	NA
3. Salary Increase Rate	4.00%	4.00%
4. Rate of Employee Turnover	2.00%	2.00%
5. Mortality Rate During Employment	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2006-08)
6. Mortality Rate After Employment	N.A.	N.A.



Sadhana Nitro Chem Limited
Notes forming part of the Consolidated financial statements for the year ended 31st March, 2024

(Rs.Lakhs)

Particulars	Funded Plan Gratuity	
	March 31, 2024	March 31, 2023
VI. Other Details		
1. No. of Active Members	245	206.00
2. Per Month Salary For Active Members	83.85	65.19
3. Weighted Average Duration of the Projected Benefit Obligation	8.00	8.00
4. Average Expected Future Service	17.00	16.00
5. Projected Benefit Obligation (PBO)	392.86	319.21
6. Prescribed Contribution For Next Year (12 Months)	-	-
VII. Net Interest Cost for Next Year		
1. Interest Cost	23.91	23.05
2. Interest Income	-	-
3. Net Interest Cost (1-2)	23.91	23.05

Maturity Analysis of Projected Benefit Obligation: From the Employer

Projected Benefits Payable in Future Years From the Date of Reporting		
1st Following Year	35.78	36.99
2nd Following Year	26.42	22.89
3rd Following Year	30.34	21.42
4th Following Year	59.50	39.34
5th Following Year	29.49	46.30
Sum of Year 6 To 10	206.38	137.76
Sum of Year 11 and Above	-	294.32

Sensitivity Analysis

Projected Benefit Obligation on Current Assumptions	392.86	319.21
Delta Effect of +1% Change in Rate of Discounting	(31.88)	(19.58)
Delta Effect of -1% Change in Rate of Discounting	22.02	22.19
Delta Effect of +1% Change in Rate of Salary Increase	15.79	17.62
Delta Effect of -1% Change in Rate of Salary Increase	(27.96)	(15.77)
Delta Effect of +1% Change in Rate of Employee Turnover	1.73	7.46
Delta Effect of -1% Change in Rate of Employee Turnover	(16.01)	(8.24)



Sadhana Nitro Chem Limited
Notes forming part of the Consolidated financial statements for the year ended 31st March, 2024

Note 30 : Contingent liabilities and commitments (to the extent not provided for)

Particular	March 31, 2024	March 31, 2023
(i) Contingent liabilities :		
(a) Contingent Liabilities for Income Tax, Service Tax & others	-	-
- Income Tax Act 1961 (F.Y. 2013-14) (A.Y. 2014-15)	0.55	0.55
- Employees Provident Fund and Miscellaneous Provisions Act 1952#	-	58.77
- Employees Provident Fund and Miscellaneous Provisions Act 1952#	4.72	4.72
#The Group is subject to legal proceedings and claims which have arisen in the ordinary course of business from Direct tax laws (TDS), Indirect tax laws and Other Laws. Future cash outflow, if any in respect of these matters are determinable only on receipt of judgements /decisions pending at various stages before the appellate authorities. The Management is of the opinion that the matters would be resolved in favour of the Group. The Holding Company's Management does not reasonably expect that these legal action when ultimately concluded and determined would have a material and adverse effect on the Group's result of operations or financial condition.		
(ii) The erstwhile subsidiary, Spidigo Net Private Limited, which merged with the Holding Company during the previous financial year had received Demand notice u/s 14B under Employees Provident Funds and Miscellaneous Provisions Act, 1952 from the period 01/04/2016 to 31/05/2019 for Rs 16.98 Lakhs . Demand of Rs 16.98 Lakhs consist of followings:		
- Amount of Damages	11.28	-
- Amount of Interest	5.7	-
Total	16.98	-
Against the said demand, the subsidiary Company had paid Rs. 6.50 lakhs & preferred an appeal before the Central Government Industrial Tribunal & obtained a stay against recovery of the the balance amount.		

Note 31: Borrowing Costs

During the year, the Holding Company has capitalized Rs. 566.69/- Lakhs (P.Y. Rs. 799.30/- Lakhs) as part of cost of qualifying CWIP as borrowing costs.

Note 32: Segment Information

32.1 Primary Segment

An operating Segment is a component of the entity that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance for which discrete financial performance is available.

Information reported to the chief operating decision maker (CODM) for the purpose of resource allocation and assessment of segment performance focuses on the type of goods & services delivered or provided. The group is in the business of manufacturing of chemical intermediates, heavy organic chemicals and performance chemicals and manufacture of wireless network equipment and services.

The accounting policies of the operating segments are the same as the accounting policies disclosed in Note No. 2 to these consolidated financial statements. The revenues, total assets and net profit as per the Statement of Profit & Loss represent the revenue, total assets & net profit of both the operating segments. However, since the revenue, profits & total assets of one of these segments (manufacture of wireless network equipment & services) is less than 10% of the combined revenue, profits & assets of all the operating segments, disclosures as required by Ind-As 108, 'Operating Segments' are not given.

