



**BADRI COTSYN LIMITED**

Corporate Identification Number: U17309MP2018PLC047301

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

REGISTERED OFFICE	CORPORATE OFFICE	CONTACT PERSON	EMAIL AND TELEPHONE	WEBSITE
Plot No. 33, New Industrial Area-II, Ward No. 14, Tehsil Goharganj, Mandideep, Bhopal, Huzur, Madhya Pradesh, India, 462046	-	Mr. Somil Rathore; Company Secretary and Compliance Officer	<a href="mailto:compliance@badrigroup.com">compliance@badrigroup.com</a> ; Tel No.: +91 9589751315;	<a href="https://badrigroup.com">https://badrigroup.com</a> ;
<b>PROMOTER OF THE COMPANY: MR. AMIT GUPTA, MR. SUMIT GUPTA, MRS. DEEPIKA GUPTA AND MRS. NAINSI GUPTA</b>				
DETAILS OF THE ISSUE				
Types	Fresh Issue Size (₹ in Lakhs)	OFS Size (by Nos. of Shares or by amount in ₹)	Total Issue Size	Eligibility
Fresh Issue	Upto 57,00,000 Equity Shares aggregating to ₹ [●] Lakhs	NIL	Upto 57,00,000 Equity Shares aggregating to ₹ [●] Lakhs	This Issue is being made in terms of Chapter IX of The SEBI (ICDR) Regulations, 2018 as amended.
DETAILS OF OFFER FOR SALE, SELLING SHAREHOLDERS AND THEIR AVERAGE COST OF ACQUISITION – NOT APPLICABLE AS THE ENTIRE ISSUE CONSTITUTES FRESH ISSUE OF EQUITY SHARES				
RISK IN RELATION TO THE FIRST ISSUE				
The face value of the Equity Shares is ₹10/- each. The Floor Price, the Cap Price and the Issue Price to be determined by our Company in consultation with the BRLM on the basis of the assessment of market demand for our Equity Shares by way of the Book Building Process, as disclosed in “Basis For Issue Price” on page no.101 or in case where, Price Band is not disclosed otherwise, will be advertised in two national daily newspapers (one each in English and in Hindi) with wide circulation and one daily Madhya Pradesh, regional newspaper with wide circulation at least two working days prior to the Bid / Issue Opening Date, should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.				
GENERAL RISKS				
Investments in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares in the Issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to section titled “Risk Factors” appearing on page no. 20 of this Draft Red Herring Prospectus.				
ISSUER’S ABSOLUTE RESPONSIBILITY				
Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect.				
LISTING				
The Equity Shares Issued through Draft Red Herring Prospectus are proposed to be listed on the Emerge Platform of National Stock Exchange of India Limited in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time. For the purpose of this Issue, the Designated Stock Exchange will be the National Stock Exchange of India Limited (“NSE”).				
BOOK RUNNING LEAD MANAGER TO THE ISSUE				
NAME AND LOGO	CONTACT PERSON	EMAIL AND TELEPHONE		
 SWASTIKA INVESTMART LIMITED	Mr. Mohit Goyal	Email ID: <a href="mailto:merchantbanking@swastika.co.in">merchantbanking@swastika.co.in</a> Telephone Number: 0731-6644244		
REGISTRAR TO THE ISSUE				
 INTEGRATED REGISTRY MANAGEMENT SERVICES PRIVATE LIMITED	Mr. S Giridhar	Email ID: <a href="mailto:smeipo@integratedindia.in">smeipo@integratedindia.in</a> ; Telephone Number: 080-23460815/816/817/818		
ISSUE SCHEDULE				
ANCHOR INVESTOR BID/ISSUE PERIOD*: [●]	ISSUE OPENS ON: [●]	ISSUE CLOSES ON: [●]		
*The Company may, in consultation with the Book Running Lead Manager, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid/Issue Opening Date.				



## BADRI COTSYN LIMITED

Our Company was originally incorporated as “Badri Cotsyn Private Limited”, on December 18<sup>th</sup>, 2018 under the provisions of the Companies Act, 2013 vide Certificate of Incorporation issued by the Registrar of Companies, Centre Processing Centre. Our Company was converted into a public limited company and the name of our Company was changed from “Badri Cotsyn Private Limited” to “Badri Cotsyn Limited” vide Special Resolution dated October 17<sup>th</sup>, 2024. The status of the Company was changed to public limited and the fresh certificate of incorporation consequent to conversion was issued on November 28<sup>th</sup>, 2024 by the Registrar of Companies, Centre Processing Centre, Manesar, bearing Corporate Identification Number U17309MP2018PLC047301. For details of Conversion of Company, please refer to section titled “History and Certain Corporate Matters” beginning on page no. 164 of this Draft Red Herring Prospectus.

CIN: U17309MP2018PLC047301;

Registered office: Plot No 33, New Industrial Area-II, Ward No 14, Tehsil Goharganj, Mandideep, Bhopal, Huzur, Madhya Pradesh, India, 462046;

Website: <https://badrigroup.com>; E-Mail: [compliance@badrigroup.com](mailto:compliance@badrigroup.com); Telephone No: +91 9589751315;

Company Secretary and Compliance Officer: Mr. Somil Rathore.

**PROMOTERS OF THE COMPANY: MR. AMIT GUPTA, MR. SUMIT GUPTA, MRS. DEEPIKA GUPTA AND MRS. NAINSI GUPTA**

### DETAILS OF THE ISSUE

INITIAL PUBLIC ISSUE OF UPTO 57,00,000 EQUITY SHARES OF FACE VALUE OF ₹10/- EACH OF BADRI COTSYN LIMITED (“BADRI” OR THE “COMPANY” OR THE “ISSUER”) FOR CASH AT A PRICE OF ₹[●]/- PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹[●]/- PER EQUITY SHARE (THE “ISSUE PRICE”) AGGREGATING TO ₹[●] LAKHS (“THE ISSUE”), OF WHICH [●] EQUITY SHARES OF FACE VALUE OF ₹10/- EACH FOR CASH AT A PRICE OF ₹[●]/- PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹[●]/- PER EQUITY SHARE AGGREGATING TO ₹[●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (THE “MARKET MAKER RESERVATION PORTION”). THE ISSUE LESS THE MARKET MAKER RESERVATION PORTION i.e. NET ISSUE OF [●] EQUITY SHARES OF FACE VALUE OF ₹10/- EACH AT A PRICE OF ₹[●]/- PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹[●]/- PER EQUITY SHARE AGGREGATING TO ₹[●] LAKHS IS HEREIN AFTER REFERRED TO AS THE “NET ISSUE”. THE ISSUE AND THE NET ISSUE WILL CONSTITUTE [●]% AND [●]%, RESPECTIVELY, OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BRLM AND IT WILL BE ADVERTISED IN A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER, IN HINDI NATIONAL DAILY NEWSPAPER, REGIONAL NEWSPAPER (MADHYA PRADESH REGIONAL LANGUAGE OF WHERE OUR REGISTERED OFFICE IS LOCATED), AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE OPENING DATE AND SHALL BE MADE AVAILABLE TO THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED (“NSE”) FOR THE PURPOSE OF UPLOADING ON THEIR WEBSITE. FOR FURTHER DETAILS KINDLY REFER TO CHAPTER TITLED “TERMS OF THE ISSUE” BEGINNING ON PAGE NO. 230 OF THIS DRAFT RED HERRING PROSPECTUS.

In case of any revision in the Price Band, the Bid/Issue Period will be extended by at least three additional Working Days after such revision in the Price Band, subject to the Bid/Issue Period not exceeding 10 Working Days. In cases of force majeure, banking strike or similar circumstances, our Company may, in consultation with Book Running Lead Manager, for reasons to be recorded in writing, extend the Bid/Issue Period for a minimum of one Working Day, subject to the Bid/Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a public notice, and also by indicating the change on the website of the Book Running Lead Manager and at the terminals of the Syndicate Members and by intimation to Designated Intermediaries and the Sponsor Bank, as applicable.

This Issue is being made through the Book Building Process, in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (“SCRR”) read with Regulation 229 of the SEBI ICDR Regulations and in compliance with Regulation 253 of the SEBI ICDR Regulations, wherein not more than 50.00% of the Net Issue shall be available for allocation on a proportionate basis to Qualified Institutional Buyers (“QIBs”) (the “QIB Portion”). Further, 5.00% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remaining of the Net QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5.00% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining Net QIB Portion for proportionate allocation to QIBs. Further, not less than 15.00% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35.00% of the Net Issue shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Issue Price. All Bidders are required to participate in the Issue by mandatorily utilizing the Application Supported by Blocked Amount (“ASBA”) process by providing details of their respective ASBA Account (as defined hereinafter) in which the corresponding Bid Amounts will be blocked by the Self Certified Syndicate Banks (“SCSBs”) or under the UPI Mechanism, as the case may be, to the extent of respective Bid Amounts. For details, see “Issue Procedure” on page no. 241 of this Draft Red Herring Prospectus.

All potential investors shall participate in the Issue through an Application Supported by Blocked Amount (“ASBA”) process including through UPI mode (as applicable) by providing details about the bank account which will be blocked by the Self Certified Syndicate Banks (“SCSBs”) for the same. For details in this regard, specific attention is invited to “Issue Procedure” on page no. 241 of this Draft Red Herring Prospectus. A copy of Red Herring Prospectus/Prospectus will be delivered to the Registrar of Companies for filing in accordance with Section 32 of the Companies Act, 2013.

### RISK IN RELATION TO THE FIRST ISSUE

This being the first Public Issue of our Company, there has been no formal market for the securities of our Company. The face value of the shares is ₹10/- per Equity Shares. The Floor Price, the Cap Price and the Issue Price should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

### GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this 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 this 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 issued in the Issue have neither been recommended nor approved by Securities and Exchange Board of India nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of this Draft Red Herring Prospectus. Specific attention of the investors is invited to the section titled “Risk Factors” beginning on page no. 20 of this Draft Red Herring Prospectus.

### ISSUER’S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

### LISTING

The Equity Shares Issued through Draft Red Herring Prospectus are proposed to be listed on EMERGE Platform of National Stock Exchange of India Limited (“NSE EMERGE”), in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. Our Company has received an In-Principle Approval letter dated [●] from National Stock Exchange of India Limited (“NSE”) for using its name in Issue document for listing our shares on the EMERGE Platform of National Stock Exchange of India Limited (“NSE EMERGE”). For this Issue, the designated Stock Exchange is the National Stock Exchange of India Limited (“NSE”).

### BOOK RUNNING LEAD MANAGER TO THE ISSUE



**SWASTIKA INVESTMART LIMITED;**  
**SEBI Registration Number:** INM000012102;  
**Registered Office:** Office No. 104, 1<sup>st</sup> Floor, KESHAVA Commercial Building, Plot No. C-5, “E” Block, Bandra Kurla Complex, Opp. GST Bhavan, Bandra (East), Mumbai – 400051;  
**Merchant Banking Division Address:** 48, Jaora Compound, MYH Road, Indore, Madhya Pradesh – 452001;  
**Telephone Number:** +91 – 731 6644244;  
**Email Id:** [merchantbanking@swastika.co.in](mailto:merchantbanking@swastika.co.in);  
**Investors Grievance Id:** [mb.investorgrievance@swastika.co.in](mailto:mb.investorgrievance@swastika.co.in);  
**Website:** [www.swastika.co.in](http://www.swastika.co.in);  
**Contact Person:** Mr. Mohit R. Goyal;  
**CIN:** L65910MH1992PLC067052

### REGISTRAR TO THE ISSUE



**INTEGRATED REGISTRY MANAGEMENT SERVICES PRIVATE LIMITED;**  
**Address:** No 30 , Ramana Residency, 4th Cross , Sampige Road, Malleswaram, Bengaluru - 560 003  
**Telephone Number:** 080-23460815/816/817/818;  
**Fax:** 080-23460819;  
**Email Id:** [smeipo@integratedindia.in](mailto:smeipo@integratedindia.in);  
**Investor Grievance Email:** [giri@integratedindia.in](mailto:giri@integratedindia.in);  
**Contact Person:** Mr. S Giridhar;  
**Website:** [www.integratedregistry.in](http://www.integratedregistry.in);  
**SEBI Registration No.:** INR000000544;  
**CIN:** U74900TN2015PTC101466.

### ISSUE SCHEDULE

ANCHOR INVESTOR BID/ISSUE PERIOD\*: [●]

ISSUE OPENS ON: [●]

ISSUE CLOSES ON: [●]

\*The Company may, in consultation with the Book Running Lead Manager, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid/Issue Opening Date.

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## SECTION I – GENERAL DEFINITIONS AND ABBREVIATIONS

### General Terms

Term	Description
Badri Cotsyn Limited”, “our Company”, “we”, “us”, “our”, “the Company”, “the Issuer Company” or “the Issuer”	Badri Cotsyn Limited, a Public Limited Company, registered under the Companies Act, 2013 and having its Registered Office at Plot No. 33, New Industrial Area-II Ward No. 14, Tehsil Goharganj, Mandideep, Bhopal, Huzur, Madhya Pradesh, India, 462046.
“We”, “us” or “our” or “Group”	Unless the context otherwise indicates or implies, refers to our Company.
“you”, “your” or “yours”	Prospective investors in this Issue.
Our Promoters	Mr. Amit Gupta, Mr. Sumit Gupta, Mrs. Deepika Gupta and Mrs. Nainsi Gupta.
Promoters’ Group	Companies, individuals and entities (other than companies) as defined under Regulation 2(1)(pp) of the SEBI (ICDR) Regulations, 2018 which is provided in the chapter titled “ <i>Our Promoters And Promoter’s Group</i> ”.

### Company Related Terms

Term	Description
Articles / Articles of Association / AOA	Articles of Association of our Company.
Audit Committee	The audit committee of the Board of Directors constituted in accordance with Section 177 of the Companies Act, 2013. For details refer section titled “ <i>Our Management</i> ” on page 170 of this Draft Red Herring Prospectus.
Auditor of our Company/ Statutory Auditor	The Statutory Auditors of our Company, being M/s S.L. Chhajed & Co LLP., Chartered Accountants as mentioned in the section titled “ <i>General Information</i> ” beginning on page no. 47 of this Draft Red Herring Prospectus.
Peer Review Auditor	The Peer Review Auditor of our Company, being M/s S.L. Chhajed & Co LLP, Chartered Accountants, holding a valid peer review certificate as mentioned in the section titled “ <i>General Information</i> ” beginning on page 47 of this Draft Red Herring Prospectus.
Bankers to the Company	HDFC Bank Limited.
Board of Directors / Board / BOD	The Board of Directors of Badri Cotsyn Limited unless otherwise specified.
Companies Act	The Companies Act, 2013, as amended from time to time.
CIN	Corporate Identification Number of our Company i.e.U17309MP2018PLC047301.
CMD	Chairman and Managing Director.
Chief Financial Officer (CFO)	The Chief Financial officer of our Company, being CA Nitin Agrawal.
Company Secretary and Company Officer (CS)	The Company Secretary of our Company, being CS Somil Rathore.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
DIN	Directors Identification Number.
Equity Shares	Equity Shares of our Company of Face Value of ₹10/- each unless otherwise specified in the context thereof.
Equity Shareholders	Persons/ Entities holding Equity Shares of Our Company.
ED	Executive Director.
Group Companies	Group Companies as defined under Regulation 2(1)(t) of the SEBI (ICDR) Regulations, 2018, “Group companies shall include such companies (other than our Promoters and Subsidiary) with which there were related party transactions as disclosed in the Restated Financial Statements as covered under the applicable accounting standards, and as disclosed in “ <i>Information With Respect To Group Companies/Entities</i> ” on page 216 of this Draft Red Herring Prospectus.
Independent Director	A non-executive & Independent Director as per the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
Indian GAAP	Generally Accepted Accounting Principles in India.
ISIN	INE1DY001015.
Key Managerial Personnel / Key Managerial Employees	The officer vested with executive power and the officers at the level immediately Below the Board of Directors as described in the section titled “ <i>Our Management</i> ” on page no. 170 of this Draft Red Herring Prospectus.

Term	Description
Materiality Policy	The policy on identification of group companies, material creditors and material litigation, adopted by our Board on 08 <sup>th</sup> December, 2024 in accordance with the requirements of the SEBI ICDR Regulations.
MD	Managing Director.
MOA / Memorandum / Memorandum of Association	Memorandum of Association of our Company as amended from time to time.
Non Residents	A person resident outside India, as defined under FEMA.
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board of Directors constituted in accordance with Section 178 of the Companies Act, 2013. For details refer section titled “ <i>Our Management</i> ” on page no. 170 of this Draft Red Herring Prospectus.
Non-Executive Director	A Director not being an Executive Director or an Independent Director.
NRIs / Non Resident Indians	A person resident outside India, as defined under FEMA and who is a citizen of India or a Person of Indian Origin under Foreign Outside India Regulation, 2000.
Registered Office	The Registered office of our Company located at Plot No. 33, New Industrial Area-II Ward No 14, Tehsil Goharganj, Mandideep, Bhopal, Huzur, Madhya Pradesh, India, 462046.
Restated Financial Statements	The restated financial information of our Company, which comprises the restated statement of assets and liabilities, the restated statement of profit and loss, the restated statement of cash flows for the period ended December 31 <sup>st</sup> , 2024 and for the financial year ended on March 31 <sup>st</sup> , 2024, 2023 and 2022 and the summary statement of significant accounting policies read together with the annexures and notes thereto and other restated financial information, prepared in terms of the requirements of Section 26 of the Companies Act, the SEBI (ICDR) Regulations, 2018 and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time.
ROC / Registrar of Companies	Registrar of Companies, Gwalior.
Stakeholders’ Relationship Committee	The Stakeholders’ Relationship Committee of our Board of Directors constituted in accordance with Section 178 of the Companies Act, 2013. For details refer section titled “ <i>Our Management</i> ” on page 170 of this Draft Red Herring Prospectus.
WTD	Whole-Time Director.

### Issue Related Terms

Term	Description
Applicant	Any prospective investor who makes an application for Equity Shares in terms of this Draft Red Herring Prospectus.
Abridged Prospectus	Abridged Prospectus means a memorandum containing such salient features of a Prospectus as may be specified by SEBI in this behalf.
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application.
Application Form	The Form in terms of which the applicant shall apply for the Equity Shares of our Company.
Application Supported by Blocked Amount / ASBA	An application, whether physical or electronic, used by applicants to make an application authorizing a SCSB to block the application amount in the ASBA Account maintained with the SCSB.
ASBA Account	An account maintained with the SCSB and specified in the application form submitted by ASBA applicant for blocking the amount mentioned in the application form.
Allotment	Issue of the Equity Shares pursuant to the Issue to the successful applicants.
Allottee	The successful applicant to whom the Equity Shares are being / have been issued.
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Draft Red Herring Prospectus and who had Bid for an amount of at least ₹ 200 Lakhs.
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to the Anchor Investors in terms of the Draft Red Herring Prospectus and the Red Herring Prospectus,



Term	Description
	which will be decided by our Company in consultation with the Book Running Lead Manager during the Anchor Investor Bid/Issue Period.
Anchor Investor Application Form	The application form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and the Prospectus.
Anchor Investor Bid/Issue Period or Anchor Investor Bidding Date	The date one working day prior to the Bid/Issue Opening Date, on which Bids by Anchor Investors shall be submitted, prior to and after which the Book Running Lead Manager will not accept any Bids from Anchor Investors, and allocation to the Anchor Investors shall be completed.
Anchor Investor Issue Price	<p>The final price at which the Equity Shares will be Allotted to the Anchor Investors in terms of the Draft Red Herring Prospectus, Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Issue Price but not higher than the Cap Price.</p> <p>The Anchor Investor Issue Price will be decided by our Company in consultation with the Book Running Lead Manager.</p>
Anchor Investor Pay-in Date	With respect to Anchor Investor(s), it shall be the Anchor Investor Bidding Date, and in the event the Anchor Investor Allocation Price is lower than the Issue Price, not later than two working days after the Bid/ Issue Closing Date.
Anchor Investor Portion	<p>Up to 60% of the QIB Portion which may be allocated by our Company, in consultation with the Book Running Lead Manager to the Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations.</p> <p>One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations.</p>
Basis of Allotment	The basis on which equity shares will be allotted to successful applicants under the Issue and which is described in the section “ <i>Issue Procedure</i> ” - Basis of allotment on page no. 241 of this Draft Red Herring Prospectus.
Bankers to the Issue, Sponsor and Refund Banker	[●].
Banker to the Issue Agreement	Agreement dated [●] entered into amongst the Company, Book Running Lead Manager, Registrar and the Banker of the Issue Sponsor and Refund Banker.
Bid	An indication to make an Issue during the Bid/ Issue Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bidding Date by an Anchor Investor pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations and in terms of the Draft Red Herring Prospectus and the relevant Bid cum Application Form. The term “Bidding” shall be construed accordingly.
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.
Bid/Issue Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, being [●], which shall be published in a widely circulated English national daily newspaper, a widely circulated Hindi national daily newspaper and a widely circulated in the regional language of Madhya Pradesh, where our Registered Office is located.
Bid/Issue Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, being [●], which shall be published in a widely circulated English national daily newspaper, a widely circulated Hindi national daily newspaper and a widely circulated in the regional language of Madhya Pradesh, where our Registered Office is located.
Bid/ Issue Period	Except in relation to Anchor Investors, the period between the Bid/ Issue Opening Date and the Bid/ Issue Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof in accordance with the SEBI ICDR Regulations and the terms of the Draft Red Herring Prospectus. Provided, however, that the Bidding shall be kept open for a minimum of three working days for all categories of Bidders, other than Anchor Investors. Our Company, in consultation with the Book Running Lead Manager may consider closing the Bid/Issue Period for the QIB Portion One Working Day

Term	Description
	prior to the Bid/Issue Closing Date which shall also be notified in an advertisement in same newspapers in which the Bid/Issue Opening Date was published, in accordance with the SEBI ICDR Regulations.  In cases of force majeure, banking strike or unforeseen circumstances, our Company may, in consultation with the BRLM, for reasons to be recorded in writing, extend the Bid / Issue Period for a minimum of three Working Days, subject to the Bid/ Issue Period not exceeding 10 Working Days.
Bidding Centers	Centers at which the Designated Intermediaries shall accept the Application Forms i.e. Designated SCSB Branch for SCSBs, Specified Locations for members of the Syndicate, Broker Centers for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Book Building Process	Book Building process, as provided in Part A of Schedule XIII of the SEBI ICDR Regulations, in terms of which the Issue is being made.
BRLM / Book Running Lead Manager	Book Running Lead Manager to the Issue, in this case being Swastika Investmart Limited, SEBI Registered Category I Merchant Banker.
Business Day	Monday to Saturday (except public holidays).
Broker Centers	Broker centers notified by the Stock Exchanges where investors can submit the Application Forms to a Registered Broker. The details of such Broker Centers, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchange.
CAN or Confirmation of Allocation Note	The Note or advice or intimation sent to each successful applicant indicating the Equity which will be allotted, after approval of Basis of Allotment by the designated Stock Exchange.
Client Id	Client Identification Number maintained with one of the Depositories in relation to demat account.
Depository	A depository registered with SEBI under the SEBI (Depositories and Participants) Regulations, 2018.
Demographic Details	The demographic details of the Applicants such as their Address, PAN, name of the applicant father / husband, investor status, occupation and Bank Account details.
Designated Date	The date on which amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, in terms of the Draft Red Herring Prospectus, after finalization of the Basis of Allotment in consultation with the Designated Stock Exchange, following which the Board of Directors may allot Equity Shares to successful Bidders in the Offer.
Designated Intermediaries	The members of the Syndicate, sub-syndicate / agents, SCSBs, Registered Brokers, CDPs and RTAs, who are categorized to collect Application Forms from the Applicant, in relation to the Issue.
Depository Participant	A Depository Participant as defined under the Depositories Act, 1996.
DP ID	Depository Participant's Identity Number.
Draft Red Herring Prospectus	The Draft Red Herring Prospectus dated January 29 <sup>th</sup> , 2025 issued in accordance with Section 26 and 32 of the Companies Act filed with the Emerge Platform of NSE under SEBI (ICDR) Regulations.
Eligible NRI	NRIs from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom the Draft Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares Allotted herein.
Eligible QFIs	QFIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Prospectus constitutes an invitation to purchase the Equity Shares Issued thereby and who have opened demat accounts with SEBI registered qualified depository participants.
Escrow Account	Accounts opened with the Banker to the Issue.
Escrow Collection Bank	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom Escrow Account(s) will be opened, in this case being [●].
Electronic Transfer of Fund	Refunds through NACH, NEFT, Direct Credit or RTGS as applicable.

