



Shubhshree
Biofuels Energy Ltd.

Our Company was incorporated as 'Shubhshree Bricks Private Limited' under the Companies Act, 1956, pursuant to a certificate of incorporation dated April 23, 2013, issued by the RoC, Rajasthan, Jaipur having CIN as U26933RJ2013PTC042232. Further, pursuant to the special resolution passed by the shareholders in the Extra Ordinary General Meeting held on October 9, 2023 the name of our Company was changed from "Shubhshree Bricks Private Limited" to "Shubhshree Biofuels Energy Private Limited" and a fresh Certificate of Incorporation was issued by the Registrar of Companies, Rajasthan, Jaipur dated October 30, 2023. Subsequently, our Company was converted from a private limited company to a public limited company, pursuant to a special resolution passed by the shareholders of our Company on January 18, 2024 and the name of the Company was changed from "Shubhshree Biofuels Energy Private Limited" to "Shubhshree Biofuels Energy Limited" vide fresh certificate of incorporation dated February 1, 2024 issued by the Registrar of Companies, Rajasthan, Jaipur. The Corporate identification number of our Company is U38210RJ2013PLC042232.

Registered Office: Plot No. 8 Ganesh Vihar B, Pandit T.N Mishra Marg, Nirman Nagar, Shyam Nagar Jaipur, Rajasthan, India, 302019.

Tel No: +91 9799998880; **E-mail:** shubhshree@biomassfuel.co.in; **Website:** www.shubhshreebiofuels.co.in; **CIN:** U38210RJ2013PLC042232; **Contact Person:** Aakrati Singhania, Company Secretary & Compliance Officer

OUR PROMOTERS: ANURAG AGARWAL, AASTHA AGARWAL, SAGAR AGRAWAL, UPASANA SRIVASTAVA DATTANI

“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 SME PLATFORM OF NSE (NSE EMERGE).”

We are engaged in the business of manufacturing and supplying of biomass fuels, which includes biomass pellets and briquettes.

THE ISSUE

INITIAL PUBLIC OFFER OF UPTO 13,92,000 EQUITY SHARES OF FACE VALUE OF ₹ 10/- EACH (THE "EQUITY SHARES") OF SHUBHSHREE BIOFUELS ENERGY LIMITED ("OUR COMPANY" OR "THE ISSUER") AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE (INCLUDING SHARE PREMIUM OF [●] PER EQUITY SHARE) FOR CASH, AGGREGATING UP TO ₹ [●] LAKHS ("PUBLIC ISSUE") OUT OF WHICH 72,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH, AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING ₹ [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY THE MARKET MAKER TO THE ISSUE (THE "MARKET MAKER RESERVATION PORTION"). THE PUBLIC ISSUE LESS MARKET MAKER RESERVATION PORTION I.E. ISSUE OF 13,20,000 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH, AT AN ISSUE PRICE OF ₹ [●] PER EQUITY SHARE FOR CASH, AGGREGATING UPTO ₹ [●] LAKHS IS HEREIN AFTER REFERRED TO AS THE "NET ISSUE". THE PUBLIC ISSUE AND NET ISSUE WILL CONSTITUTE 26.55% AND 25.18% RESPECTIVELY OF THE POST- ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

- **QIB PORTION:** NOT MORE THAN 50.00% OF THE NET ISSUE
- **NON-INSTITUTIONAL PORTION:** NOT LESS THAN 15.00% OF THE NET ISSUE
- **RETAIL PORTION:** NOT LESS THAN 35.00% OF THE NET ISSUE
- **MARKET MAKER PORTION:** UPTO 72,000 EQUITY SHARES OR 5.17% OF THE ISSUE

PRICE BAND: RS. 113 TO RS. 119 PER EQUITY SHARE OF FACE VALUE RS. 10/- EACH

THE FLOOR PRICE IS 11.3 TIMES OF THE FACE VALUE AND THE CAP PRICE IS 11.9 TIMES OF THE FACE VALUE OF THE EQUITY SHARES.