32.2 Secondary Segment

The Group's secondary segments are the geographic distribution of activities. Revenue & receivables are specified by location of customers while the other geographic information is specified by locations of assets / liabilities.

The Group has two geographical segments based upon location of its customers with and outside India.



Sadhana Nitro Chem Limited
Notes forming part of the Consolidated financial statements for the year ended 31st March, 2024

(Amount Rs. In Lakhs)

Particular	March 31, 2024	March 31, 2023
Revenue		
India	11,549.22	4,255.56
Outside India	7,331.77	6,049.46
Total	18,880.98	10,305.02
Assets (Trade Receivables)		
India	8,052.82	677.72
Outside India	4,570.09	4,212.15
Total	12,622.91	4,889.87

Other than above, the following assets of the Anuchem BVBA, Belgium are held outside India

(Amount Rs. In Lakhs)

Particular	March 31, 2024	March 31, 2023
a) Inventories	1,138.40	642.93

32.3 Reporting of Customers contributing more than 10% of revenue

Particular	March 31, 2024	March 31, 2023
Total number of customer contributing 10 % of revenue each	5	3
Total Revenue From Above Customers	10,457.84	5,134.42

Note 33 : Significant estimates and assumptions**Estimates and Assumptions**

The preparation of the Group's financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes will be reflected in the assumptions when they occur.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or Cash Generating Unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amounts sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

Defined Benefit Plans (Gratuity Benefits)

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans



Sadhana Nitro Chem Limited
Notes forming part of the Consolidated financial statements for the year ended 31st March, 2024

operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

Details about gratuity obligations are given in Note 29.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, the fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value target and the discount factor.

The Group has valued its financial instruments through profit & loss which involves significant judgements and estimates such as cash flows for the period for which the instrument is valid, EBITDA of investee company, fair value of share price of the investee company on meeting certain requirements as per the agreement, etc. The determination of the fair value is based on expected discounted cash flows. The key assumptions take into consideration the probability of meeting each performance target and the discount factor.

Note 34 : Related Party Transaction

I) List of related parties

(A) Holding Company Manekchand Panachand Trading Investment Co. Private Limited

(B) Fellow Subsidiary Company Fun Gateway Arena Private Limited

(C) Key Management Personnel & Board of Directors

- | | |
|-----------------------------|-----------------------------------------------------------|
| i) Shri. Asit D. Javeri | Executive Chairman |
| ii) Shri. Abhishek A Javeri | Managing Director |
| iii) Smt. Seema A Javeri | Executive Director (Administration) |
| iv) Shri. Priyam S Jhaveri | Independent Director |
| v) Shri. Pradeep N Desai | Independent Director |
| vi) Shri. Amit M Mehta | Independent Director (Resigned w.e.f. 19th October, 2023) |
| vii) Smt. Ayesha S Patel | Additional Independent Director |
| viii) Shri. Nitin R Jani | Company Secretary |
| ix) Shri. Rakesh Kothari | Chief Financial Officer (Appointed on 02.05.2022) |

(D) Associate Concerns / Companies under control / Significant influence of Key Managerial Personnel or the members of the Board of Directors

- i) Lifestyle Networks Limited
- ii) Mirosa Marine Private Limited (Formerly known as DHPL Marine Private Limited)
- iii) Pthalo Color & Chemicals (India) Limited
- iv) Nanavati Speciality Chemicals Private Limited
- v) Nanavati Sons Private Limited
- vi) Phthalo Pigments Private Limited
- vii) Aayan Nanotech Private Limited
- viii) Tanishka Microencapsulation Private Limited
- ix) Trivo Enterprise LLP
- x) Finogra (India) Private Limited
- xi) S.Amit Speciality Chemicals Private Limited
- xii) Perfo Chem (India) Private Limited
- xiii) S Amit & Co
- xiv) Chem Amit
- xv) Hi End Property Developers LLP
- xvi) Reaxa Chemistry Solutions LLP
- xvii) HG Partners LLP



Sadhana Nitro Chem Limited
Notes forming part of the Consolidated financial statements for the year ended 31st March, 2024

II) Disclosures in respect of material related party transactions during the year.