Term	Description
Engagement Letter	The engagement letter dated 09 <sup>th</sup> January, 2025 between our Company and the BRLM.
Fraudulent Borrower	Fraudulent borrower as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations.
Issue Opening Date	The date on which the Issue opens for subscription.
Issue Closing Date	The date on which the Issue closes for subscription.
Issue Period	The periods between the Issue Opening Date and the Issue Closing Date inclusive of both days and during which prospective Applicants may submit their application.
IPO	Initial Public Offering.
Issue / Issue Size / Public Issue	The Public Issue Upto 57,00,000 Equity Shares of ₹10/- each at ₹[●]/- per Equity Share including share premium of ₹[●]/- per Equity Share aggregating to ₹ [●] Lakhs by Badri Cotsyn Limited.
Issue Price	The price at which the Equity Shares are being issued by our Company through this Draft Red Herring Prospectus, being ₹[●]/- (including share premium of ₹[●]/- per Equity Share).
Listing Agreement	Unless the context specifies otherwise, this means the SME Equity Listing Regulation to be signed between our company and the EMERGE Platform of National Stock Exchange of India Limited (“NSE EMERGE”) (“NSE”).
Market Maker	The Market Maker to the Issue, in this case being [●].
Monitoring Agency	The Monitoring Agency to the Issue, in this case being [●].
Net Issue	The Issue (excluding the Market Maker Reservation Portion) of [●] Equity Shares of ₹10/- each at ₹[●]/- per Equity Share including share premium of ₹[●]/- per Equity Share aggregating to ₹ [●] Lakhs by Badri Cotsyn Limited.
Net Proceeds	The proceeds from the Issue less the Issue related expenses applicable to the Fresh Issue.
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allocated to the Anchor Investors.
Non-Institutional Investors / Bidder	Investors other than Retail Individual Investors, NRIs and QIBs who apply for the Equity Shares of a value of more than ₹2,00,000/-.
Non-Resident	A person resident outside India, as defined under FEMA Act, 1999 and includes Eligible NRIs, Eligible QFIs, FIIs registered with SEBI and FVCIs registered with SEBI.
NPCI	NPCI, a Reserve Bank of India (RBI) initiative, is an umbrella organization for all retail payments in India. It has been set up with the guidance and support of the Reserve Bank of India (RBI) and Indian Banks Association (IBA).
NSE Emerge	The SME Platform of NSE for listing of equity shares offered under Chapter IX of the SEBI (ICDR) Regulations, 2018 which was approved by SEBI as an SME Exchange on [●].
Non Retail Portion including Qualified Institution Buyers (NRII)	The remaining portion of the Net Issue, after retail portion, being not more than 50% of the Net issue which shall be available for allocation to NRIIs in accordance with the SEBI ICDR Regulations.
Prospectus	The Prospectus, to be filed with the ROC containing, inter alia, the Issue opening and closing dates and other information.
Public Issue Account	An Account of the Company under Section 40 of the Companies Act, 2013 where the funds shall be transferred by the SCSBs from bank accounts of the ASBA Investors.
Pay-in-Period	The period commencing on the Bid/Issue Opening date and extended till the closure of the Anchor Investor Pay-in-Date.
Payment through electronic transfer of funds	Payment through NECS, NEFT or Direct Credit, as applicable.
Price Band	Price Band of a minimum price (Floor Price) of ₹ [●]/- and the maximum price (Cap Price) of ₹ [●]/- and includes revisions thereof. The Price Band will be decided by our Company in consultation with the BRLM and advertised in two national daily newspapers (one each in English and in Hindi) with wide circulation and one daily regional newspaper, Bhopal, Madhya Pradesh, with wide circulation at least two working days prior to the Bid / Issue Opening Date.
Qualified Institutional Buyers / QIBs	A Mutual Fund, Venture Capital Fund and Foreign Venture Capital Investor registered with the SEBI, a foreign institutional investor and sub-account (other



Term	Description
	than a sub-account which is a foreign corporate or foreign individual), registered with the SEBI; a public financial institution as defined in Section 2(72) of the Companies Act, 2013; a scheduled commercial bank; a multilateral and bilateral development financial institution; a state industrial development corporation; an insurance company registered with the Insurance Regulatory and Development Authority; a provident fund with minimum corpus of ₹25.00 Crore; a pension fund with minimum corpus of ₹25.00 Crore; National Investment Fund set up by resolution No. F. No. 2/3/2005 – DDII dated November 23, 2005 of the Government of India published in the Gazette of India, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India.
Refund Account	Account opened / to be opened with a SEBI Registered Banker to the Issue from which the refunds of the whole or part of the Application Amount, if any, shall be made.
Registrar / Registrar to the Issue	Registrar to the Issue being Integrated Registry Management Services Private Limited.
Regulations	Unless the context specifies something else, this means the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.
Retail Individual Investors / (RII)	Individual investors (including HUFs applying through their Karta and Eligible NRI Bidders) who applies or bids for the Equity Shares of a value of not more than ₹2,00,000/-.
Retail Portion	The portion of the Issue reserved for category of eligible bidders as provided under the SEBI (ICDR) Regulations, 2018.
SCSB	A Self Certified Syndicate Bank registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994 and offers the facility of ASBA, including blocking of bank account. A list of all SCSBs is available at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a> .
Sponsor Bank	The Banker to the Offer registered with SEBI and appointed by our Company to act as a conduit between the Stock Exchanges and the NPCI in order to push the mandate collect requests and / or payment instructions of the Retail Individual Bidders into the UPI and carry out other responsibilities, in terms of the UPI Circulars.
Sub Syndicate Member	A SEBI Registered member of NSE appointed by the BRLM and/ or syndicate member to act as a Sub Syndicate Member in the Issue.
Syndicate	Includes the BRLM, Syndicate Members.
Syndicate Agreement	The agreement dated [●] entered into amongst our Company, the BRLM and the Syndicate Members, in relation to the collection of Bids in this Issue.
Syndicate ASBA Bidding Locations	Bidding Centers where an ASBA Bidder can submit their Bid in terms of SEBI Circular no. CIR/CFD/DIL/1/2011 dated April 29, 2011, namely Mumbai, Chennai, Kolkata, Delhi.
Syndicate Members/ Members of the Syndicate	Intermediaries registered with SEBI eligible to act as a syndicate member and who is permitted to carry on the activity as an underwriter, in this case being [●].
Systemically Important Non-Banking Financial Company	Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations.
Transaction Registration Slip/ TRS	The slip or document issued by the member of the Syndicate or SCSB (only on demand) as the case may be, to the Applicant as proof of registration of the Application.
Underwriter	Underwriter to the issue in this case being a [●].
Underwriting Agreement	The Agreement entered into between the Underwriters and our Company dated [●].
UPI	Unified payment Interface, which is an instant payment mechanism, developed by NPCI.
UPI Circular	The SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Circular number SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, Circular number SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated

Term	Description
	March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/47 dated March 31, 2021, SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 and any subsequent circulars or notifications issued by SEBI in this regard and any subsequent circulars or notifications issued by SEBI in this regard.
UPI ID	ID created on UPI for single-window mobile payment system developed by the NPCI.
UPI Mandate Request	A request (intimating the Retail Individual Bidder by way of a notification on the Mobile App and by way of a SMS directing the Retail Individual Bidder to such Mobile App) to the Retail Individual Bidder initiated by the Sponsor Bank to authorize blocking of funds on the Mobile App equivalent to Bid Amount and Subsequent debit of funds in case of Allotment.
UPI Mechanism	The bidding mechanism that may be used by a RII to make a Bid in the Offer in accordance with the UPI Circulars.
UPI PIN	Password to authenticate UPI transactions.
Venture Capital Fund/ VCF	Foreign Venture Capital Funds (as defined under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996) registered with SEBI under applicable laws in India.
WACA	Weighted average cost of acquisition.
Willful Defaulter	Willful defaulter as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations.
Working Days	i. Till Application / Issue closing date: All days other than a Saturday, Sunday or a public holiday; ii. Post Application / Issue closing date and till the Listing of Equity Shares: All trading days of stock exchanges excluding Sundays and bank holidays in accordance with the SEBI circular no. SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016 and the SEBI circular number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018.

#### Technical and Industry Related Terms

Term	Description
EFSA	European Food Safety Authority.
FDA	Food and Drug Administration.
GDP	Gross Domestic Product.
HDPE	High-density Polyethylene.
MEE	Multiple Effect Evaporator.
MCLR	Marginal Cost of Funds Based Lending.
MSME	Ministry of Micro, Small & Medium Enterprises.
MT	Metric Tons.
OEM	Original Equipment manufacturers.
PET	Polyethylene Terephthalate.
PIBOs	Producers, Importers and Brand Owners.
r-PET	Recycled Polyethylene Terephthalate.
r-PSF	Recycled Polyester Staple Fiber.
SSP	Solid State Polycondensation.
Denier	A unit of measurement for the fineness of silk or nylon or rayon.

#### Conventional and General Terms / Abbreviations

Term	Description
A/c	Account.
Act or Companies Act	Companies Act, 1956 and/or the Companies Act, 2013, as amended from time to time.
AGM	Annual General Meeting.
AO	Assessing Officer.
ASBA	Application Supported by Blocked Amount.
AS	Accounting Standards issued by the Institute of Chartered Accountants of India.

Term	Description
AY	Assessment Year.
BG	Bank Guarantee.
CAGR	Compounded Annual Growth Rate.
CAN	Confirmation Allocation Note.
CDSL	Central Depository Services (India) Limited.
CIN	Corporate Identity Number.
CIT	Commissioner of Income Tax.
CRR	Cash Reserve Ratio.
Depositories	NSDL and CDSL.
Depositories Act	The Depositories Act, 1996 as amended from time to time.
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time.
DIN	Director's Identification Number.
DP/ Depository Participant	A Depository Participant as defined under the Depository Participant Act, 1996.
DP ID	Depository Participant's Identification.
EBIDTA	Earnings Before Interest, Depreciation, Tax and Amortization.
ECS	Electronic Clearing System.
EGM	Extra-ordinary General Meeting.
EPS	Earnings Per Share i.e. profit after tax for a fiscal year divided by the weighted average outstanding number of equity shares at the end of that fiscal year.
Financial Year / Fiscal Year / FY	The period of twelve months ended March 31 of that particular year.
FDI	Foreign Direct Investment.
FDR	Fixed Deposit Receipt.
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder and as amended from time to time.
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended.
FII	Foreign Institutional Investor (as defined under SEBI FII (Foreign Institutional Investors) Regulations, 1995, as amended from time to time) registered with SEBI under applicable laws in India.
FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended.
FIs	Financial Institutions.
FIPB	Foreign Investment Promotion Board.
FVCI	Foreign Venture Capital Investor registered under the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended from time to time.
GDP	Gross Domestic Product.
GIR Number	General Index Registry Number.
Gov/ Government/GoI	Government of India.
HUF	Hindu Undivided Family.
IFRS	International Financial Reporting Standard.
ICSI	Institute of Company Secretaries of India.
ICAI	Institute of Chartered Accountants of India.
Indian GAAP	Generally Accepted Accounting Principles in India.
I.T. Act	Income Tax Act, 1961, as amended from time to time.
ITAT	Income Tax Appellate Tribunal.
INR/ Rs./ Rupees / ₹	Indian Rupees, the legal currency of the Republic of India.
Ltd.	Limited.
Pvt. Ltd.	Private Limited.
MCA	Ministry of Corporate Affairs.
Merchant Banker	Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 as amended.
MOF	Ministry of Finance, Government of India.
MOU	Memorandum of Understanding.

Term	Description
NA	Not Applicable.
NAV	Net Asset Value.
NEFT	National Electronic Fund Transfer.
NOC	No Objection Certificate.
NR/ Non Residents	Non Resident.
NRE Account	Non Resident External Account.
NRI	Non Resident Indian, is a person resident outside India, as defined under FEMA and the FEMA Regulations.
NRO Account	Non Resident Ordinary Account.
NSDL	National Securities Depository Limited.
NTA	Net Tangible Assets.
p.a.	Per annum.
P/E Ratio	Price/ Earnings Ratio.
PAN	Permanent Account Number allotted under the Income Tax Act, 1961, as amended from time to time.
PAT	Profit After Tax.
PBT	Profit Before Tax.
PIO	Person of Indian Origin.
PLR	Prime Lending Rate.
R & D	Research and Development.
RBI	Reserve Bank of India.
RBI Act	Reserve Bank of India Act, 1934, as amended from time to time.
RoNW	Return on Net Worth.
RTGS	Real Time Gross Settlement.
SAT	Security appellate Tribunal.
SCRA	Securities Contracts (Regulation) Act, 1956, as amended from time to time.
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time.
SCSBs	Self-Certified Syndicate Banks.
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992.
SEBI Act	Securities and Exchange Board of India Act 1992, as amended from time to time.
SEBI Insider Trading Regulations	SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time, including instructions and clarifications issued by SEBI from time to time.
SEBI ICDR Regulations / ICDR Regulations / SEBI ICDR / ICDR	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time.
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended from time to time.
SEBI Rules and Regulations	SEBI (ICDR) Regulations, 2018, SEBI (Underwriters) Regulations, 1993, as amended, the SEBI (Merchant Bankers) Regulations, 1992, as amended, and any and all other relevant rules, regulations, guidelines, which SEBI may issue from time to time, including instructions and clarifications issued by it from time to time.
Sec.	Section.
Securities Act	The U.S. Securities Act of 1933, as amended.
S&P BSE SENSEX	S&P Bombay Stock Exchange Sensitive Index.
SICA	Sick Industrial Companies (Special Provisions) Act, 1985, as amended from time to time.
SME	Small and Medium Enterprises.
Stamp Act	The Indian Stamp Act, 1899, as amended from time to time.
State Government	The Government of a State of India.
Stock Exchanges	Unless the context requires otherwise, refers to, the BSE SME.
STT	Securities Transaction Tax.
TDS	Tax Deducted at Source.
TIN	Tax payer Identification Number.
TRS	Transaction Registration Slip.
UIN	Unique Identification Number.
U.S. GAAP	Generally accepted accounting principles in the United States of America.

Term	Description
VCFs	<p>Venture capital funds as defined in, and registered with SEBI under, the erstwhile Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, as amended, which have been repealed by the SEBI AIF Regulations.</p> <p>In terms of the SEBI AIF Regulations, a VCF shall continue to be regulated by the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 till the existing fund or scheme managed by the fund is wound up, and such VCF shall not launch any new scheme or increase the targeted corpus of a scheme. Such VCF may seek re-registration under the SEBI AIF Regulations.</p>

*The words and expressions used but not defined in this Draft Red Herring Prospectus will have the same meaning as assigned to such terms under the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 (the "SEBI Act"), the SCRA, SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 the Depositories Act and the rules and regulations made thereunder.*

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## CERTAIN CONVENTIONS PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

### CERTAIN CONVENTIONS

All references to India contained in this Draft Red Herring Prospectus are to the Republic of India. In this Draft Red Herring Prospectus, our Company has presented numerical information in lakhs units. One represents 1,00,000.

### FINANCIAL DATA

Unless stated otherwise, the financial data in the Draft Red Herring Prospectus is derived from our restated audited financial statements for the period ended December 31<sup>st</sup>, 2024 and for the financial year ended on March 31<sup>st</sup>, 2024, 2023 and 2022 prepared in accordance with Indian GAAP, the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, 2018 which are included in the Draft Red Herring Prospectus, and set out in the section titled “*Restated Financial Statements*” beginning on page no. 191 of the Draft Red Herring Prospectus. Our Financial Year commences on April 1 and ends on March 31 of the following year, so all references to a particular Financial Year are to the twelve-month period ended March 31 of that year. In the Draft Red Herring Prospectus, discrepancies in any table, graphs or charts between the total and the sums of the amounts listed are due to rounding-off.

There are significant differences between Indian GAAP, IFRS and U.S. GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included herein, and the investors should consult their own advisors regarding such differences and their impact on the financial data. Accordingly, the degree to which the restated financial statements included in the Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in the Draft Red Herring Prospectus should accordingly be limited.

Any percentage amounts, as set forth in the sections / chapters titled “*Risk Factors*”, “*Business Overview*” and “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” beginning on page nos. 20, 134 and 195 respectively of this Draft Red Herring Prospectus and elsewhere in the Draft Red Herring Prospectus, unless otherwise indicated, have been calculated on the basis of our restated financial statements prepared in accordance with Indian GAAP, the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, 2018 and the Indian GAAP.

### INDUSTRY AND MARKET DATA

Unless stated otherwise, industry data used throughout the Draft Red Herring Prospectus has been obtained or derived from industry and government publications, publicly available information and sources. Industry 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 are not guaranteed and their reliability cannot be assured. Although our Company believes that industry data used in the Draft Red Herring Prospectus is reliable, it has not been independently verified.

Further, the extent to which the industry and market data presented in the Draft Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of, the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources.

### CURRENCY AND UNITS OF PRESENTATION

**In the Draft Red Herring Prospectus, unless the context otherwise requires, all references to:**

- ‘Rupees’ or ‘₹’ or ‘Rs.’ or ‘INR’ are to Indian rupees, the official currency of the Republic of India.
- ‘US Dollars’ or ‘US\$’ or ‘USD’ or ‘\$’ are to United States Dollars, the official currency of the United States of America, EURO or “€” are Euro currency ‘GBP’ or ‘£’ are to Great British Pound.
- All references to the word ‘Lakh’, means ‘One hundred thousand’ and the word ‘Million’ means ‘Ten Lakh’ and the word ‘Crore’ means ‘Ten Million’ and the word ‘Billion’ means ‘One thousand Million’.

## FORWARD LOOKING STATEMENTS

All statements contained in the Draft Red Herring Prospectus that are not statements of historical facts constitute “forward looking statements”. All statements regarding our expected financial condition and results of operations, business, objectives, strategies, plans, goals and prospects are forward looking statements. These forward looking statements include statements as to our business strategy, our revenue and profitability, planned projects and other matters discussed in the Draft Red Herring Prospectus regarding matters that are not historical facts. These forward looking statements and any other projections contained in the Draft Red Herring Prospectus (whether made by us or any third party) are predictions and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements or other projections.

All forward looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward looking statement. Important factors that could cause actual results to differ materially from our expectations include but are not limited to:

- General economic and business conditions in the markets in which we operate and in the local, regional, national and international economies;
- Competition from existing and new entities may adversely affect our revenues and profitability;
- Political instability or changes in the Government could adversely affect economic conditions in India and consequently our business may get affected to some extent;
- Our business and financial performance is particularly based on market demand and supply of our products/services;
- The performance of our business may be adversely affected by changes in, or regulatory policies of, the Indian national, state and local Governments;
- Any downgrading of India’s debt rating by a domestic or international rating agency could have a negative impact on our business and investment returns;
- Changes in Government Policies and political situation in India may have an adverse impact on the business and operations of our Company;
- The occurrence of natural or man-made disasters could adversely affect our results of operations and financial condition.

For further discussion of factors that could cause the actual results to differ from the expectations, see the sections/chapters “*Risk Factors*”, “*Business Overview*” and “*Management’s Discussion and Analysis of Financial Position and Results of Operations*” on page nos. 20, 134 and 195 respectively of this Draft Red Herring Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

Forward looking statements reflect the current views as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on the management’s beliefs and assumptions, which in turn are based on currently available information. Although our Company believes the assumptions upon which these forward looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward looking statements based on these assumptions could be incorrect. None of our Company, the Directors, the BRLM, or any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. Our Company and the Directors will ensure that investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchange.

## SECTION II - SUMMARY OF DRAFT RED HERRING PROSPECTUS

The following is a general summary of the terms of the Issue. This summary should be read in conjunction with and is qualified in its entirety by, the more detailed information appearing elsewhere in this Draft Red Herring Prospectus, including the sections entitled “Risk Factors”, “Industry Overview”, “Outstanding Litigation and Material Developments”, “Our Promoter and Promoter Group”, “Restated Financial Statements”, “Objects of the Issue”, “Business Overview”, “Issue Procedure” and “Description of equity shares and terms of the Articles of Association” on page nos. 20, 114, 204, 184, 191, 78, 134, 241 and 270 respectively.

### SUMMARY OF BUSINESS

Our company specializes in manufacturing High-Tenacity Recycled Polyester Staple Fibre (R-PSF) from post-consumer Polyethylene Terephthalate (PET) bottles. Our product portfolio are renowned for its excellent resilience properties. Finished products are supplied to over 100 esteemed customers across India, Europe, and the Middle East. Our commitment to quality and customer satisfaction has enabled us to establish a strong market presence.

Our manufacturing facility is located at Plot No. 33, New Industrial Area-II, Ward No. 14, Tehsil Goharganj, Mandideep, Bhopal, Huzur, Madhya Pradesh, India, 462046. Spread over 4,35,000 square ft., our facility boasts a combined installed capacity of 61,200 MT per annum including our group company. We source raw materials (post-consumer PET bottles) from junk collectors across 12 states, ensuring a consistent supply chain.

Our R-PSF products cater to diverse industries, including textiles (spinning units), non-woven geotextiles, filtration fabrics, and automotive fabrics. We take pride in our robust quality management system, backed by esteemed certifications such as ISO 9001:2015, ISO 14001:2015, Bureau of Indian Standards (BIS), OEKO-TEX, and Global Recycled Standard (GRS).

In line with our commitment to environmental sustainability, we have installed a 712.69 KWp/Sanctioned capacity 1,000 KWp rooftop solar facility. This initiative underscores our dedication to reducing our carbon footprint and promoting eco-friendly practices.

For further details, please refer to the chapter titled “Business Overview” on page no. 134.

### SUMMARY OF INDUSTRY

The India Development Update (IDU) observes that India remained the fastest-growing major economy and grew at a rapid clip of 8.2 percent in FY 23/24. Growth was boosted by public infrastructure investment and an upswing in household investments in real estate. On the supply side, it was supported by a buoyant manufacturing sector, which grew by 9.9 percent, and resilient services activity, which compensated for underperformance in agriculture. Reflecting these trends, urban unemployment has improved gradually since the pandemic, especially for female workers. Female urban unemployment fell to 8.5 percent in early FY 24/25, although urban youth unemployment remained elevated at 17 percent. With a narrowing of the current account deficit and strong foreign portfolio investment inflows, foreign exchange reserves reached an all-time high of \$670.1 billion in early August, equivalent to over 11 months of cover (in FY23/24 import terms).

Source: <https://www.worldbank.org/en/news/press-release/2024/09/03/india-s-economy-to-remain-strongdespite-subdued-global-growth>.

For more details, please refer chapter titled “Industry Overview” on page no.114 of this Draft Red Herring Prospectus.

### OUR PROMOTERS

The promoters of our Company are Mr. Amit Gupta, Mr. Sumit Gupta, Mrs. Deepika Gupta and Mrs. Nainsi Gupta. For detailed information on our promoters and promoters’ group, see “Our Promoters and Promoters’ Group” on page no. 184 on of this Draft Red Herring Prospectus.

### ISSUE OF THE SIZE

This is an Initial Public Issue of Upto 57,00,000 Equity Shares of face value of ₹10/- each of our Company for cash at a price of ₹ [●]/- per Equity Share (including a share premium of ₹[●]/- per Equity Share) aggregating to ₹ [●] lakhs (“Issue”), out of which [●] Equity Shares of face value of ₹10/- each for cash at a price of ₹[●]/- per Equity Share aggregating up to ₹[●]/- Lakhs will be reserved for subscription by the market maker to the Issue (the “Market Maker Reservation Portion”). The Issue less Market Maker Reservation Portion i.e. Issue of [●] Equity Shares of face value of ₹10/- each, at an issue price of ₹[●]/- per Equity Share for cash, aggregating to ₹ [●] Lakhs is hereinafter referred to as the “Net Issue”. The Issue and Net Issue will constitute [●]% and [●]% respectively of the post- issue paid-up Equity Share capital of our Company.

Public Issue of Equity Shares by our Company*	Upto 57,00,000 Equity Shares aggregating to ₹ [●] Lakhs (“The Issue”).
<b>The Issue consists of:</b>	
Fresh Issue	Upto 57,00,000 Equity Shares aggregating to ₹ [●] Lakhs.
<b>Of Which:</b>	
Reserved for the Market Makers	Upto [●] Equity Shares aggregating to ₹ [●] Lakhs.
Net Issue to the Public	Upto [●] Equity Shares aggregating to ₹ [●] Lakhs.

\*The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on January 17<sup>th</sup>, 2025 and by the Shareholder of our Company, vide a special resolution passed pursuant to Section 62(1)(c) of the Companies Act, 2013 at the Extra Ordinary General Meeting held on January 18<sup>th</sup>, 2025.

## OBJECTS OF THE ISSUE

Our Company intends to utilize the Net Proceeds for the following objects (“Objects of the Issue”):

S. No.	Particulars	Amount (₹ in Lakhs)
1.	Construction of Factory Building and Purchase of Plant and Machinery	11,220.00
2.	Repayment and/or pre-payment or repayment, in full or part, of certain outstanding borrowings availed by our Company	[●]
3.	General Corporate Purpose*	[●]
	<b>Total</b>	[●]

\*To be finalized upon determination of the Issue Price and updated in the Prospectus prior to filing with the ROC. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.

