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AARADHYA DISPOSAL INDUSTRIES LIMITED

CIN: U21098MP2014PLC032173

Our Company was originally incorporated as "Aaradhya Disposal Industries Private Limited" as a private limited company under the Companies Act, 1956 on January 16, 2014 pursuant to a Certificate of Incorporation bearing CIN: U21098MP2014PTC032173 issued by the Registrar of Companies, Odisha. Thereafter, our Company was converted into a public limited company from a private limited company pursuant to a special resolution passed by the shareholders of our Company on September 05, 2024 consequent to which the name of our Company changed from "Aaradhya Disposal Industries Private Limited" to "Aaradhya Disposal Industries Limited" and a fresh Certificate of Incorporation bearing CIN U21098MP2014PLC032173 was issued by the Registrar of Companies, Odisha ("RoC") on October 28, 2024. For further details, please refer to the chapter titled "Our History and Certain Other Corporate Matters" beginning on page 173 of the Red Herring Prospectus.

Registered Office: Plot E-1, Industrial Area No.-1, A.B. Road, Dewas-455001, Madhya Pradesh, India. Tel No: +91-7880132743, E-mail: ca@aaradhyadisposalindustriesltd.in; Website: www.aaradhyadisposalindustriesltd.in; Contact Person: Mr. Surabhi Modi, Company Secretary and Compliance Officer;



(Please scan this QR Code to view the Red Herring Prospectus)

THE PROMOTERS OF OUR COMPANY ARE MR. SUNIL MAHESHWARI, MR. ANIL MAHESHWARI AND MRS. SHASHI MAHESHWARI

"THE ISSUE IS BEING MADE IN ACCORDANCE WITH CHAPTER IX OF THE SEBI ICDR REGULATIONS (IPO OF SMALL AND MEDIUM ENTERPRISES) AND THE EQUITY SHARES ARE PROPOSED TO BE LISTED ON EMERGE PLATFORM OF NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE EMERGE")."

THE ISSUE

INITIAL PUBLIC OFFER OF UPTO 38,88,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH (THE "EQUITY SHARES") OF AARADHYA DISPOSAL INDUSTRIES LIMITED ("OUR COMPANY" OR "AARADHYA" OR "THE ISSUER") FOR CASH AT A PRICE OF ₹ 110/- PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ 1/- PER EQUITY SHARE (THE "ISSUE PRICE") AGGREGATING TO ₹ 4,27,52,00,000 (THE "ISSUE"), OF WHICH UPTO 1,84,800 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH FOR CASH AT A PRICE OF ₹ 110/- PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ 1/- PER EQUITY SHARE AGGREGATING TO ₹ 20,46,40,000 (THE "MARKET MAKER RESERVATION PORTION"), THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION I.E., NET ISSUE OF UPTO 36,93,200 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH AT A PRICE OF ₹ 110/- PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ 1/- PER EQUITY SHARE AGGREGATING TO ₹ 4,07,05,60,000 (THE "NET ISSUE"). THE ISSUE AND THE NET ISSUE WILL CONSTITUTE 27.50% AND 26.13% RESPECTIVELY OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.

ALLOCATION OF THE ISSUE

QIB PORTION	NOT MORE THAN 1,84,800 EQUITY SHARES I.E. 5.00% OF THE NET ISSUE
INDIVIDUAL INVESTOR'S PORTION	NOT LESS THAN 17,54,400 EQUITY SHARES I.E. 47.50% OF THE NET ISSUE
NON-INSTITUTIONAL INVESTOR'S PORTION	NOT LESS THAN 17,54,400 EQUITY SHARES I.E. 47.50% OF THE NET ISSUE
MARKET MAKER PORTION	NOT LESS THAN 1,94,400 EQUITY SHARES I.E. 5.00% OF THE ISSUE

PRICE BAND: ₹ 110/- to ₹ 116/- PER EQUITY SHARE

THE FLOOR PRICE IS 11.00 TIMES THE FACE VALUE AND CAP PRICE IS 11.60 TIMES OF THE FACE VALUE OF THE EQUITY SHARES. BIDS CAN BE MADE FOR A MINIMUM OF 1,200 EQUITY SHARES AND IN MULTIPLES OF 1,200 EQUITY SHARES THEREAFTER. THIS ISSUE IS MADE THROUGH BOOK BUILDING PROCESS, IN TERMS OF CHAPTER IX OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 (THE "SEBI (ICDR) REGULATIONS"), AS AMENDED READ WITH RULE 19(2)(B) OF SECURITIES CONTRACT (REGULATION) RULES, 1957, AS AMENDED.

BID/ ISSUE PROGRAM

OPENS ON: MONDAY, AUGUST 04, 2025

CLOSES ON: WEDNESDAY, AUGUST 06, 2025

ASBA*

Simple, Safe,
Smart way of
Application.
Make use of NRI

*Application Supported by Blocked Amount (ASBA) is a better way of applying to issue by simply blocking the fund in the bank account. Investors can avail the same. For further details check the section on ASBA below. Mandatory in Public Issues from January 01, 2016. No cheque will be accepted.



UPI - Now mandatory in ASBA for individual investors applying through Registered Brokers, OPs & RTA. Individual investors also have the options to submit the application directly to the ASBA Bank (SCSBs) or to use the facility of linked online trading, demat and bank account. Investors are required to ensure that the Bank Account used for applying is linked to their PAN.

*ASBA has to be availed by all the investors except Anchor Investors (if any). UPI may be availed by individual investors.

For details on the ASBA and UPI process, please refer to the details given in ASBA Form and abridged prospectus and also please refer to the chapter titled "Issue Procedure" beginning on page 281 of the Red Herring Prospectus. The process is also available on the website of SEBI and Stock Exchange in the General Information Document. ASBA Form can be downloaded from the website of National Stock Exchange of India Limited ("NSE") or the "Stock Exchange" and can be obtained from the list of banks that is displaying on website of SEBI at www.sebi.gov.in.