(Amount Rs. In Lakhs)

	Particular	March 31, 2024	March 31, 2023
(A)	Remuneration paid / payable		
	i) Shri. Asit D Javeri	168.00	168.00
	ii) Shri. Abhishek A Javeri	168.00	168.00
	iii) Smt. Seema A Javeri	168.00	168.00
	iv) Shri Nitin R Jani	130.59	124.27
	v) Shri Rakesh Kothari	113.67	57.21
(B)	Interest Paid		
	i) Manekchand Panachand Trading Investment Co. Pvt. Ltd.	129.94	6.49
	ii) Shri. Asit D Javeri	274.80	77.14
	iii) Shri. Abhishek A Javeri	161.41	7.71
	iv) Smt. Seema A Javeri	12.01	28.09
	v) Nanavati Sons Pvt Ltd	0.00	1.47
(C)	Revenue from sale of goods		
	i) Aayan Nanotech Private Limited	80.85	176.40
	ii) Lifestyle Networks Ltd	0.00	0.56
(D)	Purchase Of goods / Capital Goods		
	i) Aayan Nanotech Private Limited	629.00	864.50
(E)	Interest Received / Receivable		
	i) Nanavati Sons Pvt Ltd	0.46	0.53
(F)	Director Sitting Fees		
	i) Shri. Priyam S Jhaveri	0.98	1.22
	ii) Shri. Pradeep N Desai	0.42	1.10
	iii) Shri Amit M Mehta	0.00	0.20
	iv) Smt Ayesh Patel	0.92	0.60
(G)	Business Support Services Provided to		
	i) Manekchand Panachand Trading Investment Co Pvt Ltd	60.00	0.00
(H)	Guarantee Commission Paid		
	i) Manekchand Panachand Trading Investment Co Pvt Ltd	156.41	0.00
(I)	Loan / Advances given during the year		
	i) Nanavati Sons Pvt. Ltd.	50.00	100.00
(J)	Loan / Advances repayment received during the year		
	i) Nanavati Sons Pvt. Ltd	50.00	100.00
(K)	Loan Repaid During the Year		
	i) Shri. Asit D Javeri	356.63	600.23
	ii) Nanavati Sons Pvt Ltd	0.00	15.00
	iii) Manekchand Panachand Trading Investment Co Pvt Ltd	483.15	65.50
	iv) Shri Abhishek Javeri	0.00	226.00
	v) Smt Seema A Javeri	0.00	204.00
(L)	Loans received during the year		
	i) Shri. Asit D Javeri	5,305.00	398.00
	ii) Shri. Abhishek A Javeri	2,755.00	233.00
	iii) Smt. Seema A Javeri	0.00	95.00
	iv) Manekchand Panachand Trading Investment Co Pvt Ltd	1,548.55	165.00
	v) Nanavati Sons Pvt Ltd		150.00



Sadhana Nitro Chem Limited
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II) Disclosures in respect of material related party transactions during the year.

(Amount Rs. In Lakhs)

	Particular	March 31, 2024	March 31, 2023
(M)	Closing Balances - Debit/(Credit)		
	i) Shri. Asit D Javeri	(5,644.35)	(312.22)
	ii) Shri. Abhishek A Javeri	(2,998.43)	(82.02)
	iii) Smt. Seema A Javeri	(193.80)	(261.54)
	iv) Lifestyle Networks Limited		1.28
	v) Aayan Nanotech Private Limited	216.45	927.46
	vi) Manekchand Panachand Trading Investment Co Pvt Ltd	(1,412.71)	(124.42)
(N)	The Holding Company, Manekchand Panachand Trading Investment Co. Pvt. Ltd, along with the Executive Chairman, Mr. Asit D Javeri and the Managing Director, Mr. Abhishek A Javeri have given corporate & personal guarantees respectively towards loans obtained by the Company amounting to Rs. 15641.08 Lakhs (P.Y. Rs. 11,346.11 Lakhs)		

Note 35: Disclosures as required under Schedule III to the Companies Act, 2013 with respect to Consolidated Financial Statements

(Amount Rs. In Lakhs)

Name of Entity	Net Assets = Total assets - Total Laibilities		Share in Profit or (Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % Of Consolidated net Assets	Amount Rs.	As % of Consolidated Profit/(Loss)	Amount Rs.	As % Of Consolidated Other Comprehensive Income	Amount Rs.	As % Of Consolidated Total Comprehensive Income	Amount Rs.
Parent Company: Sadhana Nitro Chem Ltd	102.51%	23,228.92	181.44%	740.58	100%	4.10	180.63%	744.68
Foreign Subsidiary: Anuchem BVBA	0.40%	90.59	-21.26%	-86.78	0%	-	-21.05%	-86.78
Sub Total	102.91%	23,319.51	160.18%	653.80	100.00%	4.10	159.58%	657.90
Total Elimination	-2.91%	-660.22	-60.18%	-245.63	0.00%	-0.25	-59.58%	-245.63
Grand Total	100.00%	22,359.28	100.00%	408.17	100.00%	4.10	100.00%	412.27

Note 36 : Fair Value Measurement

(a) Financial Instrument by category

(Amount Rs. In Lakhs)