## UTILIZATION OF NET PROCEEDS

We intend to finance our objects of the Issue through Issue Proceeds which are as follows:

S. No.	Particulars	Amount (₹ in Lakhs)	% of Gross Issue Proceeds	% of Net Issue Proceeds
1.	Construction of Factory Building and Purchase of Plant and Machinery	11,220.00	[●]	[●]
2.	Repayment and/or pre-payment or repayment, in full or part, of certain outstanding borrowings availed by our Company	[●]	[●]	[●]
3.	General Corporate Purpose*	[●]	[●]	[●]
	<b>Total</b>	[●]	[●]	[●]

\*To be finalized upon determination of the Issue Price and updated in the Prospectus prior to filing with the ROC. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.

## PRE-ISSUE SHAREHOLDING OF PROMOTER AND PROMOTER GROUP

Our Promoters and Promoter Group collectively holds 1,49,99,997 Equity shares of our Company aggregating to 100% of the pre-issue paid-up Share Capital of our Company.

Following are the details of the shareholding of the Promoters and Promoter Group, as on date of this Draft Red Herring Prospectus:

S. No.	Names of Shareholders	Pre IPO		Post IPO	
		No. of equity Shares	As a % of Issued Capital*	No. of equity Shares	As a % of Issued Capital*
<b>Promoters</b>					
1.	Mr. Amit Gupta	74,99,994	50	[●]	[●]
2.	Mr. Sumit Gupta	74,99,991	50	[●]	[●]
3.	Mrs. Deepika Gupta	3	Negligible		
	Mrs. Nainsi Gupta	3	Negligible		
	<b>Total – A</b>	<b>1,49,99,991</b>	<b>100</b>	[●]	[●]

Promoters Group					
1.	Mr. Lakhanlal Gupta	3	Negligible	[●]	[●]
2.	Mrs. Sarla Gupta	3	Negligible	[●]	[●]
<b>Total - B</b>		<b>6</b>	Negligible	[●]	[●]
<b>Total Promoters and Promoters' Group (A+B)</b>		<b>1,49,99,997</b>	Negligible	[●]	[●]

\*Rounded Off.

### SUMMARY OF RESTATED FINANCIAL INFORMATION

Particulars	December 31 <sup>st</sup> 2024	For the Financial Year ended		
		March 31, 2024	March 31, 2023	March 31, 2022
Share Capital (₹ in Lakhs)	1500.00	500.00	1.00	1.00
Net worth (₹ in Lakhs)	1,712.67	294.31	(558.21)	(170.08)
Revenue from operations (₹ in Lakhs)	28,029.94	20,039.86	2,2516.91	17,776.94
Profit after Tax (₹ in Lakhs)	1,443.66	353.53	(388.13)	(208.69)
Earnings per share - after bonus (Basic & Diluted) (₹)	10.50	3.39	(3.88)	(2.08)
Net Asset Value per Equity Share - after bonus (Basic & diluted) (₹)	12.46	69.09	(5,582.13)	(1,700.81)
Total Borrowings (₹ in Lakhs):	11,806.14	8,462.05	8,148.53	8,213.32
Secured Borrowings	8048.43	5582.03	4606.55	5008.70
Unsecured Borrowings	3757.71	2880.02	3541.98	3204.62

### QUALIFICATIONS OF AUDITORS

The Restated Financial Information do not contain any qualification requiring adjustments by the Statutory Auditors.

### SUMMARY OF OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

A summary of pending legal proceedings and other material litigations involving our Company are provided below:

Name	By/Against	Civil Proceedings	Criminal Proceedings	Tax Proceedings	Actions by Other regulatory authorities	Amount Involved (₹ in Lakhs)
Company	By	Yes	Yes	Nil	Nil	11.00
	Against	Yes	Nil	Nil	Nil	Nil
Promoter	By	Nil	Nil	Nil	Nil	Nil
	Against	Nil	Nil	Nil	Nil	Nil
Group Companies / Entities	By	Nil	Nil	Nil	Nil	Nil
	Against	Nil	Nil	Yes	Nil	595.29
Directors other than promoters	By	Nil	Nil	Nil	Nil	Nil
	Against	Nil	Nil	Yes	Nil	Nil
<b>Total</b>		-	-	-	-	<b>606.29</b>

For further details, see "Outstanding Litigations & Material Developments" beginning on page no. 204 of this Draft Red Herring Prospectus.

### RISK FACTORS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this 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 this offering. 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 offered in the Issue have neither been recommended nor approved by Securities and Exchange Board of India nor does Securities and Exchange Board of India guarantee the accuracy or adequacy of this Draft Red Herring Prospectus. Specific attention of the investors is invited to the section titled "Risk Factors" beginning on page no. 20 of this Draft Red Herring Prospectus.

### SUMMARY OF CONTINGENT LIABILITIES



Our Company has no contingent liabilities for the stub period ended as on December 31<sup>st</sup>, 2024 and financial years ended March 31, 2024, March 31, 2023 and March 31, 2022 except as disclosed as below:

(Amount in Lakhs)

Particulars	31-12-2024	As at		
		31-03-2024	31-03-2023	31-03-2022
<b>Contingent liabilities in respect of:</b>				
Demand from Income Tax Authorities	Nil	Nil	Nil	Nil
Demand from Income Tax Authorities (TDS)	Nil	Nil	Nil	Nil
Demand from GST and other related claims	Nil	Nil	Nil	Nil
Demand from Provident Fund	Nil	Nil	Nil	Nil
Demand from ESIC	Nil	Nil	Nil	Nil
Demand from VAT return filing	Nil	Nil	Nil	Nil
Demand from CST return filing	Nil	Nil	Nil	Nil
Demand from Profession Tax	Nil	Nil	Nil	Nil
Demand from Central Excise & Service Tax	Nil	Nil	Nil	Nil
Bank Guarantees issued to Parties				
Contingent liability in respect of EPCG scheme export commitments.	The company has an outstanding export commitments towards capital goods installed in the manufacturing facilities for which duty exemption amounting to Rs. 8.62 crores was availed under the Export Promotion for Capital Goods scheme. If the export commitments are not fulfilled within the stipulated period of time, the proportionate duty availed as exemption by the company shall be refunded to the government along with interest and penalty, as maybe applicable. However it is difficult to indentify for each year presented.			
As Guarantor for Group Companies	-	-	-	-

#### SUMMARY OF RELATED PARTY TRANSACTIONS

The details of related party transactions entered into by our Company for the period ended 31<sup>st</sup> December, 2024 and for the financial years ended March 31, 2024, 2023 and 2022 and derived from the Restated Financial Statements are as set out in the table below:

#### List of Related Parties as per AS – 18:

Particulars	Relation
Amit Gupta	Promoter & KMP
Sumit Gupta	Promoter & KMP
Lakhan Lal Gupta	Relative of Promoters and KMP
Deepika Gupta	Promoter and Executive Director
Nainsi Gupta	Promoter and Non-Executive Director
Sarla Gupta	Relative of Promoters and KMP
Badri Ecofibres Private Limited	Group Company, Common Promoters and Common Directors
Badri Industries Private Limited*	Group Company, Common Promoters and Common Directors

\*Voluntary Strike Off.

#### Related Party Transactions:

(₹ in Lakhs)

Name of the Related Party	For the Period ended 31-12-2024	For the year ended 31 <sup>st</sup> March,		
		31-03-2024	31-03-2023	31-03-2022
<b>Amit Gupta</b>				
Remuneration	4.00	14.00	24.00	9.00
Loans Taken	291.30	1759.86	8.50	75.00
Loans Repaid	4.00	204.26	68.50	-

Name of the Related Party	For the Period ended 31-12-2024	For the year ended 31 <sup>st</sup> March,		
		31-03-2024	31-03-2023	31-03-2022
<b>Sumit Gupta</b>				
Remuneration	4.00	18.00	21.00	2.00
Loans Taken by Company	810.33	1803.66	50.00	-
Loans Repaid by Company	219.93	122.75	154.10	6.00
<b>Lakhan Lal Gupta</b>				
Remuneration	-	-	15.00	8.00
Loan Taken by Company	-	705.00	8.50	144.96
Loan Repaid by Company	-	2924.00	74.51	-
<b>Sarla Gupta</b>				
Remuneration	-	42.00	15.75	5.00
Loan Taken by Company	-	10.40	6.50	-
Loan Repaid by Company	-	38.40	5.00	-
<b>Deepika Gupta</b>				
Remuneration	22.50	78.00	22.00	10.00
Loan Taken by Company	-	25.00	4.50	13.00
Loan Repaid by Company	-	41.00	37.00	-
<b>Nainsi Gupta</b>				
Remuneration	21.50	75.00	15.00	21.00
Loan Taken by Company	-	35.00	9.50	13.00
Loan Repaid by Company	-	64.00	7.00	28.50
<b>Badri Eco Fibre Pvt Ltd</b>				
Sale of Services	-	49.62	71.46	471.60
Purchase of Good and Services	2663.72	1833.05	79.60	775.37
Sale of Goods	-	46.32	31.09	265.95
Loan Taken	-	2468.84	3068.64	2224.77
Loan Repaid	-	3576.32	3012.06	3122.03
<b>Badri Industries Pvt Ltd</b>				
Advance Repaid	-	-	34.84	128.75
Advance Given	-	-	-	126.75

Note:

1. List of Related parties has been identified by the management and relied upon by the Statutory Auditor.
2. In case there is no transaction with any of the above related parties, only name of such related parties has been disclosed as required by AS- 18.

For further details, please refer to the “Note AC– Related Party Transactions” of chapter titled “Restated Financial Statement” on page no. 191 of this Draft Red Herring Prospectus.

#### DETAILS OF FINANCING ARRANGEMENTS

There have been no financing arrangements whereby our Promoter, members of the Promoter Group, our Directors and their relatives have financed the purchase by any other person of securities of our Company during a period of 6 (Six) months immediately preceding the date of this Draft Red Herring Prospectus.

#### WEIGHTED AVERAGE PRICE AT WHICH THE EQUITY SHARES WERE ACQUIRED BY OUR PROMOTER IN THE ONE YEAR PRECEDING THE DATE OF THIS DRAFT RED HERRING PROSPECTUS

The weighted average price at which the equity shares were acquired by our Promoters in the one year preceding the date

of this Draft Red Herring Prospectus is set out below:

Name	Number of Equity Shares as on date	Weighted Average Cost of Acquisition per Equity Share (in ₹)*
Mr. Amit Gupta	74,99,994	3.33
Mr. Sumit Gupta	74,99,991	3.33
Mrs. Deepika Gupta	3	3.33
Mrs. Nainsi Gupta	3	3.33

*\*Source: Based on Certificate issued by our statutory auditors M/s. S.L. Chhajed & Co. LLP, Chartered Accountants vide their certificate dated 28<sup>th</sup> January, 2025 having UDIN:25406044BMICGR5188.*

#### AVERAGE COST OF ACQUISITION

The average cost of acquisition per Equity Share to our Promoters as at the date of this Draft Red Herring Prospectus is:

Name	Number of Equity Shares	Average Cost of Acquisition per Equity Share (in ₹)*
Mr. Amit Gupta	74,99,994	3.33
Mr. Sumit Gupta	74,99,991	3.33
Mrs. Deepika Gupta	3	3.33
Mrs. Nainsi Gupta	3	3.33

*\*Source: Based on Certificate issued by our statutory auditors M/s. S.L. Chhajed & Co. LLP, Chartered Accountants vide their certificate dated 28<sup>th</sup> January, 2025 having UDIN:25406044BMICGR5188.*

#### DETAILS OF PRE-ISSUE PLACEMENT

Our Company does not contemplate any issuance or placement of Equity Shares from the date of this Draft Red Herring Prospectus till the listing of the Equity Shares.

#### ISSUE OF EQUITY SHARES FOR CONSIDERATION OTHER THAN CASH IN THE LAST 1 (ONE) YEAR

Our Company has not issued shares for consideration other than cash except Bonus Issue on 17<sup>th</sup> January, 2025, during last one year for more details on the same please refer to the section titled “*Capital Structure*” beginning on page no. 56 of this Draft Red Herring Prospectus.

#### SPLIT / CONSOLIDATION OF EQUITY SHARES IN THE LAST ONE YEAR

Our Company has not undertaken a split or consolidation of the Equity Shares in the 1 (One) year preceding the date of this Draft Red Herring Prospectus.

#### EXEMPTION FROM PROVISIONS OF SECURITIES LAW, IF ANY, GRANTED BY SEBI

Our Company has not applied or received any exemption from complying with any provisions of Securities Law by SEBI.

*[The remainder of this page has intentionally been left blank]*

### SECTION III- RISK FACTORS

An investment in equity involves a high degree of risk. Investors should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our equity shares. Any of the following risks as well as other risks and uncertainties discussed in this Draft Red Herring Prospectus could have a material adverse effect on our business, financial condition and results of operations and could cause the trading price of our Equity Shares to decline, which could result in the loss of all or part of your investment. In addition, the risks set out in this Draft Red Herring Prospectus may not be exhaustive and additional risks and uncertainties, not presently known to us, or which we currently deem immaterial, may arise or become material in the future. Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other risks mentioned herein.

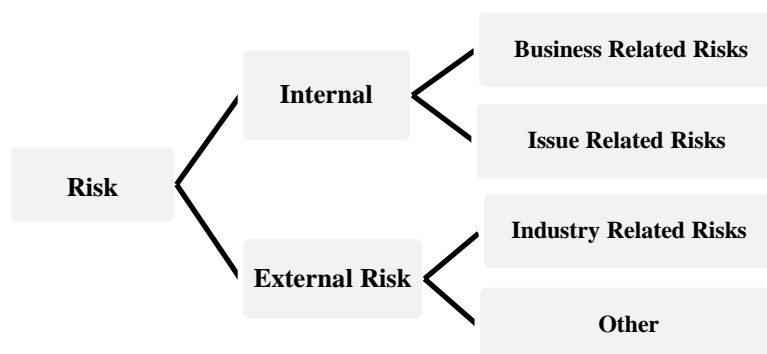
If any one or more of the following risks as well as other risks and uncertainties discuss in the Draft Red Hearing Prospectus were to occur, our financial condition and results of our operation could suffer material adverse effects and could cause the trading price of our equity shares and the value of investment in the equity share and the value of equity shares to materially decline which could result in the loss of all or part of the investment. Prospective Investors should pay particular attention to the fact that our Company is incorporate under the laws of India and is therefore subject to a legal and regulatory environment that may differ in certain respect from that of other countries.

The Draft Red Herring Prospectus also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of many factors, including the considerations described below and elsewhere in the Draft Red Herring Prospectus.

#### MATERIALITY

The Risk factors have been determined on the basis of their materiality. The following factors have been considered for determining the materiality:

- Some events may not be material individually but may be found material collectively.
- Some events may have material impact qualitatively instead of quantitatively.
- Some events may not be material at present but may be having material impact in the future.



#### NOTE:

The risk factors are disclosed as envisaged by the management along with the proposals to address the risk if any. Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial implication of any of the risks described in this section.

In this Draft Red Herring Prospectus, any discrepancies in any table between total and the sums of the amount listed are due to rounding off. Any percentage amounts, as set forth in “*Risk Factors*” and elsewhere in this Draft Red Herring Prospectus unless otherwise indicated, has been calculated on the basis of the amount disclosed in our restated financial statements prepared in accordance with Indian GAAP.

Unless otherwise specifically provided in the respective Risk Factors given below, the amounts of impact of risks specified hereunder, on our financial conditions, are not quantifiable.

## INTERNAL RISK FACTORS

### 1. Our Company is dependent on few numbers of customers for sales. Loss of any of this large customer may affect our revenues and profitability.

Our top ten customers contribute 49.81%, 56.42%, 51.60% and 55.84% of our total sales for the period/year ended on December 31<sup>st</sup>, 2024, March 31<sup>st</sup>, 2024, March 31<sup>st</sup>, 2023 and March 31<sup>st</sup>, 2022 respectively. Our Company is primarily engaged in the business of manufacturing of Recycled polyester staple fiber (R-PSF). Our business operations are highly dependent on our customers and the loss of any of our customers may adversely affect our sales and consequently on our business and results of operations. The loss of one or more of these significant or key customers or a reduction in the amount of business we obtain from them could have an adverse effect on our business, results of operations, financial condition and cash flows. Although till date, our company has not faced any conflict of interest with any of the customers and company is enjoying good relation with all the customers, we cannot assure you that we will be able to maintain historic levels of business and/or negotiate and execute long term contracts on terms that are commercially viable with our significant customers or that we will be able to significantly reduce customer concentration in the future.

Any decline in our quality standards, growing competition and any change in demand may adversely affect our ability to retain them. We cannot assure that we shall generate the same quantum of business, or any business at all, and the loss of business from one or more of them may adversely affect our revenues and results of operations. However, the composition and revenue generated from these customers might change, as we continue to add new customers in the normal course of business. Though we believe that we will not face substantial challenges in maintaining our business relationship with them or finding new customers, there can be no assurance that we will be able to maintain long term relationships with such customers or find new customers in time.

### 2. Our Company is dependent on few States. Loss of any of this large States may affect our business operations.

Our domestic sales are based out of limited region like Madhya Pradesh, Maharashtra, Punjab, Rajasthan and Dadra & Nagar Haveli. Exposure to projects in new geographies which may not be as profitable as our current contracts. This may have a have a material adverse effect on our business, results of operations and financial condition. The geographical wise our revenue from operation breakup for the period ended December 31<sup>st</sup>, 2024 and for the year ended March 31<sup>st</sup>, 2024, 2023, 2022 as per the Restated Financial Information as under:

Particulars	For the period ended on 31 <sup>st</sup> December 2024		For the Financials year ended March 31 <sup>st</sup> , 2024		For the Financials year ended March 31 <sup>st</sup> , 2023		For the Financials year ended March 31 <sup>st</sup> , 2022	
	%	Amount	%	Amount	%	Amount	%	Amount
Madhya Pradesh	20.97	5736.91	18.15	3595.69	20.39	4570.44	19.32	3411.85
Maharashtra	18.46	5049.66	14.23	2818.59	13.20	2958.3	10.27	1812.93
Punjab	17.53	4795.64	26.25	5199.40	23.83	5343.07	24.80	4379.58
Rajasthan	9.96	2725.20	7.60	1505.37	7.05	1580.2	5.78	1020.77
Dadra and Nagar Haveli	7.71	2109.81	9.69	1920.29	8.01	1796.11	9.42	1662.99
<b>Total</b>	<b>74.63</b>	<b>20417.22</b>	<b>75.92</b>	<b>15039.34</b>	<b>72.48</b>	<b>16248.12</b>	<b>69.59</b>	<b>12288.12</b>

This concentration poses a potential risk to our revenue if we are unable to continue selling our products in these states, as a substantial portion of our domestic revenue depends on these regions. The primary reason for this dependency is the high concentration of spinning mills located in these states, which are the primary consumers of our products.

### 3. Our Company is majorly dependent on a few suppliers for purchase of product. Loss of any of these large suppliers will not affect our business operations.

Post-consumer PET bottles form the most important raw material for our business and these are geographically spread out throughout the country. Further, the collection of these waste PET bottles is currently done in an unorganized fashion by rag pickers in the country who then sell it to small traders / aggregators. Our top ten suppliers contribute 43.01%, 33.91%, 36.81% and 43.87% of our total purchases for the period ended December 31<sup>st</sup>, 2024 and for the year ended on March 31, 2024, 2023 and 2022 respectively. Although till date, our company has not faced any conflict of interest with any of the suppliers and company is enjoying good relation with all the suppliers, we cannot assure that we will be able to get the same quantum and quality of supplies, or any supplies at all, but the loss of supplies from one or more of them may not adversely affect our purchases of stock and ultimately our revenue and results of operations.

However, the composition and amount of purchase from these suppliers might change as we continue seek new suppliers for our product for better quality and price in the normal course of business. Though we believe that we will not face substantial challenges in maintaining our business relationship with them or finding new suppliers, there can be no assurance that we will be able to maintain long term relationships with such suppliers or find new suppliers in time.



Additionally, we have also begun using industrial textile waste from large textile plants in the country as an alternative to waste PET bottles and in an effort to reduce the dependence on waste PET bottles.

**4. *We have a limited operating history and may be subject to risks inherent in early stage companies, which may make it difficult to evaluate our business and prospects.***

Although we were incorporated in 2018, we have a limited operating history upon which you can evaluate our business and prospects. You must consider our business and prospects in light of the risks and difficulties we face as an early stage company with a limited operating history and should not rely on our past results as an indication of our future performance. In particular, although our Promoters and Management is having good experience of Industry and in implementing our business plan and strategy compared to our more well-established competitors, including our strategy to increase our market share and build our brand name. In addition, we may face challenges in planning and forecasting accurately as a result of our limited historical data and inexperience in implementing and evaluating our business strategies. Our inability to successfully address these risks, difficulties and challenges as a result of our inexperience and limited operating history may have a negative impact on our ability to implement our strategic initiatives, which may have an adverse effect on our business, prospects, financial condition and results of operations.

**5. *Our operations are subject to fire hazards and similar risks that could expose us to material liabilities, loss in revenues and increased expenses.***

There are risks associated with our business activities, such as deadly accidents and mishaps or other uncontrollable force majeure events. We cannot guarantee that such incidents won't happen in future, since in such a case we would be obliged to pay compensation and other relevant expenses in connection with any tragic accidents that have happened at our facility. We might be exposed to a variety of dangers throughout the maintenance phase that we weren't able to anticipate or for which we didn't have sufficient insurance coverage. Although, in past except fire occurred in the financial year 2021-22, our company has not faced any such incidences which had an adverse effect on our conducting our business operations.

In addition, there are risks associated with our operations that come with providing engineering services, like the possibility of equipment failure, work-related accidents, fire, or explosion. These risks can result in serious harm to individuals or death, severe damage to or destruction of property and equipment, and environmental harm. If such an incident occurs, we could have to reimburse the losses incurred, which could seriously harm our brand, operations, finances, and financial health.

**6. *Significant portion of the recycled PET is being used to make Recycled Polyester Staple Fiber. Volatility in the supply and pricing of our raw material may have an adverse effect on our business, financial condition and results of operations. Absence of agreements/arrangements with suppliers and failure of suppliers to meet their obligations, may have a material adverse effect on our business, results of operations and financial condition.***

The primary raw material used in our manufacturing operations is PET bottle waste and scrap. Our consolidated cost of raw materials consumed, after including purchases of stock in trade and changes in inventories of finished goods and work in progress for the period ended December 31<sup>st</sup>, 2024 and for the financials year ended March 31<sup>st</sup>, 2024, 2023, and 2022 was ₹20,858.22 Lakhs, ₹15,616.36 Lakhs, ₹17,329.70 Lakhs and ₹13,277.90 Lakhs, respectively which represents 74.27%, 73.78%, 76.76% and 74.63% of our total revenues, respectively. As of December 31<sup>st</sup>, 2024, we had a network of over 550 suppliers for sourcing of raw materials for our products from India. We do not have long term agreements with any of our raw material suppliers and we acquire raw materials from such suppliers through purchase orders. Raw material supply and pricing can be volatile due to a number of factors beyond our control, including global demand and supply, general economic and political conditions, price disputes, transportation and labour costs, labour unrest, natural disasters, competition, import duties, tariffs and currency exchange rates. Any material shortage or interruption in the domestic or imported supply or deterioration in quality of the raw materials due to natural causes or other factors could result in increased costs that we may not be able to pass on to customers would adversely affect our business, results of operations and financial condition.

Prohibitions on plastic packaging, including a complete ban on all forms of PET bottle due to change in regulations by the Central or State Governments, may materially and adversely impact our business and growth. Our ability to anticipate changes in technology and to develop and introduce new or alternate source of raw materials on a timely basis will be a significant factor in our ability to grow and to remain competitive. We cannot assure you that we will be able to achieve the technological advances that may be necessary for us to remain competitive or find out alternate source of raw materials other than PET bottle.

If we were to experience a significant or prolonged shortage of raw material from any of our suppliers or change in regulations by the Central or State Governments for use of all forms of PET, and we cannot procure the raw materials from other sources, we would be unable to meet our production schedules and to deliver such order to our customers in a timely manner, which would adversely affect our sales, margins and customer relations. Therefore, we cannot assure you that we will be able to procure adequate supplies of raw material in the future, as and when we need them and on commercially

acceptable terms. Although we have not encountered any significant disruptions in the sourcing and/or supply of our raw materials, we cannot assure you that such disruptions will not occur and/or we shall continue to be able to source raw materials in a cost-effective manner.

