



# SNEHAA ORGANICS (P) LTD.

CIN No. : U24290TG2022PTC164443  
(Formerly known as SNEHAA PHARMA CHEMICALS)

## BOARD'S REPORT

To  
The Members,  
M/s. SNEHAA ORGANICS PRIVATE LIMITED

The Directors are pleased to present the 1<sup>st</sup> Annual Report together with the audited accounts for the year ended 31<sup>st</sup> March 2023. The summarized financial results of the Company are given hereunder:

### FINANCIAL RESULTS

Particulars	05.07.2022
	to 31.03.2023
	Rs.
Total Revenue	13,69,22,624
Total Expenditure	9,61,40,917
Profit before Tax	4,07,91,690
Tax Expenses	99,00,198
Deferred Tax	3,78,359
Profit/Loss after Tax	3,05,13,133
Net Profit/Loss	3,05,13,133

### OPERATIONAL REVIEW/STATE OF COMPANY'S AFFAIR:

During the year, the Company reported total revenue of Rs. 13,69,22,624/-. The net profit after tax was Rs. 3,05,13,133/- as at end of the year.

Your Company is implementing the appropriate cost control measures and putting continuous efforts for increase of business and profits and your directors are planning to implement the strategy to increase the turnover and profits of the Company. To achieve this task, the management is implementing the strategy in improving the efficiency in production process, in the area of marketing and controlling expenditure.

### DIVIDEND

The Directors have not declared any dividend for the year under review.

### TRANSFER TO RESERVES

During the year the net profit of Rs. 3,05,13,133/- was transferred to reserves & surplus.

### CHANGE IN THE NATURE OF BUSINESS

There was no change in the nature of the business of the Company during the year under review.



## **DEPOSIT**

Your Company has not accepted any public deposits under Section 73&76 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014 during the year under review.

## **DIRECTORS**

### **A) Changes in Directors and Key Managerial Personnel**

During the year under review, Mr. Venkata Sai Kiran Nandigala, Mr. Venkata Sai Harish Nandigala, and Mrs. Venkata Lakshmi Nandigala are the Directors of the Company from the date of its incorporation on July 05, 2022.

There were no changes in the directors or key managerial personnel by way of appointment, re – designation, resignation, death or disqualification, variation made or withdrawn etc.

B) Declaration by an Independent Director(s) and re- appointment, if any – Not Applicable

C) Formal Annual Evaluation - Not Applicable

## **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

During the year under review, the Company does not fall under the purview of provisions of section 135 read with Schedule VII of the Companies Act, 2013. Hence the Company has not made any contributions towards CSR Activities.

## **RISK MANAGEMENT**

The development and implementation of risk management policy and various risks, including the risks associated with the economy, regulations, competition, foreign exchange, interest rate etc., are documented, monitored and managed efficiently.

## **NUMBER OF MEETINGS OF THE BOARD MEETINGS**

The Board of Directors met 5 times during this financial year.

They met on 28.07.2022, 10.08.2022, 02.11.2022, 01.12.2022 and 30.03.2023 during the financial year.



<b>Name of the Director</b>	<b>No. of Meetings attended</b>
Mr. Venkata Sai Kiran Nandigala	5
Mr. Venkata Sai Harish Nandigala	5
Mrs. Venkata Lakshmi Nandigala	5

Audit Committee - Not Applicable

Details of establishment of vigil mechanism for directors and employees- Not Applicable

Nomination and Remuneration Committee- Not Applicable

### **DIRECTOR'S RESPONSIBILITY STATEMENT**

Pursuant to the requirement of Section 134(5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- (a) The applicable accounting standards had been followed along with proper explanation relating to material departures in the preparation of the annual accounts;
- (b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The directors had prepared the annual accounts on a going concern basis; and
- (e) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **PARTICULARS OF EMPLOYEES/ DIRECTORS**

Since the Company is a Private Limited Company, the disclosures under Section 197(12) are not applicable to the Company.