BIDS CAN BE MADE FOR A MINIMUM OF 1200 EQUITY SHARES AND IN MULTIPLES OF 1200 EQUITY SHARES THEREAFTER.

RISKS TO INVESTORS:

- We have a history of net losses in past and any losses or our inability to achieve profitability may have an adverse effect on our operations
- The biomass fuel industry is a relatively new concept and is yet to have a defined market as compared to conventional fuels, on account of which we have to face resistance from the potential customers to switch to biomass fuel.
- The Merchant Banker associated with the Issue has handled 53 public issues in the past three years out of which 1 Issue closed below the Issue Price on listing date.
- Average cost of acquisition of Equity Shares held by the Individual Promoters is

Sr. No.	Name of the Promoters	Average cost of Acquisition (in ₹)
1.	Sagar Agrawal	3.56
2.	Aastha Agarwal	3.15
3.	Anurag Agarwal	1.92
4.	Upasana Srivastava Dattani	3.57

and the Issue Price at the upper end of the Price Band is Rs. 119 per Equity Share.

- The Price/ Earnings ratio based on Diluted EPS for Fiscal 2024 for the company at the upper end of the Price Band is 13.84.
- Weighted Average Return on Net worth for Fiscals 2024, 2023 and 2022 is 87.10%.

- The Weighted average cost of acquisition of all Equity Shares transacted in the last 1 year, 18 months and 3 years from the date of RHP is as given below:

Period	Weighted Average Cost of Acquisition (in Rs.)	Upper end of the Price Band (Rs. 119) is "X" times the weighted Average cost of Acquisition	Range of acquisition price: Lowest Price – Highest Price (in Rs.)
Last 1 year	3.26	36.50	0-125
Last 18 months	3.26	36.50	0-125
Last 3 years	3.26	36.50	0-125

- The Weighted average cost of acquisition compared to Floor Price and Cap Price

Types of transactions	Weighted average cost of acquisition (₹ per Equity Shares)	Floor Price (i.e. ₹ 113)	Cap Price (i.e. ₹ 119)
WACA of primary issuance (exceeding 5% of the pre issue capital)	3.26	34.66	36.50
WACA for secondary sale / acquisition (exceeding 5% of the pre issue capital)	NA^	NA^	NA^
Weighted average cost of acquisition of primary issuances/ secondary transactions as per paragraph 8(c) above	Nil	Nil	Nil

Note:

^There were no secondary transaction of shares as mentioned in paragraph 8(b) above, in last 18 months from the date of the Red Herring Prospectus.

BASIS FOR ISSUE PRICE

Investors should read the following summary with the section titled "Risk Factors", the details about our Company under the section titled "Our Business" and its financial statements under the section titled "Financial Information of the Company" beginning on page 25, 96 and 140 respectively of the Red Herring Prospectus. The trading price of the Equity Shares of Our Company could decline due to these risks and the investor may lose all or part of his investment.

Price Band/ Issue Price shall be determined by our Company in consultation with the Book Running Lead Manager on the basis of the assessment of market demand for the Equity Shares through the Book Building Process and on the basis of the qualitative and quantitative factors as described in this section. The face value of the Equity Shares is ₹ 10/- each and the Issue Price is 11.3 times of the face value at the lower end of the Price Band and 11.9 times of the face value at the upper end of the Price Band.

QUALITATIVE FACTORS

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

- Location Advantage
- Customer Centric Approach
- Eco-friendly product
- Experienced Promoter and Management team.

For a detailed discussion on the qualitative factors which form the basis for computing the price, please refer to sections titled "Our Business" beginning on page 96 of the Red Herring Prospectus.

QUANTITATIVE FACTORS

The information presented below relating to our Company is based on the Restated Financial Statements. For details, please refer section titled "Financial Information of the Company" on page 140 of this the Red Herring Prospectus.