We do not have long term arrangements with our vendors/suppliers and we operate on a purchase order basis. There are no long-term supply agreements for our raw material and other utilities. Our inability to obtain high quality raw materials in a timely and cost-effective manner would cause delays in our production and delivery schedules besides increasing cost of production, which may result in us losing some customers and hence could lead to reduction in revenues. Hence, we also face market risks for each of these products.

**7. Any changes in the Plastic Waste Management Rules, 2016, Plastic Waste Management (Amendment) Rules, 2022 or delay in the implementation of the Guidelines on extended producer responsibility for Plastic Packaging as amended, from time to time, may have a significant impact on the business and hence the revenues and profitability of the Company.**

Currently, a significant portion of recycled PET is utilized in India to manufacture Recycled Polyester Staple Fibre (R-PSF), which is sold at a lower price compared to virgin Polyester Staple Fibre. With the government committed to introducing a gazette notification enforcing the 30% recycled content rule under the Plastic Waste Management (Amendment) Rules, 2022, and brand owners increasingly accepting recycled PET chips, a substantial share of recycled PET currently used for r-PSF may shift towards producing bottle-to-bottle chips to meet regulatory targets.

This shift could result in a shortage of PET bottle waste, leading to increased raw material costs and adversely impacting our company's profitability. To address this, our company is planning a new project to recycle bottles for our r-PET chips business segment. The Extended Producer Responsibility (EPR) framework mandates Category II companies to use a minimum of 30% recycled content in their plastic packaging starting from Fiscal, 2026. This amendment is crucial for the growth of our R-PET chips business. For details in respect of the foregoing, see "Object of the Issue", "Key Industry Regulations" beginning on page nos. 154.

However, any reduction or removal of the 30% recycled content requirement, or delays in the implementation of the amended rules, could hinder our business prospects and significantly impact our future revenues and profitability.

**8. We do not have long term contracts with our customers. If one or more of such customers choose not to source their requirements from us, our business, financial condition and results of operations may be adversely affected. We have not executed long term contracts with our domestic or international customers.**

Our sales are based on purchase orders that are placed by our customers depending on their requirements, with typical delivery periods ranging from spot delivery to three months. Our sales team does volume forecast based on a number of economic and business factors, variables and assumption, some or all of which may change or may not be accurate. Additionally, certain customers have high and stringent standards for product quality as well as delivery schedules. Any failure to meet our customer's expectations and specifications could result in the cancellation or non-renewal of contracts or purchase orders. In our R-PSF business, quality certifications like GRS, OEKO-TEX and BIS is a significant customer requirement and any failure to renew such certifications may lead to loss of customers. Further, customers may return or reject order, if we fail to comply with customer specifications which may adversely affect our business, results of operations and financial condition. In our proposed r-PET chips business, many of our customers will require an audit of our facilities and manufacturing processes periodically in the future. These successful audits play a critical role in customer retention, and any issues that arise in the course of these audit may lead to loss of the particular customer. Customers may demand, among others, price reductions, setoff any payment obligations, require indemnification for themselves or their affiliates, change their outsourcing strategy by moving more work in-house, or replace their existing products with alternative products, any of which may have an adverse effect on our business, results of operations and financial condition. Accordingly, we face the risk that our customers might not place any order or might place orders of lesser than expected size or may even cancel existing orders or make change in their policies which may result in reduced quantities being manufactured by us for our customers. Cancellations by customers or reductions in their orders or instructions to delay production (thereby delaying delivery of products manufactured by us) by a significant customer could adversely affect our results of operations by reducing our sales volume, as well as by possibly causing delay in our customer's paying us for the order placed for purchasing the inventory with us which we would have manufactured for them. Instances where anticipated orders fail to materialize can result in mismatch between our inventories of raw materials and of manufactured products, thereby increasing our costs relating to maintaining our inventory and reduction of our margins, which may adversely affect our profitability and liquidity. Further, we may not find any customers or purchasers for the surplus or excess capacity, in which case we would be forced to incur a loss. Further, our inability to find customers for surplus products may result in excessive inventories which may become obsolete and may be required to be written off in the future.

Although till date, our company has not faced any conflict of interest with any of the customers and company is enjoying good relation with all the customers, we cannot assure you that existing customers will provide the new project, which

would require us to search for the new customers, which will adversely affecting our business operations.

***9. We are yet to place orders in relation to the capital expenditure for purchase of new plant and machinery at our manufacturing facility at Mandideep, Bhopal. In the event of any delay in delivery of the orders, may result in time and cost over-runs and our business prospects and results of operations may be adversely affected.***

We intend to utilize portion of the Net Proceeds for purchase of new plant and machinery at our manufacturing facility at Mandideep, Bhopal as set forth in the section “*Object of the Issue*” beginning on page no.78. We have relied on third party quotations to calculate the expected amount of the Net Proceeds to be spent on plant and machinery and have not yet placed any orders for most of the machineries. For details in respect of the foregoing, see “*Object of the Issue*” beginning on page no. 78 Such quotations are valid for a 3 months period of time and may be subject to revisions, and other commercial and technical factors. We cannot assure you that we will be able to undertake such capital expenditure within the cost indicated by such quotations or that there will not be cost escalations. Further, the actual amount and timing of our future capital requirements may differ from our estimates as a result of, among other things, unforeseen delays or cost overruns, unanticipated expenses, regulatory changes, engineering design changes and technological changes. Certain machineries will be imported and has a long lead time. In the event of any delay in placing the orders, or an escalation in the cost of acquisition of the plant and machinery or there is any adverse movement in exchange rate of foreign currency or in the event the vendors are not able to provide the machinery in a timely manner, or at all, we may encounter time and cost overruns. Our inability to procure the machinery at acceptable prices or in a timely manner, may result in an increase in capital expenditure, the proposed schedule implementation and deployment of the Net Proceeds may be extended or may vary accordingly, thereby resulting in an adverse effect on our business, prospects and results of operations. The operation of these new machines may require us to obtain various approvals, which are routine in nature including approvals such as consent to establish and fire-no objection certificate. There can be no assurance that we will be able to obtain these registrations and approvals including approvals in relations to power and water procurement in a timely manner or at all. Further, in the event of any unanticipated delay in receipt of such approvals, the proposed schedule implementation and deployment of the Net Proceeds may be extended or may vary accordingly.

***10. Industry in which our company is Operating is heavily dependent on the price of Crude Oil.***

Our business is significantly affected by fluctuations in crude oil prices, which are driven by global supply and demand, geopolitical events, regulatory changes, and actions by major oil-producing nations. Price volatility directly impacts our revenue, profitability, and cash flow, while prolonged declines in prices could reduce investment in exploration and production activities. These factors create uncertainty and pose financial risks that could adversely affect our performance and shareholder value.

***11. Our business is capital-intensive and may require additional debt or equity financing. We cannot assure you that we will be able to raise such financing on acceptable terms, or at all.***

Our business is capital intensive requiring a significant amount of capital to (i) develop, market and distribute our products and services; (ii) develop, implement new technologies along with upgrading our information technology systems; (iii) expansion of new capacities to remain competitive. We estimate significant expenditure as part of our capital expenditure requirement in the Financial Years 2026 and 2027. We intend to use ₹11,220.00 Lakhs out of the Net Proceeds towards funding capital expenditure, including towards expansion and development. The actual amount and timing of our future capital requirements may also differ from estimates because of reasons such as unforeseen delays or cost overruns in relation to developing, marketing and distributing our products and services, unanticipated expenses and responding to regulatory changes and engineering, design and technological changes, among other things. To the extent that our capital requirements exceed available resources, we will be required to seek additional debt or equity financing. Additional debt financing could increase our interest expense and may require us to comply with additional restrictive covenants under our financing agreements. Further, additional equity financing could dilute our earnings per share and investor’s interest in us which could adversely affect the trading price of the Equity Shares. Our ability to obtain additional financing on acceptable terms, or at all, will depend on a number of factors, including our future financial condition, results of operations and cash flows, general market conditions for companies engaged in our line of business and economic, political and other conditions in the markets where we operate. Any inability to obtain sufficient financing could result in the delay or abandonment of our development and expansion plans or an inability to provide appropriate levels of service in all or a portion of our markets. As a result, if adequate capital is not available, there may be an adverse effect on our business, results of operations and financial condition.

***12. We do not own the premises in which our registered office and manufacturing plant is located and the same are on lease/rent arrangement. Any termination of such lease/license and/or non-renewal thereof and attachment by Property Owner could adversely affect our operations. The loss of or shutdown of operations of our manufacturing facility may have a material adverse effect on our business, financial condition and results of operations.***

Our registered office premises is situated at Plot No 33, New Industrial Area-II Ward No 14, Tehsil Goharganj, Mandideep, Bhopal, Huzur, Madhya Pradesh, India, 462046, measuring 4,35,000 square ft. Our Company has entered

into an agreement with MP Industrial Development Corporation Ltd., (MPIDC) Regional Office Bhopal (M.P) for leasing the same premises for a period of 30 years or more, or in perpetuity or does not purport to be for a definite period. For details, please refer to “*Business Overview*” page no. 134 of this Draft Red Herring Prospectus. Our business operations are also conducted from the said premises. As per the lease agreement, if there are any non-compliance by us in relation to any term of lease, lease fee and any other terms and conditions, the lease may result in the termination of the lease agreement and consequently we have to vacate the said premises. Although, since till date, our company has not faced any conflict of interest with the lessors, we cannot assure you that lessor will not terminate the lease agreement, which would require us to locate to another premise and may have an adverse effect on our conducting our business operations.

Currently, our company is having only one manufacturing plan, which is subject to operating risks, such as the breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, obsolescence, labour disputes, strikes, lock-outs, earthquakes and other natural disasters, industrial accidents and the need to comply with the directives of relevant government authorities. The occurrence of any of the risks could significantly affect our operating results. We carry out planned shutdowns of our plant for maintenance. Although we take precautions to minimize the risk of any significant operational problems at our facility, our business, financial condition and results of operations may be adversely affected by any disruption of operations at our facility, including due to any of the factors mentioned above. Although, in past except fire occurred in the financial year 2021-22, our company has not faced any such incidences which had an adverse effect on our conducting our business operations.

### ***13. We will continue to be controlled by our Promoters after the completion of the Issue.***

As of the date of this Draft Red Herring Prospectus, our Promoters and Promoter Group hold almost 100% of the issued, subscribed and paid-up equity share capital of our Company. Upon completion of the issue, our Promoters and certain members of the Promoter Group together will own [●]% of our equity share capital, which will allow them to continue to control the outcome of matters submitted to our Board or shareholders for approval. After this Issue, our Promoters will continue to exercise significant control or exert significant influence over our business and major policy decisions, including but not limited to the following:

- Controlling the election of directors;
- Controlling the selection of senior management;
- Approving significant corporate transactions, including acquisitions and disposals of our assets or business, or change of control transactions;
- Making overall strategic and investment decisions;
- Approving our annual budgets; and
- Amending our Memorandum and Articles of Association.

The interests of our Promoters and certain members of the Promoter Group may conflict with your interests and the Interests of our other shareholders, and our Promoters and certain members of the Promoter Group could make decisions that may adversely affect our business operations and hence the value of your investment in the Equity Shares.

### ***14. Dependence on one of our group company engaged in the similar line of business for the conversion of recycled PET flakes into Recycled Polyester Staple Fibre (R-PSF).***

Our operations are significantly dependent on Badri Ecofibres Private Limited (Hereinafter referred as Badri Ecofibres) one of our group company also having its manufacturing facility at Mandideep, Bhopal for the conversion of recycled PET flakes into Recycled Polyester Staple Fibre (R-PSF) apart from our own capacity. As per the exclusive Job-work arrangement between our company and our Group Company. Badri Ecofibres is the sole supplier of R-PSF, and any disruption in its operations, such as production delays, quality issues, or failure to meet capacity utilization commitments, could adversely affect our company’s ability to fulfill our sales obligations and meet customer demands.

Furthermore, Badri Ecofibres is prohibited from sourcing raw materials from any external suppliers or setting up its own wash line for producing flakes, meaning it is wholly reliant on us for the consistent and timely supply of PET flakes. Any interruptions in the supply of these raw materials, whether due to global demand fluctuations, regulatory changes, or local supply chain disruptions, could significantly impact our production capabilities.

The agreement between the companies, further exposes us to risks arising from potential changes in market conditions, technological advancements, or evolving customer preferences that may not align with Badri Ecofibres’ business model. Additionally, with Badri Ecofibres’ exclusive commitment to Badri Cotsyn, any failure on its part to meet production or quality standards could lead to significant disruptions in Badri Cotsyn’s ability to deliver products to customers, resulting in potential loss of sales, customer dissatisfaction, and reputational damage.

Therefore, while the exclusive relationship with Badri Ecofibres provides a stable supply of R-PSF, it also poses a substantial risk to Badri Cotsyn’s business if there are any operational challenges, supply chain disruptions, or quality control issues at Badri Ecofibres.



We are significantly dependent on Badri Ecofibres for the conversion of recycled PET flakes into Recycled Polyester Staple Fibre (r-PSF). The companies have entered into a 15 year binding non-compete agreement that outlines exclusive terms for the supply of PET flakes and the production of r-PSF.

**15. One of our Group Company and Promoter Group Entity is engaged in similar line of business. Any conflict of interest may occur between our group companies or our promoter group entities and us may adversely affect our business, prospects, results of operations and financial condition.**

One of our Group Companies and Promoter Group Entity is engaged in a similar line of business, which could create potential conflicts of interest. Such conflicts, if not properly addressed, may adversely affect our business, prospects, results of operations, and financial condition. To mitigate this risk, we have entered into a detailed non-compete agreement with Badri Ecofibres Private Limited, one of our group companies, which governs the relationship between Badri Cotsyn Limited and Badri Ecofibres Private Limited and clearly outlines the terms of operations, raw material supply, and production commitments.

**Some of the Terms are mentioned below:**

- 1. Exclusive Supply and Production Terms:** Under the agreement, Badri Ecofibres is restricted from selling its Recycled Polyester Staple Fibre (r-PSF) to any other party besides Badri Cotsyn, except for a limited 5% reserved for export commitments under the EPCG scheme. This ensures that the production at Badri Ecofibres is aligned with the needs of Badri Cotsyn, reducing the risk of competing interests between the entities.
- 2. Non-Procurement and Non-Compete Clauses:** The agreement also prohibits Badri Ecofibres from procuring PET flakes from any external parties, ensuring that Badri Cotsyn remains the sole supplier. Additionally, Badri Ecofibres is not allowed to install its own washline to produce its own plastic flakes, ensuring the operational relationship is maintained without any direct competition.
- 3. Long-Term Agreement for Stability:** The 15-year binding agreement with Badri Ecofibres provides a long-term framework that stabilizes the relationship and minimizes the potential for conflicts of interest that could arise from short-term market dynamics. This long-term arrangement allows both entities to plan, invest, and grow in a structured manner, aligning their interests.
- 4. Clear Financial Terms and Penalties:** The agreement clearly defines the financial terms, with Badri Ecofibres supplying the r-PSF at specific price, with potential price increments over time. It also includes penalty clauses in case of quality or capacity failures, ensuring that the business operations remain aligned with agreed terms and mitigating any potential negative impacts on Badri Cotsyn.
- 5. Commitment to Quality and Timely Deliveries:** The agreement enforces strict quality control and delivery timelines, with Badri Ecofibres committing to meet production capacities and maintain agreed timelines. This helps to mitigate any operational risk or potential disruptions that could arise from internal conflicts or operational inefficiencies.
- 6. Preventing Adverse Effects on Business Operations:** By locking in the terms and ensuring exclusive relationships, the agreement effectively eliminates the potential for conflicts that could arise from competition or divergence in business interests between Badri Cotsyn and Badri Ecofibres. This safeguards Badri Cotsyn's supply chain, production schedules, and profitability, ensuring that Badri Cotsyn remains the primary beneficiary of Badri Ecofibres's production and operational capacities.

Through the carefully structured non-compete agreement, the potential conflict of interest arising from the shared business domain of Badri Cotsyn and Badri Ecofibres is mitigated. This arrangement ensures that both entities work in a coordinated, exclusive manner, aligning their interests and protecting the overall business and financial health of Badri Cotsyn, thus reducing risks associated with internal competition and ensuring long-term sustainability.

**16. Our Company, Promoters, Directors and Group Companies are involved in certain legal proceedings. Any adverse decision in such proceedings may render us/them liable to liabilities/penalties and may adversely affect our business and results of operations.**

Our Company, Promoters, Directors and Group Companies are currently involved in certain legal proceedings. These legal proceedings are pending at different levels of adjudication before various courts and tribunals. The summary of outstanding litigation in relation to civil matters, Income Tax matters, actions by regulatory/ statutory authorities have been set out below:

Name	By/Against	Civil Proceedings	Criminal Proceedings	Tax Proceedings	Actions by Other regulatory authorities	Amount Involved (₹ in Lakhs)
Company	By	Yes	Yes	Nil	Nil	11.00
	Against	Yes	Nil	Nil	Nil	Nil

Name	By/Against	Civil Proceedings	Criminal Proceedings	Tax Proceedings	Actions by Other regulatory authorities	Amount Involved (₹ in Lakhs)
Promoter	By	Nil	Nil	Nil	Nil	Nil
	Against	Nil	Nil	Nil	Nil	Nil
Group Companies / Entities	By	Nil	Nil	Nil	Nil	Nil
	Against	Nil	Nil	Yes	Nil	595.29
Directors other than promoters	By	Nil	Nil	Nil	Nil	Nil
	Against	Nil	Nil	Yes	Nil	Nil
<b>Total</b>		-	-	-	-	<b>606.29</b>

Amount mentioned to the extent quantifiable. The amount may be subject to additional interest/other charges being levied by the concerned authorities which are unascertainable as on date of this Draft Red Herring Prospectus. For further details, please refer to the chapter titled “*Outstanding Litigations and Material Developments*” on page no. 204 of this Draft Red Herring Prospectus.

Decisions in any of the aforesaid proceedings adverse to our interests may have a material adverse effect on our business, results of operations, financial condition and prospects. If the courts or tribunals rule against us or our Company, Group Company, our Directors and Promoters, we may face monetary and/or reputational losses and may have to make provisions in our financial statements, which could increase our expenses and our liabilities.

**17. There are certain discrepancies/errors which have occurred in some of our corporate secretarial records relating to forms filed with the RoC and other provisions of Companies Act, 2013. Any penalty or action taken by any regulatory authorities in future.**

In the past, there have been followings instances of discrepancies in relation to statutory filings:

S. No.	Form	Error	Status
1	SH-7	Company has passed a resolution to increase its Authorized Capital to ₹22 crores. vide Members resolution dated December 12 <sup>th</sup> , 2024, and Form SH-7 was filed with the Registrar of Companies (ROC). However, due to an inadvertent error, the resolution attached to Form SH-7 incorrectly stated the increased Authorized Capital as ₹25 crores instead of ₹22 crores.	The Company has filed form GNL-2 dated January 28 <sup>th</sup> , 2025 with the Registrar of Companies (ROC) to report an error. via SRN AB2549648 to rectify discrepancies mentioned in the forms filed with the ROC. However the Company's internal records reflect the correct details.
2	DIR-12	Company has appointed Directors vide Board resolution dated December 08 <sup>th</sup> , 2024. However, the consent letters attached to Form DIR-12 inadvertently mentioned an incorrect date, stating December 07 <sup>th</sup> 2024, instead of December 08 <sup>th</sup> , 2024.	The Company has filed form GNL-2 dated January 28 <sup>th</sup> , 2025 with the Registrar of Companies (ROC) to report an error. via SRN AB2549747 to rectify discrepancies mentioned in the forms filed with the ROC. However the Company's internal records reflect the correct details.
3	MGT-7A	The total figure reported in Form MGT-7A, filed with the Registrar of Companies (ROC) for the Financial Year 2019-20. The incorrect amount of ₹30,00,000 was reported, whereas the correct amount should be ₹10,000.	The Company has filed form GNL-2 dated January 28 <sup>th</sup> , 2025 with the Registrar of Companies (ROC) to report an error. via SRN AB2549211 to rectify discrepancies mentioned in the forms filed with the ROC. However the Company's internal records reflect the correct details.

While there are no legal proceedings or regulatory action has been initiated against our Company in relation to such discrepancies in filing statutory forms with the RoC as of the date of this Draft Red Herring Prospectus, we cannot assure you that such legal proceedings or regulatory actions will not be initiated against our Company in future and we cannot assure you that we will not be subject to penalties imposed by concerned regulatory authorities in this respect. Therefore, if the authorities impose monetary penalties on us or take certain punitive actions against our Company in relation to the same, our business, financial condition and results of operations could be adversely affected.

Further, to ensure that the above discrepancies/errors will not occur in future, we have taken the following steps i.e. appointed a whole-time Company Secretary to oversee and ensure accurate filings and compliance and implement a Maker-



Checker policy to ensure the accuracy and correctness of all submissions.

***18. We have offered Equity Shares during the last one year at a price below the Issue Price.***

Our Company had issued Bonus shares of 1,00,00,000 equity shares on January 17, 2025 in ratio of 2:1, in the last 12 months at price which might be lower than the Issue Price. The Equity Shares allotted to shareholders pursuant to this Issue may be priced significantly higher due to various reasons including better performance by the Company, better economic conditions and passage of time. For further details, see “*Capital Structure*” on page no. 56.

***19. Our insurance coverage may not adequately protect us against certain operating risks and this may have an adverse effect on the results of our business.***

We are insured for a risk associated with our business, through policies. We believe that we have got our assets and stock adequately insured, however our policy of covering these risks through insurance may not always be effective or adequate, there can be no assurance that any claim under the insurance policies maintained by us will be honored fully, in part or on time, to cover all material losses. To the extent that we suffer any loss or damage that is not covered by insurance or exceeds our insurance coverage, our business and results of operations could be adversely affected. For details on insurance policies taken by our Company please page no. 134 in chapter titled “*Business Overview*”.

In the financial year 2021-22, we incurred a loss due to fire amounting to ₹ 657.99 Lakhs. Against this, we received an insurance claim of ₹ 436.91 Lakhs in the financial year 2023-24. The difference of ₹ 221.08 Lakhs between the loss incurred and the claim received was due to several factors. Firstly, deductions were made during the assessment for dead stock, wastage, and salvage value. Secondly, the insurance company calculated the claim based on the average cost of raw materials rather than the FIFO (First In, First Out) method used in our accounting. Lastly, GST on raw materials, amounting to ₹ 102.00 Lakhs, was not covered under the insurance policy and had to be borne by us. This highlights the importance of thoroughly reviewing insurance coverage terms, particularly regarding cost valuation methods and GST inclusion, to avoid similar discrepancies in the future.

***20. We are dependent on third party transportation providers for procuring raw material from our suppliers and delivery of trading goods and materials to our clients. Any failure on the part of such service providers to meet their obligations could have a material adverse effect on our business, financial condition and results of operation.***

We are dependent on third party transportation for procuring raw material for manufacturing and purchase and sell of trading materials. As Manufacturing is our main activities, our success depends on the smooth supply and transportation of the Raw Materials from our suppliers and transportation of our trading materials from our suppliers to us/ or our buyers/clients, both of which are subject to various uncertainties and risks.

In addition, materials may be lost or damaged in transit for various reasons including occurrence of accidents or natural disasters. There may also be delay in delivery of materials which may also affect our business and our results of operation negatively. A failure to maintain a continuous supply of materials to us as well as to our clients in an efficient and reliable manner could have a material and adverse effect on our business, financial condition and results of operations.

***21. Failure to manage our appropriate level of inventory could have an adverse effect on our net sales, profitability, cash flow and liquidity.***

We monitor our inventory levels based on our projections of future demand. Because of the length of time necessary to produce commercial quantities of our products, we make raw material procurement decisions well in advance of sales for our products.

An inaccurate forecast of demand for any product can result in the unavailability/surplus of raw material or overproduction of finished goods. This unavailability of raw material in high demand may depress sales volumes and adversely affect customer relationships. Conversely, an inaccurate forecast can also result in an over-supply of raw material, which may increase costs, negatively impact cash flow, erode margins substantially and ultimately create write-offs of inventory.

***22. We are subject to strict quality requirements and are consequently required to incur significant expenses to maintain our product quality. Any failure to comply with such quality standards may lead to cancellation of existing and future orders which may adversely affect our reputation, financial conditions, cash flows and results of operations.***

We face inherent business risks of exposure to product liability or recall claims in the event that our products fail to meet the required quality standards or are alleged to result in harm to customers. Our manufacturing plant is accredited with ISO 14001: 2015 and ISO 9001:2015, OEKO-TEX Standard 100, Bureau of Indian Standard No. IS 17263:2022, Global Recycling Standard 4.0 and we have prescribed stringent quality checks and we continue to work to minimise in-process

rejections by leveraging quality tests across all facilities. We are focused on improving quality systems and their effectiveness to lessen the incidence of such risks and simultaneously improving its operational efficiencies. However, there can be no assurance that there could not still be some deviation from prescribed quality standards due to factors including human error. Despite putting in place strict quality control procedures we cannot assure that our products will always be able to satisfy our clients/customer's quality standards. Any negative publicity regarding our Company, or products, including those arising from any deterioration in quality of our products from our vendors, or any other unforeseen events could adversely affect our reputation and our operations. Introduction of new products or for any other reason, any failure on our part to meet our customers' expectation could adversely affect our business, result of operations and financial condition. We face the risk of legal proceedings and product liability claims being brought by various entities, including customers, distributors and government agencies for various reasons including for defective products sold or services rendered.