### **FOREIGN EXCHANGE EARNINGS/OUTGO**

During the year under review, there was a Foreign Exchange earnings and Outgo from the operations of the Company as follows:



Particulars	As at March 31, 2023	
	Amount (USD)	Amount (in INR)
Sales	--	--
Interest accrued but not due on borrowings	--	--
Trade payables	--	--
Professional & Consultation Fees		--
Guarantee Fees		--

### **CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION**

#### **(A) Conservation of energy:**

S. No.	Particulars	
1	The steps taken or impact on conservation of energy	Company's operation does not consume significant amount of energy.
2	The steps taken by the Company for utilizing alternate sources of energy.	Not applicable, in view of comments in clause (i) above.
3	The capital investment on energy conservation equipment's	Not applicable, in view of comments in clause (i) above.

#### **(B) Technology absorption/Benefits derived/ Imported Technologies:**

S. No.	Particulars	
1	The efforts made towards technology absorption	NIL
2	The benefits derived like product improvement, cost reduction, product development or import substitution	NIL
3	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)	NIL
	A) the details of technology imported	NIL
	B) the year of import	NIL
	C) whether the technology been fully absorbed	NIL
	D) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	NIL
	E) The expenditure incurred on Research and Development	NIL

### **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

Disclosure as per Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 is not applicable to the company as it doesn't fall within the ambit of Section 135 of Companies Act, 2013.

### **ANNUAL RETURN**

As required under section 134(3)(a) of the Companies Act, 2013 and Rules framed thereunder, an extract of annual return in Form MGT-9 is enclosed as "**Annexure-I**" which forms part of this Annual Report.



### **RISK MANAGEMENT POLICY**

The existing Risk Management Policy of the Company as monitored by the Board of Directors and Senior Managerial Personnel has not identified any element of risk which may threaten the existence of the company.

### **DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS**

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations.

Various Audit Systems in the Company monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies of the Company. Based on the audit reports, Company undertakes corrective actions in respective areas and strengthens the control. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board periodically.

The Board of Directors of the Company have adopted various procedures for ensuring the orderly and efficient conduct of its business for safeguarding 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.

### **MATERIAL ORDERS**

There were no material orders passed by Regulators or Courts affecting the ongoing concern status and future operations.

### **MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT**

There were no such occurrences of material changes and commitments affecting the financial position of the Company.

### **PARTICULARS OF ASSOCIATE, HOLDING, SUBSIDIARY AND JOINT VENTURE COMPANIES**

There are no holding, associate, subsidiary and joint venture companies to the company during the year under review.



**PERFORMANCE AND FINANCIAL POSITION OF EACH OF THE SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENT**

Not Applicable as there are no holding, subsidiaries, associates and joint ventures.

**PARTICULARS OF LOANS, GUARANTEE AND INVESTMENTS**

The Company has not given any loan, guarantees or made investments during the year.

**SHARE CAPITAL**

During the year under review, the Company authorized share capital was increased from Rs. 50,00,000/- divided in to 5,00,000 equity shares of Rs. 10/- per share to Rs. 1,00,00,000/- divided in to 10,00,000 equity shares of Rs. 10/- per share in the EGM held on September 05, 2022 and the paid-up capital was increased from Rs. 50,00,000/- divided in to 5,00,000 equity shares of Rs. 10/- per share to Rs. 1,00,00,000/- divided in to 10,00,000 equity shares of Rs. 10/- per share vide board meeting dated November 02, 2022.

- A) Issue of equity shares with differential rights. - NIL
- B) Issue of sweat equity shares. - NIL
- C) Issue of employee stock options. - NIL
- D) Provision of money by company for purchase of its own shares by employees or by trustees for the benefit of employees. NIL

**RELATED PARTY TRANSACTIONS**

All related party transactions that were entered into during the financial year were on an arms' length basis and were in the ordinary course of business. There were no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large except the remuneration paid to the Directors of the Company.

In line with the provisions of Section 177 of the Companies Act, 2013 read with the Companies (Meetings of the Board and its Power) Rules, 2014, one time approval for the estimated value of transactions with the related parties for the financial year ahead has been obtained from the Board of Directors at their meeting. The transactions with the related parties are routine and repetitive in nature. None of the Directors had any pecuniary relationship or transactions with the Company, other than to the extent of their shareholding and except the payments made to them in the form of remuneration/sitting fee.