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

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

As per the Restated Financial Statements:-

Sr. No	Period	Basic & Diluted (₹)	Weights
1.	Financial Year ending March 31, 2024	8.60	3
2.	Financial Year ending March 31, 2023	6.34	2
3.	Financial Year ending March 31, 2022	0.72	1
	Weighted Average	6.53	6

The company has issued Right Issue of 100000 shares on November 21, 2023 and has further issued 3740000 shares as Bonus Allotment on January 12, 2024. We have considered Right issue and Bonus issue for calculation of EPS.

Notes:

- The figures disclosed above are based on the Restated Financial Statements of the Company.
- The face value of each Equity Share is Rs. 10.00.
- Earnings per Share has been calculated in accordance with Accounting Standard 20 – "Earnings per Share" issued by the Institute of Chartered Accountants of India.
- The above statement should be read with Significant Accounting Policies and the Notes to the Restated Financial Statements as appearing in Annexure IV.
- Basic Earnings per Share = Net Profit/(Loss) after tax, as restated attributable to equity shareholders / Weighted average number of equity shares outstanding during the year/ period
- Diluted Earnings per Share = Net Profit/(Loss) after tax, as restated attributable to equity shareholders / Weighted average number of diluted potential equity shares outstanding during the year/ period.

2. Price Earning (P/E) Ratio in relation to the Price Band of ₹ 113 to ₹ 119 per Equity Share of Face Value of ₹ 10/- each fully paid up

Particulars	(P/E) Ratio at the Floor Price	(P/E) Ratio at the Cap Price
P/E ratio based on the Basic & Diluted EPS, as restated for the period ending March 31, 2024	13.14	13.84
P/E ratio based on the Weighted Average EPS, as restated.	17.30	18.22

There are no listed companies in India that are engaged in a business similar to that of our company accordingly it is not possible to provide an industry comparison in relation to our company.

Note:

- The P/E ratio has been computed by dividing Issue Price with EPS.

3. Return on Net worth (RoNW)*

Sr. No	Period	RONW (%)	Weights
1	Period ending March 31, 2024	46.36	3
2	Period ending March 31, 2023	94.50	2
3	Period ending March 31, 2022	194.54	1
	Weighted Average	87.10	6

*Restated Profit after tax/Net Worth

Note:

- The figures disclosed above are based on the Restated Financial Statements of the Company.
- The RoNW has been computed by dividing net profit after tax (excluding exceptional items) with restated Net worth as at the end of the year/period
- Weighted average = Aggregate of year-wise weighted RoNW divided by the aggregate of weights i.e. (RoNW x Weight) for each year/Total of weights.

4. Net Asset Value (NAV) per Equity Share:

Sr. No.	NAV per Equity Share	(Amount in ₹)
1.	As at March 31, 2022	0.37
2.	As at March 31, 2023	6.71
3.	As at March 31, 2024	18.56
4.	NAV per Equity Share after the Issue	
	(i) At Floor Price	43.58
	(ii) At Cap Price	45.17
5.	Issue Price	[●]

*The above NAV has been calculated giving the effect of Bonus Share.

The company has issued Right Issue of 100000 shares on November 21, 2023 and has further issued 3740000 shares as Bonus Allotment on January 12, 2024. We have considered Right issue and Bonus issue for calculation of NAV.

Notes: -

- The figures disclosed above are based on the Restated Financial Statements of the Company.
- NAV per share = Restated Net worth at the end of the year/period divided by weighted average number of equity shares outstanding at the end of the year/period.
- Net worth is computed as the sum of the aggregate of paid-up equity share capital, all reserves created out of the profits, securities premium account received in respect of equity shares and debit or credit balance of profit and loss account.
- Issue Price per Equity Share will be determined by our Company in consultation with the Book Running Lead Manager.