***23. Any reduction or termination of incentives and benefits available to the manufacturing facility of our company at Bhopal, would adversely impact our liabilities and could have an adverse effect on our business, results of operations and financial condition.***

Our company Badri Cotsyn Limited is eligible and has been sanctioned a subsidy of ₹ 2,291.00 Lakhs from MPIDC, as per the current prevailing scheme of the Government of Madhya Pradesh, over a period of 7 years. Change of regulation and withdrawal of such benefit will have an adverse effect on our business, cash flows, results of operations and financial condition. Further, we will also be eligible to claim 40% subsidy on our new upcoming project and any adverse development may adversely affect our business operations and future financial performance.

***24. We could be exposed to risks arising from misconduct, fraud and trading errors by our employees and Business Associates.***

Frauds or other delinquencies by employees could include indulging in transactions that exceed authorized limits or present unacceptable risks to us, hiding unauthorized or unsuccessful activities from us or the improper use of confidential information. Such misconduct could result in unexpected business risks, losses, invite regulatory sanctions and seriously harm our reputation and could even lead to litigation. The precautions we take to prevent and detect these activities may not be effective. Any delinquencies or trading errors on the part of our employees could materially affect our business operations, financial position and/or reputation. Although our company has not face such type of misconduct in past, but the same may be arise in the future on the part of our employees which could materially affect our business operations, financial position and/or reputation.

***25. A shortage or non-availability of electricity or water may adversely affect our manufacturing operations and have an adverse effect on our business, results of operations and financial condition.***

Our manufacturing operations require a significant amount and continuous supply of electricity and water and any shortage or non-availability may adversely affect our operations. The production process of certain products, as well as the storage of our products at particular temperatures requires significant power. We currently source our water requirements from private water suppliers and depend on state electricity supply for our energy requirements. Any failure on our part to obtain alternate sources of electricity or water in a timely fashion and at an acceptable cost, may have an adverse effect on our business, results of operations and financial condition. Although our company has not face any past instances, but the same may be arise in the future on which could materially affect our business operations, financial position and/or reputation.

***26. Our inability to effectively manage our growth or to successfully implement our business plan and growth strategy could have an adverse effect on our business, results of operations and financial condition.***

We have experienced considerable growth over the past years. We cannot assure you that our growth strategy will continue to be successful or that we will be able to continue to expand further, or at the same rate.

Our inability to manage our expansion effectively and execute our growth strategy in a timely manner, or within budgeted estimates or our inability to meet the expectations of our customers and other stakeholders could have an adverse effect on our business, results of operations and financial condition.

***27. Dependence on debt and outflow of finance cost leads to outflow of cash flows and reduce overall profitability.***

Due to manufacturing activities, our business requires significant working capital. We depend on internal accruals, creditors and borrowed fund to meet out finance for working capital. We may also be required to depend on the additional borrowed capital to fund the working capital in future with increase in volume of operations and production. The additional borrowed fund may require us to dedicate a substantial portion of our cash flow from operations to payments of interests, thereby reducing the availability of our cash flow to fund capital expenditures and other general corporate expenditures. It limits our borrowing ability and places us at a competitive disadvantage

relative to competitors that have less debt or greater financial resources. There can be no assurance that we will be able to generate enough cash flow from operations or that we will be able to obtain enough capital to service our debt or fund our planned capital expenditures. In addition, we may need to refinance some or all of our indebtedness.

**28. Our manufacturing activities are dependent upon availability of skilled employees and unskilled labours.**

Our manufacturing activities are dependent on availability of skilled employees. Though our business has not experienced any disruptions due to non-availability of skilled employees or any disputes with them in past, we cannot assure you the same in future which may affect our production schedule and timely delivery of our products to customers which may adversely affect our business and result of operations. Our success is substantially dependent on our ability to recruit, train and retain skilled manpower. Any high attrition or competition for manpower may limit our ability to attract and retain the skilled manpower necessary for our future growth requirements. We cannot assure you that skilled manpower will continue to be available in sufficient numbers suitable to our requirements or that we will be able to grow our workforce in a manner consistent with our growth objectives, which may affect our business, financial condition, results of operations and prospects. For further details about business of our Company, please refer chapter titled “Business Overview” beginning on page no. 134 of this Draft Red Herring Prospectus.

Particulars	Till November, 2024	March 31 <sup>st</sup> ,		
		2024	2023	2022
Opening Employees	330	261	257	26
Addition	223	212	113	231
Attrition	220	143	109	0
Closing Employees	333	330	261	257
Average Employees <sup>(1)</sup>	332	296	259	142
Attrition Rate (%) <sup>(2)</sup>	66	48	42	0

1. Average Employees = (Opening employees + Closing Employees) / 2;

2. Attrition rate is calculated as Attrition / Average Employees \* 100.

**29. Our success depends on our ability to attract and retain our key management personnel. If we are unable to do so, it would adversely affect our business and results of operations.**

Our future success substantially depends on the continued service and performance of the members of our senior management team and other key personnel in our business for management, running of our daily operations, and the planning and execution of our business strategy. There is intense competition for experienced senior management and other key personnel with technical and industry expertise in our business and if we lose the services of any of these or other key individuals and are unable to find suitable replacements in a timely manner, our ability to realize our strategic objectives could be impaired.

Additionally, we may not have in place the necessary systems and processes to develop key personnel internally. The loss of key members of our senior management or other key team members, particularly to competitors, could have an adverse effect on our business and results of operations. Our performance also depends on our ability to attract and train highly skilled personnel. If we are unable to do so, it would materially and adversely affect our business, prospects and results of operations.

**30. None of our Directors except one possess experience of being on the board of any listed company.**

None of our Directors except one Mr. Nikhil Kaushik, Independent Director of our Company possess experience of being on the board of any listed company and accordingly, however others may not be adequately well-versed with the activities or industry practices undertaken by the listed company. We cannot assure you that this lack of adequate experience will not have any adverse impact on the management and operations of our Company. Further, our Company will also be subject to compliance requirements under the SEBI Listing Regulations and other applicable law post listing of the Equity Share on the Stock Exchanges. Our Board is capable of efficiently managing such compliance requirements including by engaging professionals having expertise in managing such compliances.

**31. In addition to regular remuneration, other benefits and expense reimbursement our Promoters, Directors, KMPs and SMPs hold a vested interest in our Company; to the extent of their shareholding and associated dividend entitlements. They also have a stake in transactions involving our Company, whether with themselves individually or with our group companies/entities. Our Company in future may enter in related party transactions subject to necessary compliances.**

Our Promoters, Directors, KMPs and SMPs are interested in our Company to the extent of their shareholding and associated dividend entitlements thereon in our Company, in addition to regular remuneration or benefits and expenses reimbursement. Our Promoters, Directors, KMPs and SMPs are interested in the transactions entered into between our Company and

themselves as well as between our Company and our Group Company/Entity. All transactions with related parties entered into by the Company in past were at arm's length basis, in compliance with applicable provisions of Companies Act, 2013 and other applicable provisions. Our Company, promoters and group companies may enter into such related party transaction in future as well which may be or may not be at Arms' Length Price and in Ordinary Course of Business. If such future transactions are not on Arms' Length Price and in Ordinary Course of Business, our financial position may get affected to that extent.

Additionally, our Company may enter in related party transactions in future subject to necessary compliances in accordance with relevant acts, rules and regulations. For details of transactions already executed by our Company with our Promoters, Directors and Group Companies/Entities during last three years and stub period, please refer to the "Note AC – Related Party Transactions" on page no. 191 under the Chapter titled "Restated Financial Statements" beginning on page no.191 Furthermore, it is likely that we may enter into related party transactions in the future. Any future transactions with our related parties could potentially involve conflicts of interest. Accordingly, there can be no assurance that such transactions, individually or in aggregate, will not have a material adverse effect on our business, financial condition, cash flows, results of operations and prospects.

**32. There are certain discrepancies and non-compliances noticed in some of our corporate records relating to forms filed with taxation authorities and other public authorities.**

In the past, there have been some instances of delays in filing statutory forms with our such as ESIC returns, GST return, Income Tax return and PF returns on several instances and have accordingly been subjected to penalty and charged with interest for delayed deposit of tax on various instances as well. Further, with the expansion of our operations, there can be no assurance that deficiencies in our internal controls and compliances will not arise, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls, in a timely manner or at all.

**Instances of Delay in Filing PF Returns:**

FY	Nature of Return	Due date	Actual date	Delay in days
2023-24	Provident Fund	15-05-2023	16-05-2023	1
		15-08-2023	17-08-2023	2
		15-10-2023	26-10-2023	11
2022-23		15-05-2022	21-05-2022	6.00
		15-06-2022	05-07-2022	20.00
		15-08-2022	19-08-2022	4.00
		15-09-2022	26-09-2022	11.00
2021-22		15-01-2023	16-01-2023	1.00
		15-10-2021	29-10-2021	14.00
		15-12-2021	17-12-2021	2.00
		15-01-2022	18-01-2022	3.00
		15-02-2022	17-02-2022	2.00
		15-04-2022	05-05-2022	20.00

**Instances of Delay in Filing ESIC Returns:**

FY	Nature of Return	Due date	Actual date	Delay in days
2023-24	ESIC	15-06-2023	05-07-2023	20.00
		15-08-2023	05-09-2023	21.00
		15-10-2023	26-10-2023	11.00
		15-11-2023	14-12-2023	29.00
		15-01-2024	31-01-2024	16.00
		15-02-2024	16-02-2024	1.00
		15-03-2024	12-04-2024	28.00
		15-04-2024	19-04-2024	4.00
2022-23	ESIC	15-05-2022	21-05-2022	6.00
		15-06-2022	05-07-2022	20.00
		15-08-2022	19-08-2022	4.00
		22-09-2022	26-09-2022	4.00
		15-01-2023	16-01-2023	1.00
2021-22	ESIC	15-10-2021	29-10-2021	14.00

FY	Nature of Return	Due date	Actual date	Delay in days
		15-11-2021	29-11-2021	14.00
		15-12-2021	17-12-2021	2.00
		15-01-2022	18-01-2022	3.00
		15-02-2022	17-02-2022	2.00
		15-04-2022	05-05-2022	20.00

#### Instances of Delay in Filing TDS Returns:

FY	Type of Form	Due date	Actual date	Delay in days
2023-24	24Q	31-07-2023	10-10-2023	71.00
	24Q	31-10-2023	09-01-2024	70.00
	26Q	31-10-2023	06-01-2024	67.00
	27EQ	15-07-2023	30-09-2023	77.00
	27EQ	15-10-2023	03-01-2024	80.00
	27EQ	15-01-2024	29-01-2024	14.00

FY	Type of Form	Due date	Actual date	Delay in days
2022-23	24Q	31-07-2022	14-09-2022	45.00
	24Q	31-10-2022	07-01-2023	68.00
	24Q	31-01-2023	02-03-2023	30.00
	24Q	31-05-2023	19-06-2023	19.00
	26Q	31-07-2022	02-09-2022	33.00
	26Q	30-11-2022	10-12-2022	10.00
	26Q	31-01-2023	27-02-2023	27.00
	27EQ	15-07-2022	02-09-2022	49.00
	27EQ	15-10-2022	08-12-2022	54.00
	27EQ	15-01-2023	25-02-2023	41.00

FY	Type of Form	Due date	Actual date	Delay in days
2021-22	24Q	31-05-2022	05-08-2022	66.00
	26Q	31-07-2021	12-04-2022	255.00
	26Q	31-10-2021	12-04-2022	163.00
	26Q	31-01-2022	12-04-2022	71.00
	26Q	31-05-2022	02-06-2022	2.00
	27E	31-07-2021	20-04-2022	263.00
	27E	31-10-2021	20-04-2022	171.00
	27E	31-01-2022	20-04-2022	79.00

#### Instances of Delay in Filing Income Tax Forms:

Financial Year	Particulars	Due date	Actual date	Delay in days
2022-23	Form 10DA	30-09-2023	21-10-2023	21.00
2022-23	Form 29B	30-09-2023	26-10-2023	26.00

#### Instances of Delay in Filing GST Returns:

Return type	Month	Due date	Filed date	Delay In Days
Gstr-1	Jun-21	11-07-2021	16-07-2021	5.00

FY 21-22				
Return type	Month	Due date	Filed date	Delay In Days
Gstr-3B	Jun-21	11-07-2021	16-07-2021	5.00
Gstr-3B	Apr-21	20-05-2021	03-06-2021	14
Gstr-3B	May-21	20-06-2021	06-07-2021	16
Gstr-3B	Jul-21	20-08-2021	23-08-2021	3
Gstr-3B	Aug-21	20-09-2021	20-10-2021	30



Gstr-3B	Sep-21	20-10-2021	20-11-2021	31
Gstr-3B	Oct-21	20-11-2021	23-12-2021	33
Gstr-3B	Nov-21	20-12-2021	23-12-2021	3
Gstr-3B	Dec-21	20-01-2022	10-02-2022	21
Gstr-3B	Jan-22	20-02-2022	11-03-2022	19
<b>FY 22-23</b>				
Return type	Month	Due date	Filed date	Delay In Days
Gstr-3B	Aug-22	20-09-2022	22-09-2022	2
Gstr-3B	Sep-22	21-10-2022	04-11-2022	14
Gstr-3B	Oct-22	20-11-2022	25-11-2022	5
Gstr-3B	Nov-22	20-12-2022	30-12-2022	10
Gstr-3B	Dec-22	20-01-2023	02-02-2023	13
Gstr-3B	Jan-23	20-02-2023	28-02-2023	8
Gstr-3B	Feb-23	20-03-2023	30-03-2023	10
Gstr-3B	Mar-23	20-04-2023	11-05-2023	21
<b>FY 23-24</b>				
Return type	Month	Due date	Filed date	Delay In Days
Gstr-3B	Apr-23	20-05-2023	30-05-2023	10
Gstr-3B	May-23	20-06-2023	06-07-2023	16
Gstr-3B	Jun-23	20-07-2023	31-07-2023	11
Gstr-3B	Jul-23	20-08-2023	08-09-2023	19
Gstr-3B	Aug-23	20-09-2023	02-10-2023	12
Gstr-3B	Sep-23	20-10-2023	11-11-2023	22
Gstr-3B	Oct-23	20-11-2023	29-11-2023	9
Gstr-3B	Nov-23	20-12-2023	22-12-2023	2
Gstr-3B	Mar-24	20-04-2024	27-04-2024	7

**33. Strikes, work stoppages or increased wage demands by our employees or any other kind of disputes with our employees/workmen in future could adversely affect our business and results of operations.**

Our Company as at November 30<sup>th</sup>, 2024, has total 333 permanent employees on the Company's payroll and 150 contractual Laborers, with an increase in our operation capacities or execution of any expansion projects in future, we expect increase in such number of employees and labours. Historically, we have enjoyed a good relationship with our employees, labours and have not experienced any lockouts, strikes, or any disruptions of any sort due to labour unrest. However, there can be no assurance that we may not experience any disruptions in our operations in future as well. In case of disputes or other problems with our work force such as strikes, work stoppages or increased wage demands, our business, financial conditions and results of operations may be materially and adversely affected.

**34. Our business requires us to obtain and renew certain registrations, licenses and permits from government and regulatory authorities and the failure to obtain and renew them in a timely manner may adversely affect our business operations.**

Our business operations require us to obtain and renew, from time to time, certain approvals, licenses, registrations and permits under central, state, and local government rules in India, generally for carrying out our business. Most of these approvals are granted for a limited duration. While we are required to obtain several approvals for legally conducting our business operations and we submit the applications for renewal of such approvals, as and when required, during the course of our business operations, we cannot assure you that we will be able to obtain approvals in respect of such applications, or any application made by us in the future. There are few government approvals which we have applied to the appropriate government authorities however we are yet to receive approvals from them. Moreover, few of the government approvals are in the name of private limited. For details related to Government Approval applied but approval pending, please refer to chapter titled as "Government and Other Approvals" on page no. 212. If we fail to obtain such registrations and licenses or renewals, in a timely manner, we may not then be able to carry on certain operations of our business, which may have an adverse effect on our business, financial condition and results of operations. 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 non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. Any failure by us to comply with the applicable regulations in the future, 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 case we fail to comply with these requirements, or a regulator alleges non-compliance with these requirements, we may



be subject to penalties and proceedings may be initiated against us. The introduction of additional government control or newly implemented laws and regulations, depending on the nature and extent thereof and our ability to make corresponding adjustments, may adversely affect our business, results of operations and financial conditions. These laws and regulations and the way in which they are implemented and enforced may change from time to time and there can be no assurance that future legislative or regulatory changes will not have an adverse effect on our business, financial condition, cash flows and results of operations.

Failure on our part to renew or maintain such permits, licences or approvals may result in the interruption of our operations and may have a material impact on our business. In the future, we may also be required to obtain new permits and approvals for our proposed operations. While we believe that we will be able to obtain such permits and approvals as and when required, there can be no assurance that the relevant authorities will issue any of such permits or approvals in the time-frame anticipated by us or at all. Failure by us to maintain or obtain the required permits or approvals, may result in the interruption of our operations or delay or prevent our expansion plans and may have a material and adverse effect on our business, financial condition and results of operations.”

**35. Compliance with and changes in safety, health and environmental laws and various labour, workplace and related laws and regulations impose additional costs and may increase our compliance costs and a such adversely affect our results of operations and our financial condition.**

We are subject to a broad range of safety, health and environmental laws and various labour, workplace and related laws and regulations in the jurisdictions in which we operate, which impose controls on the disposal and storage of raw materials, noise emissions, air and water discharges, on the storage, handling, employee exposure to hazardous substances and other aspects of our operations. Compliance with, and changes in these laws may increase our compliance costs and as such adversely affect our results of operations and financial condition.

**36. We have experienced negative cash flows from operations in the recent past, and we may have negative cash flows in the future.**

Our cash flows from operating activities for the year ended on December 31<sup>st</sup> 2024, March 31<sup>st</sup>, 2024, March 31, 2023 and March 31, 2022 are set forth below:

(₹ in Lakhs)

Particulars	December 31 <sup>st</sup> 2024	March 31 <sup>st</sup> , 2024	March 31 <sup>st</sup> , 2023	March 31 <sup>st</sup> , 2022
Net cash generated from/(used in) operating activities	(2,965.83)	833.97	958.45	504.58

Cash flows of a Company are a key indicator to show the extent of cash generated from the operations of a Company to meet capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. If we are not able to generate sufficient cash flows, it may adversely affect our business and financial operations.

**37. We are subject to the restrictive covenants of banks in respect of the Loan/Credit Limit and other banking facilities availed from them. Non receipt of such “No-Objection” certificate could lead to non-compliance of the terms of loan agreements entered into by our Company with said lenders.**

We have entered into agreements for availing debt facilities from lenders. Certain covenants in these agreements require us to obtain approval/permission from our lenders in certain conditions. In the event of default or the breach of certain covenants, our lender has the option to make the entire outstanding amount payable immediately. There can be no assurance that we will be able to comply with these financial or other covenants or that we will be able to obtain consents necessary to take the actions that we believe are required to operate and grow our business. In the event we breach any financial or other covenants contained in certain of our financing arrangements, we may be required under the terms of such financing arrangements to immediately repay our borrowings either in whole or in part, together with any related costs. This may adversely impact our results of operations and cash flows.

**38. If we are unable to service our debt obligations in a timely manner or to comply with various financial and other covenants and other terms and conditions of our financing agreements, it may adversely affect our business, prospects, results of operations and financial condition.**

As of December 31<sup>st</sup>, 2024 our Company had total secured indebtedness in the form of short term and long-term borrowings of ₹ 8,048.43 Lakhs on restated basis. Our indebtedness could have several important consequences, including but not limited to the following:

- a. A portion of our cash flows may be used towards repayment of our existing debt, which will reduce the availability of our cash flows to fund working capital, capital expenditures and other general corporate requirements;

- b. Our ability to obtain additional financing in the future at reasonable terms may be restricted;
- c. Fluctuations in market interest rates may affect the cost of our borrowings, as some of our indebtedness is at variable interest rates;
- d. There could be a material adverse effect on our business, financial condition and results of operations if we are unable to service our indebtedness or otherwise comply with financial and other covenants specified in the financing agreements.

Many of our financing agreements also include various conditions and covenants that require us to obtain consent of the lenders prior to carrying out certain activities or entering into certain transactions. Certain covenants in these agreements require us to obtain approval/permission from our lenders in certain conditions. In the event of default or the breach of certain covenants, our lender has the option to make the entire outstanding amount payable immediately. There can be no assurance that we will be able to comply with these financial or other covenants or that we will be able to obtain consents necessary to take the actions that we believe are required to operate and grow our business. For further details in this regard, please refer to notes under chapter titled “*Restated Financial Statement*” beginning on page no. 191 of this Draft Red Herring Prospectus.

To mitigate the risks associated with the company’s indebtedness, a portion of the secured long term loan will be repaid using the proceeds from the Initial Public Offering (IPO). This will help reduce the overall debt burden, improve the company’s leverage position, and free up cash flows for working capital, capital expenditures, and general corporate needs.

***39. Our lenders have charge over our movable and immovable properties in respect of finance availed by us and our group company, promoters, Directors and member of promoters group have provided their personal guarantee for such debt facility availed by us.***

We have secured outstanding debt of ₹ 8,048.43 Lakhs as on December 31<sup>st</sup>, 2024 and we have secured our lenders by creating charge over our movable and immovable properties and our group company, promoters and directors have provided their personal guarantee for such debt facility availed by us. In the event we default in repayment of the loans availed by us and any interest thereof, our properties may be forfeited by lenders.

Moreover, In the event that any of these guarantees are revoked by promoters, members of promoters group or third party, the lenders for such facilities may require alternate properties as mortgages/guarantees, repayment of amounts outstanding under such facilities, or may even terminate such facilities.

We may not be successful in procuring alternative properties/guarantees satisfactory to the lenders, and as a result may need to repay outstanding amounts under such facilities or seek additional sources of capital, which may not be available on acceptable terms or at all and any such failure to raise additional capital could affect our operations and our financial condition.

For further information on the financing and loan agreements along with the total amounts outstanding, please refer to section titled “*Restated Financial Statement*” on page no. 191.

***40. Our Company has availed unsecured loans from some of our Promoters, Promoter Group that may be recalled by them on demand.***

As on December 31<sup>st</sup>, 2024, we have outstanding unsecured loan amounting to ₹ 3757.71 Lakhs from some of our promoters and promoter group which are repayable on demand to them. For further details of our unsecured loans, please refer the chapter titled “*Financial Indebtedness*” beginning on page no. 193 of this Draft Red Herring Prospectus. These loans may not be repayable in accordance with any agreed repayment schedule and may be recalled by the relevant lenders at any time. In such cases, we may be required to repay the entirety of the unsecured loans. We may not be able to generate sufficient funds at short notice to be able to repay such loans and may resort to refinancing such loans at a higher rate of interest and on terms not favourable to it. Failure to repay unsecured loans in a timely manner may have a material adverse effect on our business, results of operation financial condition and cash flow.

***41. Changes in technology may render our current technologies obsolete or require us to make substantial investments.***

To remain competitive and efficient, modernization and technology up gradation are crucial for reducing costs and increasing output. Our business relies on technology and machinery to deliver quality products. However, there is a risk of our technology and machinery becoming obsolete over time or not being upgraded timely, which can adversely impact our operations and financial condition. While we believe that we have implemented updated technology, we understand the importance of continuous improvement. We are committed to staying abreast of the latest technological standards and trends to enhance our capabilities. In the event of a new technology emerging in our industry, we may be required to invest in adopting that technology or upgrading our existing machinery and equipment to remain competitive.

The costs associated with upgrading technology and modernizing machinery are significant, and they can have a substantial

impact on our finances and operations. These investments may lead to higher capital expenditures and can temporarily affect our profitability and cash flow. We must carefully assess the potential benefits and returns on such investments to ensure they align with our long-term growth objectives.

Our ability to successfully implement technology upgrades and modernization efforts depends on various factors, including availability of skilled technicians, compatibility of new technology with existing systems, and adequate financial resources. Delays or challenges in adopting new technology can hinder our operational efficiency and competitiveness in the market.