In accordance with Section 134(3)(h) of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014, the particulars of contract or arrangement entered into, if any, by the Company with related parties referred to in Section 188(1) in Form AOC-2 is attached as "**Annexure-II**" which forms



part of this Annual Report. The details of related party disclosures form part of the notes to the financial statements provided in this annual report.

### **INSURANCE**

All the properties and insurable interests of the Company including buildings have been fully insured.

### **WHISTLE BLOWER POLICY/VIGIL MECHANISM**

In staying true to our values of Passion, Result-Oriented, Wellness, Transparent & Trust, Customer Success, Give back and in line with our vision of being one of the most respected companies, the Company is committed to the high standards of Corporate Governance and stakeholder responsibility. In line with requirement of the Companies Act, 2013, Vigil Mechanism/Whistle Blower Policy has been formulated for Directors and employees to report concerns about unethical behavior, actual or suspected fraud or violation of Company's Code of Conduct etc. The said Policy provides for adequate safeguard against victimization of directors/employees who avail of such mechanism and provides access to the Chairman of Board of Directors in exceptional cases. It is affirmed that no person has been denied access to the Chairman. During the year, no Whistle Blower complaints were received.

### **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company as required under the provisions of "The Sexual Harassment of Women at Workplace (Prohibition, Prevention and Redressal) Act, 2013" has framed a Policy on Prohibition, Prevention and Redressal of Sexual Harassment of Women at Workplace and matters connected therewith or incidental thereto. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

During the year under review, the Company has not received any complaints under this Policy

### **DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SECTION 143(12)**

Nil.

### **AUDITORS**

M/s. Sarangapani & Co. ICAI Membership Number – 073178, Chartered Accountants, Hyderabad, were appointed as First Auditors until 1<sup>st</sup> AGM of the Company. However, due to their pre-occupations, tendered resignation on May 04, 2023 due to which the Board had appointed M/s. Sumalatha & Associates, Chartered Accountants, Firm Reg. No. 016036S as Statutory Auditors of the Company to hold the office till the ensuing Annual General Meeting ('AGM') of the Company and the shareholder in their EGM held on May 15, 2023 approved their appointment to fill the casual vacancy. Further, the Board recommend, for the approval of the members at the ensuing AGM of the Company, the re-appointment



of M/s. Sumalatha & Associates, Chartered Accountants, Firm Reg. No. 016036S, Hyderabad, as Statutory Auditors of the Company to hold office from the conclusion of 1<sup>st</sup> Annual General Meeting ("AGM") till the conclusion of the 6<sup>th</sup> AGM of the company, at remuneration plus GST at applicable rates and reimbursement of out of pocket expenses as may be decided by the Board of Directors. They have consented to act as the Statutory Auditors of the company and accordingly have issued the eligibility certificate under Sec. 139 of the Companies Act, 2013.

#### **REPLY TO THE QUALIFICATION IN THE AUDITOR'S REPORT**

There are no qualifications in the Auditor's report.

#### **COST AUDIT**

Cost Audit is not applicable as per Sec 148 of the Companies Act 2013, read with Companies (Cost Records and Audit) Rules.

#### **ACKNOWLEDGEMENT**

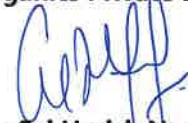
The Board of Directors take this opportunity to place on record their appreciation to all the Stakeholders of the Company, viz., customers, investors, banks, regulators, suppliers and other business associates for the support received from them during the year under review. The Directors also wish to place on record their deep sense of gratitude and appreciation to all the employees for their commitment and contribution towards achieving the goals of the Company.

Place: Hyderabad  
Date: 03 September, 2023



**Venkata Sai Kiran Nandigala**  
Managing Director  
DIN. 07986570

**By order of the Board**  
**For Snehaa Organics Private Limited**



**Venkata Sai Harish Nandigala**  
Director  
DIN. 07967075