5. Comparison of Accounting Ratios with Industry Peers:

Name of Company	Current Market Price (₹)	Face Value	EPS		PE	RONW (%)	Book Value (₹)	Total Income (₹ in lakhs)
			Basic	Diluted				
Shubhshree Biofuels Energy Limited	[*]	10	8.60	8.60	[*]	46.36	18.56	9,488.32

- There are no listed companies in India that are engaged in a business similar to that of our company accordingly it is not possible to provide an industry comparison in relation to our company.

- The EPS, NAV, RoNW and total Income of our Company are taken as per Restated Financial Statement for the Financial Year 2023-24.

- NAV per share is computed as the closing net worth divided by the weighted average number of paid up equity shares as on March 31, 2024.

- RoNW has been computed as net profit after tax divided by closing net worth.

- Net worth has been computed in the manner as specifies in Regulation 2(1) (hh) of SEBI (ICDR) Regulations, 2018.

- The face value of Equity Shares of our Company is ₹ 10/- per Equity Share and the Issue price is [●] times the face value of equity share.

6. Key Performance Indicators

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

The KPIs disclosed below have been approved by a resolution of our Audit Committee dated August 28, 2024 and the members of the Audit Committee have verified the details of all KPIs pertaining to our Company. Further, the members of the Audit Committee have confirmed that there are no KPIs pertaining to our Company that have been disclosed to any investors at any point of time during the three years' period prior to the date of filing of this Red Herring Prospectus. Further, the KPIs herein have been certified by M/s Ravi Sharma & Associates, Chartered Accountants, by their certificate dated August 28, 2024.

The KPIs of our Company have been disclosed in the sections titled "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations – Key Performance Indicators" on pages 96 and 178, respectively. We have described and defined the KPIs as applicable in "Definitions and Abbreviations" on page 1.

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

Key Performance Indicators of our Company

(All amounts in Rs. Lakhs)

Particular	For the year		
	31-Mar-24	31-Mar-23	31-Mar-22
Revenue from operations ⁽¹⁾	9414.60	5861.60	791.82
EBITDA ⁽²⁾	415.82	225.46	34.21
EBITDA Margin ⁽³⁾	4.42%	3.85%	4.32%
PAT	329.77	242.38	27.46
PAT Margin ⁽⁴⁾	3.50%	4.14%	3.47%
RoE(%) ⁽⁵⁾	68.15%	179.13%	7125.22%
RoCE(%) ⁽⁷⁾	61.67%	94.32%	50.71%

Notes:

- Revenue from operation means revenue from sales and other operating revenues
- EBITDA is calculated as Profit before tax + Depreciation + Interest Expenses - Other Income
- 'EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations
- PAT is calculated as Profit before tax – Tax Expenses
- 'PAT Margin' is calculated as PAT for the year divided by revenue from operations.
- Return on Equity is ratio of Profit after Tax and Average Shareholder Equity
- Return on Capital Employed is calculated as EBIT divided by capital employed, which is which is defined as shareholders' equity plus total borrowings (current & non-current)

Explanation for KPI metrics:

KPI	Explanations
Revenue from Operations	Revenue from Operations is used by our management to track the revenue profile of the business and in turn helps to assess the overall financial performance of our Company and volume of our business
EBITDA	EBITDA provides information regarding the operational efficiency of the business
EBITDA Margin (%)	EBITDA Margin (%) is an indicator of the operational profitability and financial performance of our business
PAT	Profit after tax provides information regarding the overall profitability of the business.
PAT Margin (%)	PAT Margin (%) is an indicator of the overall profitability and financial performance of our business.
RoE(%)	RoE provides how efficiently our Company generates profits from shareholders' funds.
RoCE (%)	RoCE provides how efficiently our Company generates earnings from the capital employed in the business.

Set forth below are the details of comparison of key performance of indicators with our listed industry peer:

There are no listed companies in India that engage in a business similar to that of our Company. Accordingly, it is not possible to provide a comparison of key performance indicators of listed industry peers with our Company.

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