**42. The average cost of acquisition of Equity shares by our Promoters is lower than the Issue price**

Our Promoter's average cost of acquisition of Equity shares in our Company is lower than the Issue Price of Equity shares as given below:

S. No.	Name of Promoters	No. of Equity Shares Held	Average Cost of Acquisition per equity share (in ₹)
1.	Mr. Sumit Gupta	74,99,994	3.33
2.	Mr. Amit Gupta	74,99,991	3.33
3.	Mrs. Deepika Gupta	3	3.33
4.	Mrs. Nainsi Gupta	3	3.33

**43. Fraud, theft, employee negligence or similar incidents may adversely affect the results of operations and financial condition.**

Our Company faces potential risks related to incidents of theft or damage to inventory. While we have not encountered such situations in the past, we acknowledge that there is a possibility of experiencing inventory losses due to various factors such as employee theft, vendor fraud, and general administrative errors. These incidents could have a negative impact on the results of operations and financial condition. Despite implementing security measures and internal controls, there is no guarantee that we will completely avoid instances of fraud, theft, employee negligence, or security lapses in the future. Any such occurrence could lead to significant financial losses and affect our overall business performance.

Although we have insurance coverage against losses due to theft, fire, breakage, or damage caused by other casualties, the extent of coverage may not fully mitigate the financial impact of such incidents on our operations and financial condition. Although, in past except fire occurred in the financial year 2021-22, our company has not faced any such incidences which had an adverse effect on our conducting our business operations.

**44. Our ability to pay any dividends will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures.**

We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividends in the foreseeable future. As such our Company has not paid any dividend in past. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deem relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Accordingly, realization of a gain on shareholders investments may largely depend upon the appreciation of the price of our Equity Shares. There can be no assurance that our Equity Shares will appreciate in value.

**45. Any variation in the utilization of the Net Proceeds as disclosed in this Draft Red Herring Prospectus shall be subject to certain compliance requirements, including prior approval of the shareholders of our Company.**

We propose to utilize the Net Proceeds towards utilization for the Construction of Factory Building and Purchase of Plant and Machinery, Repayment and/or pre-payment or repayment, in full or part, of certain outstanding borrowings availed by our Company and General Corporate Purposes. For further details of the proposed objects of the Issue, see Chapter titled as "Objects of the Issue" beginning on page no. 78 of this Draft Red Herring Prospectus. However, these objects of the Issue have not been appraised by any bank, financial institution or other independent agency. Further, we cannot determine with any certainty if we would require the Net Proceeds to meet any other expenditure or fund any exigencies arising out of the competitive environment, business conditions, economic conditions or other factors beyond our control. In accordance with the Companies Act, 2013 and the SEBI ICDR Regulations, we cannot undertake any variation in the utilization of the Net Proceeds as disclosed in this Draft Red Herring Prospectus without obtaining the approval of shareholders of our Company through a special resolution. In the event of any such circumstances that require us to vary the disclosed utilization of the Net Proceeds, we may not be able to obtain the approval of the shareholders of our Company in a timely manner, or at all. Any delay or inability in obtaining such approval of the shareholders of our Company may adversely affect our business or operations.

Further, our Promoters would be required to provide an exit opportunity to the shareholders of our Company who do not agree with our proposal to modify the objects of the Issue, at a price and manner as prescribed by SEBI. Additionally, the requirement to provide an exit opportunity to such dissenting shareholders of our Company may deter our Promoters from agreeing to the variation of the proposed utilization of the Net Proceeds, even if such variation is in the interest of our Company. Further, we cannot assure you that the Promoters will have adequate resources at their disposal at all times to enable them to provide an exit opportunity. In light of these factors, we may not be able to vary the objects of the Issue to use any unutilized proceeds of the Issue, if any, even if such variation is in the interest of our Company. This may restrict our Company's ability to respond to any change in our business or financial condition, if any, which may adversely affect our business and results of operations.

***46. Any future issuance of our Equity Shares may dilute prospective investors' shareholding, and sales of our Equity Shares by our major shareholders may adversely affect the trading price of our Equity Shares.***

Our growth is dependent on having a strong balance sheet to support our activities. In addition to the internally generated cash flow, we may need other sources of financing to meet our capital needs which may include entering into new debt facilities with lending institutions or raising additional equity in the capital markets. We may need to raise additional capital from time to time, dependent on business conditions. The factors that would require us to raise additional capital could be business growth beyond what the current balance sheet can sustain; additional capital requirements imposed due to changes in regulatory regime or significant depletion in our existing capital base due to unusual operating losses. Any fresh issue of shares or convertible securities would dilute existing holders, and such issuance may not be done at terms and conditions, which are favorable to the then existing shareholders of our Company. If our Company decides to raise additional funds through the incurrence of debt, our interest obligations will increase, and we may be subject to additional covenants, which could further limit our ability to access cash flows from our operations. Such financing could cause our debt to equity ratio to increase or require us to create charges or liens on our assets in favour of lenders.

We cannot assure you that we will be able to secure adequate financing in the future on acceptable terms, in time, or at all. Our failure to obtain sufficient financing could result in the delay or abandonment of our expansion plans. Our business and future results of operations may be affected if we are unable to implement our expansion strategy. Any issuance of Equity Shares by our Company may dilute shareholding of investors in our Company; and hence affect the trading price of our Company's Equity Shares and its ability to raise capital through an issue of its securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Company's Equity Shares. Additionally, the disposal, pledge or encumbrance of Equity Shares by any of our Company's major shareholders, or the perception that such transactions may occur may affect the trading price of the Equity Shares. No assurance may be given that our Company will not issue Equity Shares or that such shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

***47. The Issue price of our Equity Shares may not be indicative of the market price of our Equity Shares after the Issue and the market price of our Equity Shares may decline below the Issue Price and you may not be able to sell your Equity Shares at or above the Issue Price.***

The Issue price of the equity shares have been based on many factor and may not be indicative of the market price of our Equity Shares after the Issue. For further information please refer the section titled "Basis for Issue Price" beginning on page no. 101 of the Draft Red Herring Prospectus. The market price of our Equity Shares could be subject to significant fluctuations after the Issue, and may decline below the Issue Price. We cannot assure you that you will be able to sell your Equity Shares at or above the Issue Price.

***48. The Objects of the Issue for which funds are being raised, are based on our management estimates and the same have not been appraised by any bank or financial institution or any independent agency. The deployment of funds in the project is entirely at our discretion, based on the parameters as mentioned in the chapter titled as "Objects of the Issue".***

The fund requirement and deployment, as mentioned in the chapter titled as "Objects of the Issue" on page no.78 of this Draft Red Herring Prospectus is based on the estimates of our management and has not been appraised by any bank or financial institution or any other independent agency. These fund requirements are based on our current business plan. We cannot assure that the current business plan will be implemented in its entirety or at all. In view of the highly competitive and dynamic nature of our business, we may have to revise our business plan from time to time and consequently these fund requirements. The deployment of the funds as stated under chapter titled "Objects of the Issue" on page no.78 of this Draft Red Herring Prospectus. Further, we cannot assure that the actual costs or schedule of implementation under chapter titled "Objects of the Issue" will not vary from the estimated costs or schedule of implementation. Any such variance may be on account of one or more factors, some of which may be beyond our control and will be subject applicable rules and regulations. The occurrence of any such event may delay our business plans and/or may have an adverse bearing on our expected revenues and earnings.

***49. In the event there is any delay in the completion of the Issue, or delay in schedule of implementation, there would***



***be a corresponding delay in the completion of the objects of this Issue which would in turn affect our revenues and results of operations.***

The funds that we receive would be utilized for the objects of the Issue as has been stated in the chapter titled “Objects of The Issue” on page no.78 of this Draft Red Herring Prospectus. The proposed schedule of implementation of the objects of the Issue is based on our management’s estimates. If the schedule of implementation is delayed for any other reason whatsoever, including any delay in the completion of the Issue, it may adversely affect our revenues and results of operations.

***50. We have not identified any alternate source of raising the funds required for the object of the Issue and the deployment of funds is entirely at our discretion and as per the details mentioned in the section titled “Objects of the Issue”.***

Our Company has not identified any alternate source of funding for our object of the Issue and hence any failure or delay on our part to mobilize the required resources or any shortfall in the Issue proceeds can adversely affect our growth plan and profitability. The delay/shortfall in receiving these proceeds could result in inadequacy of funds or may result in borrowing funds on unfavorable terms, both of which scenarios may affect the business operation and financial performance of the Company. Further the deployment of the funds raised in the issue will be entirely at the discretion of the management and any revision in the estimates may require us to reschedule our projected expenditure and may have a bearing on our expected revenues and earnings. For further details of Please refer chapter titled “Object for the Issue” beginning on page no.78 of this Draft Red Herring Prospectus.

***51. The requirements of being a public listed company may strain our resources and impose additional requirements.***

With the increased scrutiny of the affairs of a public listed company by shareholders, regulators and the public at large, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur in the past. We will also be subject to the provisions of the listing agreements signed with the Stock Exchange. In order to meet our financial control and disclosure obligations, significant resources and management supervision will be required. As a result, management’s attention may be diverted from other business concerns, which could have an adverse effect on our business and operations. There can be no assurance that we will be able to satisfy our reporting obligations and/or readily determine and report any changes to our results of operations in a timely manner as other listed companies. In addition, we will need to increase the strength of our management team and hire additional legal and accounting staff with appropriate public company experience and accounting knowledge, and we cannot assure that we will be able to do so in a timely manner. The failure of our Company to meet the listing requirements of stock exchange could lead to imposition of huge penalties, if any including suspension of trading, imposed by Stock Exchange.

## **EXTERNAL RISK FACTORS**

After this Issue, the price of the Equity Shares may be highly volatile, or an active trading market for the Equity Shares may not develop.

The price of the Equity Shares on the stock exchange may fluctuate as a result of the factors, including:

- Volatility in the India and global capital market;
- Company’s results of operations and financial performance;
- Performance of Company’s competitors;
- Adverse media reports on Company;
- Changes in our estimates of performance or recommendations by financial analysts;
- Significant developments in India’s economic and fiscal policies; and
- Significant developments in India’s environmental regulations.

Current valuations may not be sustainable in the future and may also not be reflective of future valuations for our industry and our Company. There can be no assurance that an active trading market for the Equity Shares will develop or be sustained after this Issue or that the price at which the Equity Shares are initially traded will correspond to the price at which the Equity Shares will trade in the market subsequent to this Issue.

***1. We are exposed to foreign exchange fluctuations and other exchange control risks.***

We have exposure to foreign exchange related risks in to our business on account of business with international clients for imports of raw materials, stores & spares and capital equipment. Exports amounted to ₹ 670.12 lakhs, ₹231.55 lakhs, ₹ 97.19 lakhs and ₹116.80 lakhs during nine months ended December 31<sup>st</sup>, 2024, financial years ended 2024, 2023 and 2022, respectively. Any appreciation or depreciation of the Indian Rupee against these currencies can impact our results of operations. We may from time to time be required to make provisions for foreign exchange differences including mark to margin gains/ losses in accordance with accounting standards. We may experience foreign exchange losses and gains in

respect of transactions denominated in foreign currencies. Any fluctuations in foreign currency could result in variations in margins for our Company. The raw material sourcing of our Company is primarily being done domestically, however the Company does import of some of the raw materials, stores and spares and capital equipment. While we selectively hedge the exchange risk through forward contracts and natural hedging to minimize our foreign currency exchange risks, there can be no assurance that such measures will enable us to manage our foreign currency risks effectively and in case we are unable to effectively manage such risks, the same may materially and adversely affect our business, financial condition and results of operations.

***2. 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. If any of our employees or the employees of our suppliers and/or customers are infected with such diseases or if a significant portion of our workforce refuses to work for fear of contracting an infectious disease, our Company, our suppliers and/or our customers may be required to shut down operations for a period of time, and this could adversely affect our business, results of operations and financial condition. 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.

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

Global economic and political factors that are beyond our control, influence forecasts and directly affect performance. These factors include interest rates, rates of economic growth, fiscal and monetary policies of governments, change in regulatory framework, inflation, deflation, foreign exchange fluctuations, consumer credit availability, consumer debt levels, unemployment trends, terrorist threats and activities, worldwide military and domestic disturbances and conflicts, and other matters that influence consumer confidence, spending and tourism.

***4. Any changes in the regulatory framework could adversely affect our operations and growth prospects.***

Our Company is subject to various regulations and policies. For details see section titled “Key Industry Regulations and Policies” beginning on page no. 154 of this Draft Red Herring Prospectus. Our business and prospects could be materially adversely affected by changes in any of these regulations and policies, including the introduction of new laws, policies or regulations or changes in the interpretation or application of existing laws, policies and regulations. There can be no assurance that our Company will succeed in obtaining all requisite regulatory approvals in the future for our operations or that compliance issues will not be raised in respect of our operations, either of which could have a material adverse effect on our business, financial condition and results of operations.

***5. Civil disturbances, extremities of weather, regional conflicts and other political instability may have adverse effects on our operations and financial performance.***

Certain events that are beyond our control such as earthquake, fire, floods and similar natural calamities may cause interruption in the business undertaken by us. Our operations and financial results and the market price and liquidity of our equity shares may be affected by changes in Indian Government policy or taxation or social, ethnic, political, economic or other adverse developments in or affecting India.

***6. More than 95% of Revenue of our Company is derived from business in India and a decrease in economic growth in India could cause our business to suffer.***

At present, we derive more than 95% of revenue from India, consequently, our performance and the quality and growth of our business are dependent on the health of the economy of India. However, the Indian economy may be adversely affected by factors such as adverse changes in liberalization policies, social disturbances, terrorist attacks and other acts of violence or war, natural calamities or interest rates changes, which may also affect the microfinance industry. Any such factor may contribute to a decrease in economic growth in India which could adversely impact our business and financial performance.

***7. We are subject to risks arising from interest rate fluctuations, which could adversely impact our business, financial condition and operating results.***

Changes in interest rates could significantly affect our financial condition and results of operations. If the interest rates for our existing or future borrowings increase significantly, our cost of servicing such debt will increase. This may negatively impact our results of operations, planned capital expenditures and cash flows.



**8. *The price of our Equity Shares may be volatile, or an active trading market for our Equity Shares may not develop.***

Prior to this Issue, there has been no public market for our Equity Shares. Our Company has appointed Swastika Investmart Limited as Book Running Lead Manager for the equity shares of our Company. However, the trading price of our Equity Shares may fluctuate after this Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors, the Indian Capital Markets and Finance industry, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding contracts, acquisitions, strategic partnership, joint ventures, or capital commitments.

**9. *There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect a shareholder's ability to sell, or the price at which it can sell, Equity Shares at a particular point in time.***

Once listed, we would be subject to circuit breakers imposed by stock exchanges in India, which does not allow transactions beyond specified increases or decreases in the price of the Equity Shares. This circuit breaker operates independently of the index - based market - wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The percentage limit on circuit breakers is set by the stock exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The stock exchanges do not inform us of the percentage limit of the circuit breaker in effect from time to time, and may change it without our knowledge. This circuit breaker limits the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, no assurance may be given regarding your ability to sell your Equity Shares or the price at which you may be able to sell your Equity Shares at any particular time.

**10. *Taxes and other levies imposed by the Government of India or other State Governments, as well as other financial policies and regulations, may have a material adverse impact on our business, financial condition and results of operations.***

Taxes and other levies imposed by the Central or State Governments in India that impact our industry include various taxes introduced on a permanent or temporary basis from time to time. There can be no assurance that these tax rates / slab will continue in the future. Any changes in these tax rates / slabs could adversely affect our financial condition and results of operations.

**11. *NSE may not grant Approval for listing of equity shares of our Company.***

Our company will apply for In-principle approval to NSE for its proposed public issue. There is a risk that the National Stock Exchange of India Limited (NSE) may not grant approval for our proposed public issue. The approval process involves rigorous scrutiny of our company's financials, compliance with regulatory requirements, and overall suitability for listing. Despite our best efforts to meet all regulatory standards and provide comprehensive disclosures, there is no guarantee that the NSE will find our application satisfactory. Non-approval by the NSE would significantly impact our ability to access the capital markets and raise the necessary funds for our planned expansions and operations. This could adversely affect our financial condition and future growth prospects. Investors should consider this risk before making any investment decisions.

**12. *Investors will not be able to sell immediately on Stock Exchange any of the Equity Shares you purchase in the Issue until the Issue receives appropriate trading permissions.***

The Equity Shares will be listed on the Emerge Platform of NSE. Pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and trading may commence. We cannot assure you that the Equity Shares will be credited to investor's demat accounts, or that trading in the Equity Shares will commence, within the time periods specified in this Draft Red Herring Prospectus. Any failure or delay in obtaining the approval would restrict your ability to dispose of the Equity Shares. In accordance with section 40 of the Companies Act, 2013, in the event that the permission of listing the Equity Shares is denied by the stock exchanges, we are required to refund all monies collected to investors.

**13. *Sale of Equity Shares by our Promoters or other significant shareholder(s) may adversely affect the Trading price of the Equity Shares.***

Any instance of disinvestments of equity shares by our Promoters or by other significant shareholder(s) may significantly affect the trading price of our Equity Shares. Further, our market price may also be adversely affected even if there is a perception or belief that such sales of Equity Shares might occur.

**14. *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.

***15. Government regulation of foreign ownership of Indian securities may have an adverse effect on the price of the Equity Shares.***

Foreign ownership of Indian securities is subject to government regulation. Under foreign exchange regulations currently in effect in India, transfer of shares between non-residents and residents are freely permitted (subject to certain exceptions) if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or fall under any of the exceptions referred to above, then the prior approval of the RBI will be required. Additionally, shareholders who seek to convert the rupees proceeds from the sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no objection/ tax clearance certificate from the Income Tax authorities. There can be no assurance that any approval required from the RBI or any other government agency can be obtained.

***16. 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.

***17. 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.

## SECTION IV – INTRODUCTION

### THE ISSUE

#### Present Issue in terms of this Draft Red Herring Prospectus:

Particulars	Details
Equity Shares Offered*	Upto 57,00,000 Equity Shares aggregating to ₹ [●] Lakhs.
<i>Of which</i>	
Reserved for Market Makers	Upto [●] Equity Shares of ₹10/- each at an Issue Price of ₹[●]/- per Equity Share each aggregating to ₹[●] Lakhs.
Net Issue to the Public	Upto [●] Equity Shares of ₹10/- each at an Issue Price of ₹[●]/- per Equity Share each aggregating to ₹[●] Lakhs.
<i>Of which</i>	
A. Allocation to Qualified Institutional Buyers.	Not more than [●] Equity Shares of ₹10/- each at an Issue Price of ₹[●]/- per Equity Share each aggregating to ₹[●] Lakhs.
<i>Of Which</i>	
i. Anchor Investor Portion	Upto [●] Equity Shares of ₹10/- each for cash at a price of ₹[●]/- (including a Share premium of ₹[●]/- per Equity Share) per share aggregating to ₹[●] Lakhs.
ii. Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)	Upto [●] Equity Shares of ₹10/- each for cash at a price of ₹[●]/- (including a Share premium of ₹[●]/- per Equity Share) per share aggregating to ₹[●] Lakhs
<i>Of which</i>	
a. Available for allocation to Mutual Funds only (5% of the Net QIB Portion)	Upto [●] Equity Shares of ₹10/- each for cash at a price of ₹[●]/- (including a Share premium of ₹[●]/- per Equity Share) per share aggregating to ₹[●] Lakhs.
b. Balance of QIB Portion for all QIBs including Mutual Funds	Upto [●] Equity Shares of ₹10/- each for cash at a price of ₹[●]/- (including a Share premium of ₹[●]/- per Equity Share) per share aggregating to ₹[●] Lakhs.
B. Allocation to Non-Institutional Investors.	Not Less than [●] Equity Shares of ₹10/- each at an Issue Price of ₹[●]/- per Equity Share each aggregating to ₹[●] Lakhs.
C. Allocation to Retail Individual Investors	Not Less than [●] Equity Shares of ₹10/- each at an Issue Price of ₹[●]/- per Equity Share each aggregating to ₹[●] Lakhs.
<i>Pre and Post–Issue Equity Shares</i>	
Equity Shares outstanding prior to the Issue	1,50,00,000 Equity Shares of ₹10/- each.
Equity Shares outstanding after the Issue	[●] Equity Shares of ₹10/- each.
Use of Proceeds	For details please refer chapter titled “ <i>Objects Of The Issue</i> ” beginning on page no. 78 of this Draft Red Herring Prospectus for information on use of Issue Proceeds.

\*Subject to finalization of the Basis of Allotment. Number of shares may need to be adjusted for lot size upon determination of issue price.

#### Note:

- The Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. This Issue is being made by our company in terms of Regulation of 229(2) and Regulation 253(1) of SEBI ICDR Regulations read with Rule 19(2)(b)(i) of SCRR wherein not less than 25% of the post - issue paid up equity share capital of our company are being issued to the public for subscription;
- The Issue has been authorized by the Board of Directors vide a resolution passed at its meeting held on 17<sup>th</sup> January, 2025 and by the shareholders of our Company, pursuant to section 62(1)(c) of the Companies Act, 2013, vide a special resolution passed at the EGM held on 18<sup>th</sup> January, 2025;
- This issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. For further details, please see the section titled “*Issue Related Information*” beginning on page 230 of this Draft Red Herring Prospectus;
- The SEBI ICDR Regulations permit the issue of securities to the public through the Book Building Process, which states that, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders and not more than 50% of the Net Issue shall be allotted on a

proportionate basis to QIBs, subject to valid Bids being received at or above the Issue Price. Accordingly, we have allocated the Net Issue i.e. not more than [●]% of the Net Issue to QIB and not less than [●]% of the Net Issue shall be available for allocation to Retail Individual Investors and not less than [●]% of the Net Issue shall be available for allocation to Non-institutional bidders;

5. Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the Book Running Book Running Lead Managers and the Designated Stock Exchange, subject to applicable laws;

*[The reminder to this page has intentionally left blank]*

**SUMMARY OF OUR FINANCIAL INFORMATION**

**RESTATED STATEMENT OF ASSETS AND LIABILITIES**

(Rs. In Lakhs)

PARTICULARS		As at			
		31-12-2024	31-03-2024	31-03-2023	31-03-2022
<b>A)</b>	<b>EQUITY AND LIABILITIES</b>				
<b>1</b>	<b>Shareholders' Funds</b>				
(a)	Share Capital	1,500.00	500.00	1.00	1.00
(b)	Reserves & Surplus	212.67	(205.69)	(559.21)	(171.08)
		<b>1,712.67</b>	<b>294.31</b>	<b>(558.21)</b>	<b>(170.08)</b>
<b>2</b>	<b>Non Current Liabilities</b>				
(a)	Long Term Borrowings	5,382.09	5,352.80	5,961.26	6,071.71
(b)	Deferred Tax Liabilities (Net)	145.74	-	-	-
(c)	Other Long Term Liabilities	-	-	-	-
(d)	Long Term Provisions	44.45	7.66	2.70	1.32
		<b>5,572.29</b>	<b>5,360.47</b>	<b>5,963.96</b>	<b>6,073.02</b>
<b>3</b>	<b>Current Liabilities</b>				
(a)	Short Term Borrowings	6424.05	3109.24	2187.28	2141.61
(b)	Trade Payables				
	(A)outstanding dues of micro enterprises and small enterprises: and	145.68	1130.98	1.20	1.20
	(B)outstanding dues of creditors other than micro enterprises and small enterprises	5079.43	2953.61	3220.37	3253.97
(c)	Other Current Liabilities	350.83	82.41	312.49	5.96
(d)	Short Term Provisions	291.24	112.95	30.92	71.07
		<b>12,291.42</b>	<b>7,389.19</b>	<b>5,752.25</b>	<b>5,473.82</b>
	<b>Total</b>				
<b>B)</b>	<b>ASSETS</b>				
<b>1</b>	<b>Non Current Assets</b>				
(a)	<b>Property, Plant and Equipment and Intangible Assets</b>				
	I) Property, Plant and Equipment				
	(i) Net Block	3,808.62	4,928.58	5,085.82	5,602.49
	II) Intangible Assets	9.70	11.02	12.60	0.06
	III) Capital Work-in-Progress	-	-	-	-
	IV) Intangible assets under development	-	-	-	-
(b)	<b>Non-Current Investment</b>				
(c)	<b>Deferred Tax Assets (Net)</b>	-	39.05	171.09	681.04
(d)	<b>Long Term Loans and Advances</b>	366.11	361.00	319.06	227.55
(e)	<b>Other Non Current Assets</b>	-	-	-	-
		<b>4,184.43</b>	<b>5,339.65</b>	<b>5,588.58</b>	<b>6,511.14</b>
<b>2</b>	<b>Current Assets</b>				
(a)	Trade Receivables	4,788.17	1,691.50	1,719.98	1,116.64
(b)	Cash and Cash equivalents	12.86	124.44	17.89	12.32
(c)	Inventories	8,701.04	5,284.68	3,592.65	3,478.98
(d)	Short Term Loans and Advances	1,067.39	476.72	201.33	240.62
(e)	Other Current Assets	822.31	126.98	37.56	17.07
		<b>15,391.77</b>	<b>7,704.32</b>	<b>5,569.42</b>	<b>4,865.62</b>
	<b>Total</b>	<b>19,576.21</b>	<b>13,043.97</b>	<b>11,158.00</b>	<b>11,376.76</b>