**List of banks supporting UPI is also available on the website of SEBI at www.sebi.gov.in. For the list of UPI Apps and Banks live on IPO, please refer to the link: www.sebi.gov.in. ASBA Bank Limited has been appointed as Sponsor Bank for the issue in accordance with the requirements of the SEBI Circular dated November 01, 2016, as amended.

RISKS TO INVESTORS

1. Risk to Investors: Summary description of key risk factors based on materiality:

- Our Company, its Promoters, Directors, Group Entities and Key Managerial Personnel are parties to certain legal proceedings. Any adverse decision in such proceedings may have a material adverse effect on our business, results of operations and financial condition.
- A portion of our revenues are generated from exports. Any adverse changes in the conditions affecting these exports and our inability to grow our business in new geographic markets may adversely impact our business, results of operations, profitability and margins, cash flows and financial condition.
- An increase in the cost of raw materials or a shortfall in the availability of raw materials such as Paper Cup Board, Craft Paper, Granules for PE and PLA coating, Ink and Food Grade Chemicals – OGR, OTR and MTR from our suppliers due to various reasons could have a material adverse effect on our business, results of operations, cash flows and financial condition as we may not be able to pass on such costs to our customers.
- We have experienced fire outbreak in our manufacturing facility on May 05, 2023. We regularly work with flammable materials and activities in our operation which can be dangerous and could cause injuries to people or property.
- Our Company has reported certain negative cash flows from its investing activities and financing activities, details of which are disclosed in the Risk Factors chapter of Red Herring Prospectus. Sustained negative cash flow could impact our growth and business.
- We derive a significant portion of our revenue from our top 5 & top 10 customers. The loss of one or more such customers, the deterioration of their financial condition or prospects, or a reduction in their demand for our products could adversely affect our business, results of operations, financial condition and cash flows.
- Our business is largely concentrated in two states i.e. Madhya Pradesh and Gujarat ("States") and is affected by various factors associated with these states.
- Our Company procures more than 85% of its total raw material requirements mainly from five suppliers, any dispute with them or any delay/ disruption/ strike/ lock-outs in their business operation could have a material adverse effect on our business, production, sales and financial condition.
- A portion of our revenues and expenses are denominated in foreign currencies. As a result, we are exposed to foreign currency exchange risks and regulatory changes in foreign exchange management which may adversely impact our results of operations.
- We have in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest with the equity shareholders. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations.

For details about the risk faced by our Company kindly refer to the chapter titled "Risk Factors" beginning on page no. 27 of the Red Herring Prospectus.

BASIS FOR ISSUE PRICE

The Price Band, Floor Price and Issue Price will be determined by our Company, in consultation with the Book Running Lead Manager, on the basis of assessment of market demand for the Equity Shares issued through the Book Building Process and on the basis of the quantitative and qualitative factors described below. Investors should also refer to chapters titled "Our Business", "Risk Factors", "Restated Standalone Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 138, 207, 207 and 218 respectively, to have an informed view before making an investment decision.

Qualitative Factors

- Some of the qualitative factors and our strengths which form the basis for the Issue Price are:
- ✓ Strong, experienced and dedicated senior management team and qualified workforce.
- ✓ Presence in Domestic as well as International Market.
- ✓ Ability to provide products as per customer requirements.
- ✓ Engaged in the manufacturing of biodegradable and environment friendly products.
- ✓ Ability to scout for new opportunities and capitalising the same.
- ✓ Consistent track record of growth and financial performance.
- ✓ Ability to serve diverse customer needs.
- ✓ Ability to serve large and reputed customers.

Particulars	Fiscal 2025	Fiscal 2024	Fiscal 2023
Revenue from Operations	11,369.15	7,293.48	8,414.63
EBITDA(1)	1,784.20	727.55	340.70
EBITDA margin as % of revenue from operations (1)(2)	15.80	9.94	4.05
PAT	1,027.39	398.59	214.48
PAT margin (1)(3)	9.04	5.39	2.55

(Rs. in Lakhs)

1) EBITDA has been calculated as Restated profit before tax + Interest cost + depreciation and amortization - Other income.

2) EBITDA Margin = EBITDA/Revenue from operations.

3) PAT Margin = PAT/Revenue from operations.

For more details on qualitative factors, please refer to the chapter titled "Our Business" beginning on page 138 of the Red Herring Prospectus.

Quantitative Factors

Some of the information presented below relating to our Company is derived from the Restated Standalone Financial Statements. For more details on financial information, investors please refer to the section titled "Financial Information" beginning on page 207 of the Red Herring Prospectus.

Investors should evaluate our Company taking into consideration its earnings and based on its growth strategy. Some of the quantitative factors which may form the basis for calculating the Issue Price are as follows:

1) Basic and Diluted Earnings / Loss per Share ("EPS") as adjusted for changes in capital:

For the Fiscal	Basic & Diluted	
	EPS (in Rs.)	Weights
2025	10.14	3
2024	3.99	2
2023	2.15	1
Weighted Average	6.76	

Notes:

a) The face value of each Equity Share is Rs. 10 each.

b) Basic Earnings per share = Restated total comprehensive income / Weighted average number of equity shares outstanding during the year.

c) Diluted Earnings per share = Restated total comprehensive income / Weighted average number of potential equity shares outstanding during the year.

d) Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year / Total of weights.

e) The above statement should be read in conjunction with Significant Accounting Policies and Notes to Restated Standalone Financial Statement of the section titled as "Financial Information" beginning on page 207 of the Red Herring Prospectus.

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