Particulars	March 31, 2024	March 31, 2023
Financial Assets		
Measured at Amortised Cost		
- Trade Receivables	12,622.91	6,556.01
- Cash and Cash Equivalents	18.13	132.92
- Bank Balance other than Cash and Cash Equivalents	773.23	763.10
- Other Financial Assets	522.35	767.49
- Loans	102.54	331.38
Measured at Fair Value through Profit & Loss	-	-
Measured at Fair Value through other comprehensive income		
- Investment - Non-current	-	-
- Investment - Current	587.10	576.56
Financial Liabilities		
Measured at Amortised Cost		
- Trade Payables	3,324.68	3,347.52
- Other Financial Liabilities	1,923.12	1,182.44
- Borrowings	22,072.74	13,185.82
- Lease Liabilities	1,190.95	689.80



Sadhana Nitro Chem Limited
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(b) Fair Value Hierarchy

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consist of the following three levels :

Level 1 - Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs are other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3 - Inputs are not based on observable market data (unobservable inputs). Fair value are determined in whole or in part using a valuation model based on assumption that are neither supported by prices from observable current market transaction in the same instrument nor are they based on available market data.

The Investments included in level 3 of fair value heirachy have been valued using the cost approach to arrive at their fair value. The cost of unquoted investments approximate the fair value because there is a wide range of possible fair value measurements and the cost represents estimate of fair value within the range.

Following table summarises fair value hierarchy of financial assets measured at fair value on recurring basis

As at March 31, 2024	Level 1	Level 2	Level 3
Measured at Fair Value through Profit & Loss			
Measured at Fair Value through other comprehensive income			
- Investment - Non-current	-	-	-
- Investment - Current	587.10	-	-
As at March 31, 2023	Level 1	Level 2	Level 3
Measured at Fair Value through Profit & Loss			
Measured at Fair Value through other comprehensive income			
- Investment - Non-current	-	-	-
- Investment - Current	576.56	-	-

Note 37: Details of Benami Property held

No proceedings have been initiated or are pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder during the year.

Note 38: Wilful Defaulter

None of the companies in the Group have been declared wilful defaulter by any bank or financial institution or any other lender during the year.

Note 39: Relationship with Struck Off Companies

The Group does not have any transactions or balances with the companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the year and the previous year.

Note 40: Utilisation of Borrowed Funds and Share Premium under Rule 11(e)

No funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person or entity, including foreign entity ("Intermediaries").

No funds (which are material either individually or in the aggregate) have been received by the Group from any person or entity, including foreign entity ("Funding Parties").

Note 41: The companies in the Group do not have any transactions not recorded in books of accounts that has been surrendered or disclosed as income during the year and previous year in the tax assessments under the Income Tax Act, 1961.



Sadhana Nitro Chem Limited
Notes forming part of the Consolidated financial statements for the year ended 31st March, 2024

Note 42: The Group has not traded or invested in any crypto currency or virtual currency during the year and previous year.

Note 43: There has been no fraud by or on any company within the Group during the year and previous year.

Note 44: The Company does not have any transactions not recorded in books of accounts that has been surrendered or disclosed as income during the year and previous year in the tax assessments under the Income Tax Act, 1961.

Note 45: The Company has not traded or invested in any crypto currency or virtual currency during the year and previous year.

Note 46: There has been no fraud by the Company or on the Company during the year and previous year.

Note 47: There is no scheme of arrangement approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013 during the year and hence, no disclosures are required to be made by the Company in these financial statements for the year ended 31st March, 2024

Note 48: Dividend

Dividends declared by the Company are based on the profits available for distribution. The Board of Directors have proposed a final dividend of 15% i.e. Rs. 0.15 (Previous year Rs 0.15) per equity share amounting to Rs. **3,03,20,810/-** for the year 2022-23 (Previous year Rs. 2,93,42,719/-) after the balance sheet date, subject to the approval of shareholders at the ensuing Annual General Meeting of the Company and therefore, the proposed final dividend has not been recognised as the liability as at the balance sheet date in line with Ind AS 10 on 'Events after the reporting period'.

Note 49: Rounding of Amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

Note 50: Events Occuring after the balance sheet date

No adjusting or significant non-adjusting events have occurred between the reporting date and date of authorization.

Note 51: Previous Year Figures

Previous year's figures have been regrouped, rearranged & reclassified where ever considered necessary.

<p>For Jayesh Dadia & Associates LLP Chartered Accountants Firm Registration Number :121142W/W100122</p>	<p>For and on behalf of the Board of Directors</p>	
<p>Jayesh Dadia Partner Membership Number : 033973</p>	<p>Asit D Javeri Executive Chairman</p>	<p>Priyam S Jhaveri Director</p>
<p>Place : Mumbai Date : 17th May 2024</p>	<p>Abhishek A Javeri Managing Director</p>	<p>Rakesh Kothari Chief Financial Officer</p>
	<p>Smt. Seema A Javeri Executive Director Administration</p>	<p>Nitin R Jani Company Secretary</p>