**RESTATED STATEMENT OF PROFIT AND LOSS**

(Rs. In Lakhs)

PARTICULARS		For the year ended on			
		31-12-2024	31-03-2024	31-03-2023	31-03-2022
<b>1</b>	Revenue From Operations	28,092.94	20,039.86	22,516.91	17,776.94
<b>2</b>	Other Income	54.22	37.66	58.08	14.82
<b>3</b>	<b>Total Income (1+2)</b>	<b>28,084.16</b>	<b>20,077.52</b>	<b>22,575.00</b>	<b>17,791.76</b>
<b>4</b>	<b>Expenditure</b>				
(a)	Raw Material Consumption	23,919.17	16,327.76	19,178.84	15,078.00
(b)	Change in inventories of finished goods, work in progress and stock in trade	(538.87)	239.07	(3.76)	(122.95)
(c)	Employee Benefit Expenses	880.76	1043.22	810.71	461.78
(d)	Finance Cost	455.85	453.74	398.52	323.98
(e)	Depreciation and Amortisation Expenses	556.35	879.88	892.96	1062.49
(f)	Other Expenses	1,181.63	1,085.19	1,175.92	941.80
(g)	Provision for Doubtful Debts				
<b>5</b>	<b>Total Expenditure 4(a) to 4(g)</b>	<b>26,455.70</b>	<b>20,028.87</b>	<b>22,453.19</b>	<b>17,745.09</b>
<b>6</b>	<b>Profit/(Loss) Before Exceptional &amp; extraordinary items &amp; Tax (3-5)</b>	<b>1,628.46</b>	<b>48.65</b>	<b>121.81</b>	<b>46.67</b>
<b>7</b>	<b>Exceptional and Extra-ordinary items</b>				
	Less: Prior Period Items	-	436.91	-	657.99
<b>8</b>	<b>Profit/(Loss) Before Tax (6-7)</b>	<b>1,628.46</b>	<b>485.47</b>	<b>121.81</b>	<b>(611.32)</b>
<b>9</b>	<b>Tax Expense:</b>				
(a)	Tax Expense for Current Year	284.52	81.05	11.27	-
(b)	Mat Credit	(284.52)	(81.05)	(11.27)	-
(c)	Deferred Tax	184.80	132.04	509.94	(402.63)
	<b>Net Current Tax Expenses</b>	<b>184.80</b>	<b>132.04</b>	<b>509.94</b>	<b>(402.63)</b>
<b>10</b>	<b>Profit/(Loss) for the Year (8-9)</b>	<b>1,443.66</b>	<b>353.53</b>	<b>(388.13)</b>	<b>(208.69)</b>
<b>11</b>	<b>Earning Per Share (after bonus issue)</b>				
	- Basic	10.50	3.39	(3.88)	(2.08)
	- Diluted	10.50	3.39	(3.88)	(2.08)



**RESTATED CASH FLOW STATEMENT**

(Rs. In Lakhs)

PARTICULARS	For the year ended on			
	31-12-2024	31-03-2024	31-03-2023	31-03-2022
<b>A) Cash Flow From Operating Activities :</b>				
Net Profit before tax	1628.46	48.65	121.81	46.67
Adjustment for :				
Depreciation and amortization	556.35	879.88	892.96	1,062.49
Interest Paid	455.86	428.89	388.63	321.32
Interest Income	(08.06)	(10.76)	(13.70)	(9.71)
Extraordinary Item		436.91		(657.99)
<b>Operating profit before working capital changes</b>	<b>2,632.60</b>	<b>1,783.57</b>	<b>1,389.70</b>	<b>762.78</b>
Changes in Working Capital				
(Increase)/Decrease in Trade Receivables	(3,096.67)	28.48	(603.34)	(871.31)
(Increase)/Decrease in Inventory	(3,416.36)	(1,692.03)	(113.68)	(1,451.90)
(Increase)/Decrease in Short Term Loans & Advances	(14.10)	83.43	72.11	(14.23)
(Increase)/Decrease in Other Current Assets	(695.33)	(89.42)	(20.49)	(16.50)
(Increase)/Decrease in Long Term Provisions, etc	36.79	4.97	1.38	1.32
Increase/(Decrease) in Trade Payables	1,140.53	863.02	(33.60)	1,702.81
Increase/(Decrease) in Other Current Liabilities	268.43	(230.08)	(306.53)	366.90
Increase/(Decrease) in Short Term Provisions, etc	462.81	50.80	(40.16)	24.69
<b>Cash generated from operations</b>				
Taxes on Income	(284.52)	31.23	-	-
<b>Net cash flow from operating activities</b>	<b>(2,965.83)</b>	<b>833.97</b>	<b>958.45</b>	<b>504.57</b>
<b>B) Cash Flow From Investing Activities :</b>				
Net Purchase of Fixed Assets including of CWIP	564.93	(721.06)	(388.83)	(163.09)
Interest Income	8.06	10.76	13.70	9.71
Increase in Security deposit	(5.12)	(41.93)	(91.51)	(15.93)
Capital Advances	(576.96)	(358.82)	(32.82)	(21.82)
<b>Net Cash Flow from Investing Activities</b>	<b>(8.69)</b>	<b>(1,111.05)</b>	<b>(499.46)</b>	<b>(191.14)</b>
<b>C) Cash Flow From Financing Activities :</b>				
Increase/(Decrease) in Short Term Borrowings	3314.81	921.97	45.66	416.15
Increase/(Decrease) in Long Term Borrowings	29.29	(608.46)	(110.44)	(409.57)
Increase/(Decrease) in Share capital	-	499.00	-	-
Expenses w.r.t to IPO	(25.30)	-	-	-
Interest Paid	(455.86)	(428.89)	(388.63)	(321.32)
Share Money Pending Allotment				
<b>Net cash flow from financing activities</b>	<b>2,862.94</b>	<b>383.62</b>	<b>(453.41)</b>	<b>(314.74)</b>
Net Increase/(Decrease) In Cash & Cash Equivalents	(111.58)	106.55	5.58	(1.31)
Cash equivalents at the beginning of the year	124.44	17.89	12.32	13.62
<b>Cash equivalents at the end of the year</b>	<b>12.86</b>	<b>124.44</b>	<b>17.89</b>	<b>12.32</b>
Component of Cash and Cash equivalents				
Cash on hand	1.85	16.91	10.53	0.52
Balance With banks	11.01	107.53	7.36	11.80
<b>Total</b>	<b>12.86</b>	<b>124.44</b>	<b>17.89</b>	<b>12.32</b>

## SECTION V - GENERAL INFORMATION

Our Company was originally incorporated as ‘Badri Cotsyn Private Limited’, on December 18<sup>th</sup>, 2018 under the provisions of the Companies Act, 2013 vide Certificate of Incorporation issued by the Registrar of Companies, Centre Processing Centre. Our Company was converted into a public limited company and the name of our Company was changed from “Badri Cotsyn Private Limited” to “Badri Cotsyn Limited” vide Special Resolution dated October 17<sup>th</sup>, 2024. The status of the Company was changed to public limited and the fresh certificate of incorporation consequent to conversion was issued on November 28<sup>th</sup>, 2024 by the Registrar of Companies, Centre Processing Centre, Manesar, bearing Corporate Identification Number U17309MP2018PLC047301 For details of Conversion of Company, please refer to section titled “History And Certain Corporate Matters” beginning on page no. 164 of this Draft Red Herring Prospectus.

### BRIEF INFORMATION ON COMPANY AND ISSUE

Particulars	Details
Name of Issuer	Badri Cotsyn Limited.
Registered Office	Plot No. 33, New Industrial Area-II, Ward No. 14, Tehsil Goharganj, Mandideep, Bhopal, Huzur, Madhya Pradesh, India, 462046. <b>Telephone No.:</b> 07480- 299244; <b>Web site:</b> <a href="https://badrigroup.com">https://badrigroup.com</a> ; <b>E-Mail:</b> <a href="mailto:compliance@badrigroup.com">compliance@badrigroup.com</a> ; <b>Contact Person:</b> Mr. Yogendra Kumar Dubey.
Date of Incorporation	December 18 <sup>th</sup> , 2018.
Company Identification Number	U17309MP2018PLC047301.
Company Registration Number	047301.
Company Category	Company Limited by Shares.
Registrar of Company	ROC – Gwalior.
Address of the RoC	3 <sup>rd</sup> Floor, 'A' Block, Sanjay Complex, Jayendra Ganj, Gwalior-474009.
Company Secretary and Compliance Officer	Mr. Somil Rathore; <b>C/o.:</b> Badri Cotsyn Limited; <b>Address:</b> Plot No. 33, New Industrial Area-II, Ward No. 14, Tehsil Goharganj, Mandideep, Bhopal, Huzur, Madhya Pradesh, India, 462046. <b>Telephone No.:</b> 9589751315 <b>Web site:</b> <a href="https://badrigroup.com">https://badrigroup.com</a> <b>E-Mail:</b> <a href="mailto:compliance@badrigroup.com">compliance@badrigroup.com</a>
Chief Financial officer	<b>CA Nitin Agrawal;</b> <b>Address:</b> House No. 34 Shrawan Estate-1, Durgesh Vihar, J.K. Road, Bhopal, 462021; <b>Telephone No.:</b> 9589751228; <b>Email:</b> <a href="mailto:nitin@badrigroup.com">nitin@badrigroup.com</a> ; <b>Website:</b> <a href="https://badrigroup.com">https://badrigroup.com</a> .
Designated Stock Exchange	<b>EMERGE Platform of National Stock Exchange of India Limited;</b> <b>Address:</b> Exchange Plaza, Plot no. C/1, G Block, Bandra – Kurla Complex, Bandra (E), Mumbai – 400051.
Issue Programme	<b>Issue Opens On:</b> <input type="text"/>   ●   <b>Issue Closes On:</b> <input type="text"/>   ●   <b>Anchor Investor Bid/Issue Period*</b> <input type="text"/>   ●

*\*The Company may, in consultation with the Book Running Lead Manager, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Issue Period shall be one Working Day prior to the Bid/Issue Opening Date.*

Note:

Investors can contact the Company Secretary and Compliance officer in case of any pre issue or post issue related problems such as non-receipt of letter of allotment or credit of securities in depository’s beneficiary account or dispatch of refund order etc.

All grievances relating to the ASBA process and UPI Process may be addressed to the Registrar to the Issue, with a copy to the relevant SCSB to whom the Application was submitted or Sponsor Bank, as the case may be. The Applicant should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder’s DP ID, Client ID, PAN, UPI ID (in case of RII’s, if applicable), date of submission of the Bid cum Application Form, address of the Bidder, number of Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

Further, the Investors shall also enclose a copy of the Acknowledgment Slip received from the Designated Intermediaries/SCSB in addition to the information mentioned here in above.

## BOARD OF DIRECTORS OF OUR COMPANY

Presently our Board of Directors comprises of following Directors.

S. No.	Name of Directors	Designation	Address	DIN
1.	Mr. Amit Gupta	Chairman and Managing Director	New 40, Ward No. 53, Shri Golden City, Near Bhabha Institute, Jatkhedi, Huzur, Bhopal, Madhya Pradesh, 462046.	06617576
2.	Mr. Sumit Gupta	Whole Time Director	New 46, Shri Golden City, Phase-1, Ward No 53, Vill- Jatkhedi, Huzur, Bhopal, Madhya Pradesh, 462046.	02887007
3.	Mrs. Deepika Gupta	Executive Director	1529, Janki Puram, S.S.P Banglow, Civil Line, Jhansi, Khas, Khushipura, UP, 284002.	08302423
4.	Mr. Nikhil Kaushik	Independent Director	3/21, Street 3, Shanti Niketan, South Moti Bagh, South West, Delhi, 110021	00040403
5.	Mr. Rakesh Agrawal	Independent Director	House no. 64, Shri Golden city jatkhedi, Hoshangabad, Bhopal Road, 462026	08930154
6.	Mrs. Nainsi Gupta	Non- Executive Director	New 40, Ward No. 53, Shri Golden City, Near Bhabha Institute, Jatkhedi, Huzur, Bhopal, Madhya Pradesh, 462046.	09186299

For further details pertaining to the education qualification and experience of our directors, please refer the chapter titled “*Our Management*” beginning on page no. 170 of this Draft Red Herring Prospectus.

## INVESTOR GRIEVANCES

Investors may contact the Company Secretary and Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related grievances including non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc.

For all Issue-related queries and for redressal of complaints, investors may also write to the BRLM. All Issue Offer-related grievances, other than that of Anchor Investors may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary(ies) with whom the Bid cum Application Form was submitted, giving full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder’s DP ID, Client ID, PAN, address of Bidder, number of Equity Shares applied for ASBA Account number in which the amount equivalent to the Bid Amount was blocked or the UPI ID (for UPI Bidders who make the payment of Bid Amount through the UPI Mechanism), date of Bid cum Application Form and the name and address of the relevant Designated Intermediary(ies) where the Bid was submitted. All grievances relating to Bids submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Issue.

The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders. All Issue-related grievances of the Anchor Investors may be addressed to the Registrar to the Issue, giving full details such as the name of the sole or First Bidder, Anchor Investor Application Form number, Bidders’ DP ID, Client ID, PAN, date of the Anchor Investor Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Anchor Investor Application Form and the name and address of the BRLM where the Anchor Investor Application Form was submitted by the Anchor Investor. The Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned above. All grievances relating to Bids submitted through Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Issue. The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders.

## DETAILS OF KEY MARKET INTERMEDIARIES PERTAINING TO THIS ISSUE AND OUR COMPANY

**BOOK RUNNING LEAD MANAGER OF THE ISSUE**

**REGISTRAR TO THE ISSUE**

<b>SWASTIKA INVESTMART LIMITED;</b> <b>SEBI Registration Number:</b> INM000012102; <b>Registered Office:</b> 104, Keshava, Plot No. C-5, E Block, Bandra Kurla Complex, Bandra (East), Mumbai-400051 <b>Merchant Banking Division:</b> 48 Jaora Compound, M.Y.H Road, Indore (MP) – 452001; <b>Telephone Number:</b> +91-22-69011544 / 0731-6644000; <b>Email Id:</b> merchantbanking@swastika.co.in; Investors Grievance Id: <a href="mailto:mb.investorgrievance@swastika.co.in">mb.investorgrievance@swastika.co.in</a> ; <b>Website:</b> www.swastika.co.in; <b>Contact Person:</b> Mr. Mohit R. Goyal <b>CIN:</b> L65910MH1992PLC067052.	<b>INTEGRATED REGISTRY MANAGEMENT SERVICES PRIVATE LIMITED;</b> <b>SEBI Registration Number:</b> INR000000544; <b>Registered Office:</b> No. 30, Ramana Residency, 4 <sup>th</sup> Cross, Sampige Road, Malleswaram, Bengaluru - 560 003; <b>Telephone Number:</b> 080-23460815/816/817/818; <b>Fax:</b> 080-23460819; <b>Email:</b> <a href="mailto:smeipo@integratedindia.in">smeipo@integratedindia.in</a> ; <b>Investor Grievance Email:</b> <a href="mailto:giri@integratedindia.in">giri@integratedindia.in</a> ; <b>CIN:</b> U74900TN2015PTC101466; <b>Website:</b> <a href="http://www.integratedregistry.in">www.integratedregistry.in</a> . <b>Contact Person:</b> Mr. S Giridhar
<b>LEGAL ADVISOR TO THE COMPANY</b>	<b>STATUTORY AND PEER REVIEW AUDITORS OF THE COMPANY*</b>
<b>LAW-CRAFT INDIA ADVISORS LLP;</b> <b>Address:</b> 722, Gala Empire, Opp. TV, Tower, Drive- In Road, Thaltej Road, Ahmedabad, Gujarat, India, 380054; <b>Contact No.:</b> 9033907734; <b>Email Id:</b> <a href="mailto:himanshu@lawcraftindia.in">himanshu@lawcraftindia.in</a> ; <b>Contact Person:</b> FCS Himanshu Gupta.	<b>M/s S.L. Chhajed &amp; Co LLP. LLP, CHARTERED ACCOUNTANTS;</b> <b>Address:</b> R-12, Maharana Pratap Nagar,(MP Nagar) Zone-I, Bhopal-462001 <b>Phone No :+91 9893697670;</b> <b>Email Id:</b> vijit2000@gmail.com <b>Contact Person:</b> Saloni Rathi; <b>Membership No.:</b> 406044; <b>Peer Review No.:</b> 016389 <b>F.R.N:</b> 000709C/C400277.
<b>BANKERS TO THE COMPANY</b>	<b>BANKERS TO THE ISSUE, REFUND BANKER AND SPONSOR BANK</b>
<b>HDFC BANK LIMITED;</b> <b>Address:</b> No. C/2, Ground Floor, Vidya Nagar, Hoshangabad, Road, Bhopal, M.P. 462016; <b>Contact Person:</b> Pradeep Gupta; <b>Contact No:</b> +91 9977229939; <b>Email Id:</b> <a href="mailto:Pradeep.gupta7@hdfcbank.com">Pradeep.gupta7@hdfcbank.com</a> ; <b>Website:</b> <a href="http://www.hdfcbank.com">www.hdfcbank.com</a> .	<p style="text-align: center;">[●]</p>
<b>SYNDICATE MEMBER**</b> <p style="text-align: center;">[●]</p>	

\*M/s S.L. Chhajed & Co LLP, Chartered Accountants hold a valid peer review certificate issued by the Institute of Chartered Accountants of India valid till March 31<sup>st</sup> 2027.

## DESIGNATED INTERMEDIARIES

### Self-Certified Syndicate Banks

The list of Designated Branches that have been notified by SEBI to act as SCSB for the ASBA process is provided on [www.sebi.gov.in/pmd/scsb.pdf](http://www.sebi.gov.in/pmd/scsb.pdf) For more information on the Designated Branches collecting ASBA Forms, see the above mentioned SEBI link.

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](http://www.sebi.gov.in)) and updated from time to time.

### Self-Certified Syndicate Banks eligible as Sponsor Banks for UPI

The list of Self Certified Syndicate Banks that have been notified by SEBI to act as Investors Bank or Issuer Bank for UPI mechanism are provide on the website of SEBI on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yesandintmId=40>. For details on Designated Branches of SCSBs collecting the Bid Cum Application Forms, please refer to the above mentioned SEBI link.

## BROKERS TO THE ISSUE

Bidders can submit ASBA Forms in the Offer using the stock broker network of the Stock Exchanges, i.e., through the Registered Brokers at the Broker Centres. The list of the Registered Brokers eligible to accept ASBA Forms, including

details such as postal address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com), as updated from time to time.

#### REGISTRAR TO ISSUE AND SHARE TRANSFER AGENTS

The list of the Registrar to Issue and Share Transfer Agents (RTAs) eligible to accept Applications forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=10> as updated from time to time.

#### COLLECTING DEPOSITORY PARTICIPANTS

The list of the Collecting Depository Participants (CDPs) eligible to accept Application Forms at the Designated CDP Locations, including details such as name and contact details, are provided at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=19> for NSDL CDPs and at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=18> for CDSL CDPs, as updated from time to time. The list of branches of the SCSBs named by the respective SCSBs to receive deposits of the Bid cum Application Forms from the Designated Intermediaries will be available on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and updated from time to time.

#### STATEMENT OF INTER SE ALLOCATION OF RESPONSIBILITIES OF THE BOOK RUNNING LEAD MANAGERS

Since Swastika Investmart Limited is only Book Running Lead Manager to the issue, all the responsibility of the issue will be managed by them.

#### CREDIT RATING

As this is an issue of Equity Shares, there is no credit rating for this Issue.

#### IPO GRADING

Since the issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018 there is no requirement of appointing an IPO Grading agency.

#### FILING OF DRAFT RED HERRING PROSPECTUS/ RED HERRING PROSPECTUS/ PROSPECTUS WITH THE BOARD AND THE REGISTRAR OF COMPANIES

A soft copy of Red Herring Prospectus is being filed with SEBI. However, SEBI does not issue any observation on the Draft Offer document in term of Regulation 246(2) of the SEBI (ICDR) Regulations, 2018. Further, a soft copy of the Red Herring Prospectus/ Prospectus along with due diligence certificate including additional confirmations shall be filed with SEBI.

Pursuant to SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of the Draft Red Herring Prospectus/Red Herring Prospectus/Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>.

A copy of the Red Herring Prospectus/ Prospectus, along with the material contracts and documents referred elsewhere in the Red Herring Prospectus/Prospectus, will be delivered to the 3<sup>rd</sup> Floor, 'A' Block, Sanjay Complex, Jayendra Ganj, Gwalior-474009.

#### CHANGES IN AUDITORS

There has been no Change in the Auditors of our Company during the last three years:

Name of Auditor	Appointment/Resignation	Date of Appointment / Resignation	Reason
<b>S.L. Chhajed &amp; Co. LLP, CHARTERED ACCOUNTANTS;</b> Address: R-12, Maharana Pratap Nagar, (MP Nagar) Zone-I, Bhopal-462001 Phone No: +91 9893697670;	Appointment	31 <sup>st</sup> December 2020	Appointed at the 2 <sup>nd</sup> AGM held for Financial Year 2020-21 Until the conclusion of 6 <sup>th</sup> Annual general meeting to be held in 2024-25.



<b>Email Id:</b> vjit2000@gmail.com <b>Contact Person:</b> Saloni Rathi; <b>Membership No.:</b> 406044; <b>Peer Review No.:</b> 016389 <b>F.R.N:</b> 000709C/C400277			
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## TRUSTEES

As this is an issue of Equity Shares, the appointment of Trustees is not required.

## APPRAISAL AND MONITORING AGENCY

Our Company shall, in compliance with Regulation 262(1) of the SEBI ICDR Regulations, appoint monitoring agency for monitoring the utilization of the Net Proceeds from the Fresh Issue. The relevant details shall be included in the Red Herring Prospectus. For details in relation to the proposed utilization of the Net Proceeds from the fresh issue, see “*Objects of the issue*” on page no. 78 of this Draft Red Herring Prospectus

## BOOK BUILDING PROCESS

Book Building, with reference to the Issue, refers to the process of collection of Bids on the basis of the Draft Red Herring Prospectus within the Price Band. The Price Band shall be determined by our Company in consultation with the Book Running Lead Manager (BRLM) in accordance with the Book Building Process and advertised it in all editions of the English national newspaper, all editions of Hindi national newspaper and in Regional newspaper, where our registered office is situated at least two working days prior to the Bid/Issue Opening date. The Issue Price shall be determined by our Company in consultation with the BRLM in accordance with the Book Building Process after the Bid/Issue Closing Date.

Principal parties involved in the Book Building Process are:

- Our Company;
- The Book Running Lead Manager in this case being Swastika Investmart Limited;
- The Syndicate Member(s) who are intermediaries registered with SEBI / registered as brokers with NSE and eligible to act as Underwriters. The Syndicate Member(s) will be appointed by the BRLM;
- The Registrar to the Issue;
- The Escrow Collection Banks/ Bankers to the Issue; and
- The Designated Intermediaries and Sponsor Bank.

The SEBI ICDR Regulations have permitted the Issue of securities to the public through the Book Building Process, wherein allocation to the public shall be made as per Regulation 253 of the SEBI ICDR Regulations.

The Issue is being made through the Book Building Process wherein 50% of the Net Issue shall be available for allocation on a proportionate basis to QIBs, 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation to Retail Individual Bidders, in accordance with the SEBI Regulations, subject to valid Bids being received at or above the Issue Price.

All potential Bidders may participate in the Issue through an ASBA process by providing details of their respective bank account which will be blocked by the SCSBs. All Bidders are mandatorily required to utilize the ASBA process to participate in the Issue. Under-subscription if any, in any category, except in the QIB Category, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange.

All Bidders, are mandatorily required to use the ASBA process for participating in the Issue. In accordance with the SEBI ICDR Regulations, QIBs bidding in the QIB Portion and Non-Institutional Bidders bidding in the Non-Institutional Portion are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bids during the Bid/Issue Period and withdraw their Bids until the Bid/Issue Closing Date.

Subject to valid Bids being received at or above the Issue Price, allocation to all categories in the Net Issue, shall be made on a proportionate basis, except for Retail Portion where allotment to each Retail Individual Bidders shall not be less than the minimum bid lot, subject to availability of Equity Shares in Retail Portion, and the remaining available Equity Shares,

if any, shall be allotted on a proportionate basis. Under – subscription, if any, in any category, would be allowed to be met with spill - over from any other category or a combination of categories at the discretion of our Company in consultation with the BRLM and the Stock Exchange. However, under – subscription, if any, in the QIB Portion will not be allowed to be met with spill over from other categories or a combination of categories.

In terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public Issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public Issue may use either Application Supported by Blocked Amount (ASBA) facility for making application or also can use UPI as a payment mechanism with Application Supported by Blocked Amount for making application. For details in this regards, specific attention is invited to the chapter titled “*Issue Procedure*” beginning on page 241 of the Draft Red Herring Prospectus.

The process of Book Building under the SEBI ICDR Regulations is subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to making a Bid or application in the Issue.

For further details on the method and procedure for Bidding, please see section entitled “*Issue Procedure*” on page 241 of this Draft Red Herring Prospectus.

Illustration of the Book Building and Price Discovery Process: Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue. Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹20/- to ₹24/- per share, Issue size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

Bid Quantity	Bid Amount (₹)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Issue the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹ 22/- in the above example. The Company in consultation with the BRLM, may finalise the Issue Price at or below such Cut-Off Price, i.e., at or below ₹22/-. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

#### **Steps to be taken by the Bidders for Bidding:**

- Check eligibility for making a Bid (see section titled “*Issue Procedure*” on page 241 of this Draft Red Herring Prospectus);
- Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form;
- Ensure correctness of your PAN, DP ID and Client ID mentioned in the Bid cum Application Form. Based on these parameters, the Registrar to the Issue will obtain the Demographic Details of the Bidders from the Depositories.
- Except for Bids on behalf of the Central or State Government officials, residents of Sikkim and the officials appointed by the courts, who may be exempt from specifying their PAN for transacting in the securities market, for Bids of all values ensure that you have mentioned your PAN allotted under the Income Tax Act in the Bid cum Application Form. The exemption for Central or State Governments and officials appointed by the courts and for investors residing in Sikkim is subject to the Depository Participant’s verification of the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims.
- Ensure that the Bid cum Application Form is duly completed as per instructions given in this Draft Red Herring Prospectus and in the Bid cum Application Form;

#### **Bid/Issue Program:**

Event	Indicative Dates
Bid/Issue Opening Date	[●]
Bid/Issue Closing Date	[●]
Finalization of Basis of Allotment with the Designated Stock Exchange	On or before [●]
Initiation of Allotment / Refunds / Unblocking of Funds from ASBA Account or UPI ID linked bank account	On or before [●]
Credit of Equity Shares to Demat accounts of Allottees	On or before [●]
Commencement of trading of the Equity Shares on the Stock Exchange	On or before [●]

The above timetable is indicative and does not constitute any obligation on our Company or the BRLM. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchange are taken within 6 Working Days of the Bid/Issue Closing Date, the timetable may change due to various factors, such as extension of the Bid/ Issue Period by our Company, revision of the Price Band or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.

Bid Cum Application Forms and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (IST) during the Issue Period (except for the Bid/Issue Closing Date). On the Bid/ Issue Closing Date, the Bid Cum Application Forms will be accepted only between 10.00 a.m. to 3.00 p.m. (IST) for retail and non-retail Bidders. The time for applying for Retail Individual Applicant on Bid/ Issue Closing Date maybe extended in consultation with the BRLM, RTA and NSE Emerge taking into account the total number of applications received up to the closure of timings.

Due to the limitation of time available for uploading the Bid Cum Application Forms on the Bid/ Issue Closing Date, Bidders are advised to submit their applications one (1) day prior to the Bid/ Issue Closing Date and, in any case, not later than 3.00 p.m. (IST) on the Bid/ Issue Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bid Cum Application Forms are received on the Bid/Issue Closing Date, as is typically experienced in public Issue, some Bid Cum Application Forms may not get uploaded due to the lack of sufficient time. Such Bid Cum Application Forms that cannot be uploaded will not be considered for allocation under this Issue. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor the BRLM are liable for any failure in uploading the Bid Cum Application Forms due to faults in any software/hardware system or otherwise.

In accordance with SEBI ICDR Regulations, QIBs and Non-Institutional Applicants are not allowed to withdraw or lower the size of their Application (in terms of the quantity of the Equity Shares or the Application amount) at any stage. Retail Individual Applicants can revise or withdraw their Bid Cum Application Forms prior to the Bid/ Issue Closing Date. Allocation to Retail Individual Applicants, in this Issue will be on a proportionate basis.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid Cum Application Form, for a particular Applicant, the details as per the file received from Stock Exchange may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid Cum Application Form, for a particular ASBA Applicant, the Registrar to the Issue shall ask the relevant SCSBs / RTAs / DPs / stock brokers, as the case may be, for the rectified data.

## UNDERWRITING AGREEMENT

This Issue is 100% Underwritten. The Underwriting agreement has been entered on [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified therein. The Underwriters have indicated their intention to underwrite the following number of specified securities being offered through this Issue:

Details of the Underwriter	No. of shares underwritten*	Amount Underwritten (₹ in Lakh)	% of the total Issue Size Underwritten
[●]	[●]	[●]	[●]
<b>Total</b>	[●]	[●]	[●]

\*Includes [●] Equity shares of ₹10/- each for cash of ₹[●]-/- the Market Maker Reservation Portion which are to be subscribed by the Market Maker in its own account in order to claim compliance with the requirements of Regulation 261 of the SEBI (ICDR) Regulations, as amended.

In the opinion of our Board of Directors (based on a certificate given by the Underwriter), the resources of the above

- mentioned Underwriter is sufficient to enable it to discharge its underwriting obligation in full. The abovementioned Underwriter is registered with SEBI under Section 12(1) of the SEBI Act and registered as brokers with the Stock Exchanges – Noted for Compliance.

## DETAILS OF THE MARKET MAKING ARRANGEMENT FOR THE ISSUE

Our Company and the BRLM have entered into an agreement dated [●] with the following Market Maker to fulfil the obligations of Market Making:

[●];  
 CIN: [●];  
 Address: [●];  
 Tel No.: [●];  
 Email Id: [●];  
 Investor Grievance Id: [●];  
 Website: [●];  
 Contact Person: [●];  
 SEBI Reg. No.: [●];  
 NSE Clearing No.: [●].

The Market Maker shall fulfill the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations, 2018 and the circulars issued by the NSE and SEBI in this regard from time to time.

### Following is a summary of the key details pertaining to the proposed Market Making arrangement:

1. The Market Maker(s) (individually or jointly) shall be required to provide a 2-way quote for 75% of the time in a day. The same shall be monitored by the stock exchange. Further, the Market Maker(s) shall inform the exchange in advance for each and every black out period when the quotes are not being offered by the Market Maker(s).
2. The prices quoted by Market Maker shall be in compliance with the Market Maker Spread Requirements and other particulars as specified or as per the requirements of SME Platform of NSE (NSE EMERGE) and SEBI from time to time.
3. The minimum depth of the quote shall be ₹1,00,000. However, the investors with holdings of value less than ₹1,00,000 shall be allowed to offer their holding to the Market Maker(s) (individually or jointly) in that scrip provided that he/she sells his/her entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
4. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by him.
5. After a period of three (3) months from the market making period, the market maker would be exempted to provide quote if the Shares of market maker in our Company reaches to 25% of Issue Size (Including the 5% Equity Shares ought to be allotted under this Issue). Any Equity Shares allotted to Market Maker under this Issue over and above 5% Equity Shares would not be taken in to consideration of computing the threshold of 25% of Issue Size. As soon as the Shares of market maker in our Company reduce to 24% of Issue Size, the market maker will resume providing 2-way quotes.
6. There shall be no exemption/threshold on downside. However, in the event the Market Maker exhausts his inventory through market making process, NSE may intimate the same to SEBI after due verification.
7. There would not be more than five Market Makers for a script at any point of time and the Market Makers may compete with other Market Makers for better quotes to the investors.
8. On the first day of the listing, there will be pre-opening session (call auction) and there after the trading will happen as per the equity market hours. The circuits will apply from the first day of the listing on the discovered price during the pre-open call auction. In case equilibrium price is not discovered the price band in the normal trading session shall be based on issue price.
9. The Marker Maker may also be present in the opening call auction, but there is no obligation on him to do so.
10. There will be special circumstances under which the Market Maker may be allowed to withdraw temporarily/fully from the market – for instance due to system problems, any other problems. All controllable reasons require

prior approval from the Exchange, while force-majeure will be applicable for non-controllable reasons. The decision of the Exchange for deciding controllable and non-controllable reasons would be final.

11. The Market Maker(s) shall have the right to terminate said arrangement by giving a three months' notice or on mutually acceptable terms to the Merchant Banker, who shall then be responsible to appoint a replacement Market Maker(s).

In case of termination of the Market Making agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of the Lead Manager to arrange for another Market Maker in replacement during the term of the notice period being served by the Market Maker but prior to the date of releasing the existing Market Maker from its duties in order to ensure compliance with the requirements of regulation 261 of the SEBI (ICDR) Regulations, 2018. Further our Company and the BRLM reserve the right to appoint other Market Makers either as a replacement of the current Market Maker or as an additional Market Maker subject to the total number of Designated Market Makers does not exceed five or as specified by the relevant laws and regulations applicable at that particular point of time. The Market Making Agreement is available for inspection at our registered office from 11.00 a.m. to 5.00 p.m. on working days.

12. **Risk containment measures and monitoring for Market Makers:** Emerge Platform of NSE will have all margins which are applicable on the Main Board viz., Mark-to-Market, Value-At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. NSE can impose any other margins as deemed necessary from time-to-time.
13. **Punitive Action in case of default by Market Makers:** Emerge Platform of NSE will monitor the obligations on areal time basis and punitive action will be initiated for any exceptions and/or non-compliances. Penalties / fines may be imposed by the Exchange on the Market Maker, in case he is not able to provide the desired liquidity in a particular security as per the specified guidelines. These penalties / fines will be set by the Exchange from time to time. The Exchange will impose a penalty on the Market Maker in case he is not present in the market (offering two-way quotes) for at least 75% of the time. The nature of the penalty will be monetary as well as suspension in market making activities / trading membership.
14. The Department of Surveillance and Supervision of the Exchange would decide and publish the penalties / fines /suspension for any type of misconduct/ manipulation/ other irregularities by the Market Maker from time to time.
15. **Price Band and Spreads:** SEBI Circular bearing reference no: CIR/MRD/DP/ 02/2012 dated January 20, 2012, has laid down that for issue size up to ₹250 crores, the applicable price bands for the first day shall be:
  - a. In case equilibrium price is discovered in the Call Auction, the price band in the normal trading session shall be 5% of the equilibrium price.
  - b. In case equilibrium price is not discovered in the Call Auction, the price band in the normal trading session shall be 5% of the issue price.
16. Additionally, the trading shall take place in TFT segment for first 10 days from commencement of trading. The price band shall be 20% and the market maker spread (difference between the sell and the buy quote) shall be within 10% or as intimated by Exchange from time to time.
17. Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27<sup>th</sup>, 2012, limits on the upper side for market makers during market making process has been made applicable, based on the issue size and as follows:

Issue Size	Buy quote exemption threshold (including mandatory initial inventory sof 5% of the Issue Size)	Re-Entry threshold for buy quote (including mandatory initial inventory of 5% of the Issue Size)
Up to ₹ 20 Crore	25%	24%
₹ 20 Crore To ₹ 50 Crore	20%	19%
₹ 50 Crore To ₹ 80 Crore	15%	14%
Above ₹ 80 Crore	12%	11%

The Market Making arrangement, trading and other related aspects including all those specified above shall be subject to the applicable provisions of law and / or norms issued by SEBI / NSE from time to time.



## SECTION VI - CAPITAL STRUCTURE

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

(₹ in lakhs except share data)

Sr. No.	Particulars	Aggregate Value at Face Value	Aggregate Value at Issue Price <sup>(3)</sup>
<b>A.</b>	<b>AUTHORIZED SHARE CAPITAL</b>		
	2,20,00,000 Equity Shares of face value of ₹10/- each	22,00.00	-
<b>B.</b>	<b>ISSUED, SUBSCRIBED AND PAID-UP EQUITY CAPITAL BEFORE THE ISSUE</b>		
	1,50,00,000 Equity Shares of face value of ₹10/- each	1500.00	-
<b>C.</b>	<b>PRESENT ISSUE IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS</b>		
	Issue of upto 57,00,000 Equity Shares of face value of ₹10/- each <sup>(1)</sup>	570.00	[●]
	<i>Which Comprises:</i>		
	<b>Reservation for Market Maker portion:</b> [●] Equity Shares of ₹10/- each at a price of ₹[●]/- per Equity Share reserved as Market Maker Portion.	[●]	[●]
	<b>Net Issue to the Public:</b> Net Issue to Public of [●] Equity Shares of ₹10/- each at a price of ₹[●]/- per Equity Share to the Public.	[●]	[●]
	<i>Of which<sup>(2)</sup></i>		
	At least [●] Equity Shares of ₹10/- each at a price of ₹[●]/- per Equity Share will be available for allocation for Retail Individual Investors.	[●]	[●]
	At least [●] Equity Shares of ₹10/- each at a price of ₹[●]/- per Equity Share will be available for allocation for Non-Institutional Investors.	[●]	[●]
	Not more than [●] Equity Shares of ₹10/- each at a price of ₹[●]/- per Equity Share will be available for allocation for Qualified Institutional Buyers.	[●]	[●]
<b>D.</b>	<b>PAID-UP EQUITY CAPITAL AFTER THE ISSUE</b>		
	Up to [●] Equity Shares of face value of ₹10/- each		[●]
<b>E.</b>	<b>SECURITIES PREMIUM ACCOUNT</b>		
	Before the Issue		Nil.
	After the Issue		[●] <sup>(3)</sup>

<sup>(1)</sup>The present Issue has been authorized by our Board of Directors pursuant to a resolution passed at its meeting held on January 17<sup>th</sup>, 2025 and by our Shareholders pursuant to a Special Resolution passed at the Extra-Ordinary General meeting held with a shorter notice on 18<sup>th</sup>, 2025.

<sup>(2)</sup>Allocation to all categories shall be made on a proportionate basis subject to valid Applications received at or above the Issue Price. Under subscription, if any, in any of the categories, would be allowed to be met with spill-over from any of the other categories or a combination of categories at the discretion of our Company in consultation with the BRLM and Designated Stock Exchange. Such inter-se spill over, if any, would be affected in accordance with applicable laws, rules, regulations, and guidelines.

<sup>(3)</sup>To be finalized upon determination of the Issue Price.

For detailed information on the Net Issue and its allocation various categories, please refer chapter titled “THE ISSUE” on page no. 42 of this Draft Red Herring Prospectus.

### CLASSES OF SHARES

Our Company has only one class of share capital i.e. Equity Shares of face value of ₹10/- each only and all Equity Shares are ranked pari- passu in all respect. All the issued Equity Shares are fully paid-up as on the date of Draft Red Herring Prospectus.

Our Company has not issued any partly paid-up equity shares since its incorporation nor does it have any partly paid- up equity shares as on the date of the Draft Red Herring Prospectus.

Our Company has no outstanding convertible instruments as on the date of this Draft Red Herring Prospectus.

## NOTES TO THE CAPITAL STRUCTURE

### 1. Changes in Authorized Share Capital

Since Incorporation the authorized share capital of our Company has been changed in the manner set forth below:

- The Initial Authorized Share Capital of ₹1,00,000 (Rupees One Lakh Only) divided into 10,000 (Ten Thousand shares of ₹10/- each at the of Incorporation of our Company i.e. on December 18<sup>th</sup>, 2018.
- The Authorized Share Capital of ₹1,00,000 (Rupees One Lakh Only) divided into 10,000 (Ten Thousand Equity Shares of ₹10/- each) was increased to ₹5,00,00,000 (Rupees Five Crores Only) divided into 50,00,000 (Fifty Lakhs) Equity Shares of ₹10/- each pursuant to Shareholders Resolution passed at the Extra Ordinary General Meeting held on February 28<sup>th</sup>, 2024.
- The Authorized Share Capital of ₹5,00,00,000 (Rupees Five Hundred Lakhs Only) divided into 50,00,000 (Fifty Lakhs) Equity Shares of ₹10/- each) was increased to ₹22,00,00,000 (Rupees Twenty-Two Hundred Lakhs Only) divided into 2,20,00,000 (Two Hundred Twenty Lakhs) Equity Shares of ₹10/- each pursuant to Shareholders Resolution passed at the Extra Ordinary General Meeting held on December 12<sup>th</sup>, 2024.

### 2. Equity Share Capital History of our Company

The following table sets forth details of the history of the Equity Share capital of our Company:

Date of Allotment	No. of Equity Shares allotted	Face Value (₹)	Issue Price (₹)	Nature of Consideration (Cash, Other than Cash, Bonus)	Nature of Allotment	Cumulative No. of Equity Shares	Cumulative Paid Up Equity Shares Capital (₹ in Lakhs)	Cumulative Share Premium (₹ in Lakhs)
December 18 <sup>th</sup> , 2018	10,000	10	10	Cash	Subscriber to MOA	10,000	1.00	NIL
February 29 <sup>th</sup> , 2024	49,90,000	10	10	Cash	Right Issue	50,00,000	500.00	NIL
January 18 <sup>th</sup> , 2025	1,00,00,000	10	10	Bonus	Bonus Issue	1,50,00,000	1500.00	NIL

- i. On Incorporation, the initial paid-up capital of the Company, as per Memorandum of Association, fully paid-up Equity Shares made on December 18<sup>th</sup>, 2018 is 10,000 Equity Shares are as follow:

S. No.	Name of Allottees	No. of Equity Shares Allotted	Face Value per Share (In ₹)	Issue Price per Share (In ₹)
1.	Mr. Sumit Gupta	5,000	10	10
2.	Mrs. Deepika Gupta	5,000	10	10
<b>Total</b>		<b>10,000</b>	-	-

- ii. The details of allotment of 49,90,000 Equity Shares made on February 29<sup>th</sup>, 2024, under right issue are as follows:

S. No	Name of Allottees	No. of Equity Shares Allotted	Face Value per Share (In ₹)	Issue Price per Share (In ₹)
1.	Mr. Amit Gupta	24,95,000	10	10
2.	Mr. Sumit Gupta	24,95,000	10	10
<b>Total</b>		<b>49,90,000</b>	-	-

- iii. The details of allotment of 1,00,00,000 Equity Shares made on January 18<sup>th</sup>, 2025, under Bonus issue are as follows:

S. No	Name of Allottees	No. of Equity Shares Allotted	Face Value per Share (In ₹)	Issue Price per Share (In ₹)
1.	Mr. Amit Gupta	49,99,996	10	-

S. No	Name of Allottees	No. of Equity Shares Allotted	Face Value per Share (In ₹)	Issue Price per Share (In ₹)
2.	Mr. Sumit Gupta	49,99,994	10	-
3.	Mrs. Deepika Gupta	2	10	-
4.	Mrs. Nainsi Gupta	2	10	-
5.	Mr. Lakhanlal Gupta	2	10	-
6.	Mrs. Sarla Gupta	2	10	-
7.	Mr. Nitin Agrawal	2	10	-
<b>Total</b>		<b>1,00,00,000</b>	-	-

Except as disclosed below, we have not issued any Equity Shares for consideration other than Cash.

The details of allotment of 1,00,00,000 Equity Shares made on January 18<sup>th</sup>, 2025, under Bonus Issue are as follows:

Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Reason of Allotment	Benefits accrued to Company	Name of Allottees	No. of Shares Allotted
January 18 <sup>th</sup> , 2025	1,00,00,000	10	-	Other than Cash-Bonus Issue	Capitalization of Reserves	Mr. Amit Gupta	49,99,996
						Mr. Sumit Gupta	49,99,994
						Mrs. Deepika Gupta	2
						Mrs. Nainsi Gupta	2
						Mr. Lakhanlal Gupta	2
						Mrs. Sarla Gupta	2
						Mr. Nitin Agrawal	2
<b>Total</b>							<b>1,00,00,000</b>

- No shares have been allotted in terms of any scheme approved under sections 230-234 of the Companies Act, 2013.
- Our Company has not issued any shares pursuant to an Employee Stock Option Scheme/ Employee Stock Purchase Scheme for our employees and we do not intend to allot any shares to our employees under Employee Stock Option Scheme / Employee Stock Purchase Scheme from the proposed issue. As and when, options are granted to our employees under the Employee Stock Option Scheme, our Company shall comply with the SEBI (Share Based Employee Benefits) Regulations, 2021.
- Our Company has not revalued our assets since inception and has not issued any equity shares (including bonus shares) by capitalizing any revaluation reserves.
- Except as disclosed below our company has not issued any equity shares lower than the Issue Price during the preceding 1 (One) year :

The details of allotment of 1,00,00,000 Shares made on January 18<sup>th</sup>, 2025, under Bonus Issue are as follows:

S. No	Name of Allottees	No. of Equity Shares Allotted	Face Value per Share (In ₹)	Issue Price per Share (In ₹)
1.	Mr. Amit Gupta	49,99,996	10	-
2.	Mr. Sumit Gupta	49,99,994	10	-
3.	Mrs. Deepika Gupta	2	10	-
4.	Mrs. Nainsi Gupta	2	10	-
5.	Mr. Lakhanlal Gupta	2	10	-
6.	Mrs. Sarla Gupta	2	10	-
7.	Mr. Nitin Agrawal	2	10	-

<b>Total</b>	<b>1,00,00,000</b>	-	-
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## 5. Shareholding Pattern of our Company

The shareholding pattern of our Company before the issue as per Regulation 31 of the SEBI (LODR) Regulations, 2015 is given here below:

### Declaration

S. No.	Particular	Yes/No	Promoter and Promoter Group	Public Shareholder	Non Promoter-Non Public
1.	Whether the Company has issued any Partly paid-up shares?	No	No	No	No
2.	Whether the Company has issued any Convertible Securities?	No	No	No	No
3.	Whether the Company has issued any Warrants?	No	No	No	No
4.	Whether the Company has any shares against which depository receipts are issued?	No	No	No	No
5.	Whether the Company has any shares in Locked-in?*	No	No	No	No
6.	Whether any shares held by promoters are Pledge or otherwise encumbered?	No	No	No	No
7.	Whether company has equity shares with differential voting rights?	No	No	No	No

\*All Pre-IPO Equity Shares of our Company will be locked-in prior to listing of shares on Emerge Platform of NSE.

**Table I - Summary Statement holding of specified securities.**

Category (I)	Category of shareholder(II)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Fresh held in each class of securities (IX)			No of shares underlying Outstanding convertible securities (including Warrants) (X)	Shareholding, as a % assuming full convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
								Class Equity	Class	Total			Total as a % of (A+B+C)	No (a)	As a % of total Shares held (b)	No (a)		As a % of total Shares held (b)
A	Promoters & Promoters Group	6	1,49,99,997	0	0	1,49,99,997	100	1,49,99,997	-	1,49,99,997	100	-	100	-	-	-	-	1,49,99,997
B	Public	1	3	0	0	3	Negligible	3	-	3	Negligible	-	Negligible	-	-	-	-	3
C	Non Promoters Non-Public	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cl	Shares underlying	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0



Category (I)	Category of shareholder(II)	Nos. of shareholders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid-up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Fresh held in each class of securities (IX)			Total as a % of (A+B+C)	No of shares underlying Outstanding convertible securities (including Warrants) (X)	Shareholding , as a % assuming full convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
								Class Equity	Class	Total				No (a)	As a % of total Shares held (b)	No (a)	As a % of total Shares held (b)		
	DRs																		
C2	Shares held by Employee Trusts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	<b>Total</b>	<b>7</b>	<b>1,50,00,000**</b>	<b>0</b>	<b>0</b>	<b>1,50,00,000</b>	<b>100</b>	<b>1,50,00,000</b>	<b>-</b>	<b>1,50,00,000</b>	<b>100</b>	<b>-</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,50,00,000</b>

**Note:**

\* All Pre-IPO Equity Shares of our Company will be locked-in as mentioned above prior to listing of shares on Emerge Platform of NSE.

\*\*All Pre-IPO Equity Shares of our Company are held in Dematerialized form.

**Table II - Statement showing shareholding pattern of the Promoters and Promoters' Group**

S. No (I)	Category of shareholder (II)	No. of Shareholders (III)	No. of fully paid up equity shares held (IV)	No. Of Partly paid - up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII)=(IV)+(V) + (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			Total as a % of (A+B+C)	No of shares Underlying Outstanding convertible securities (Including Warrants) Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) as a % of (A+B+C2)	Number of Locked in shares (XII)*		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form	
								Class- Equity	Class	Total			No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)		
(1)	<b>Indian</b>																	
(a)	Individuals/Hindu undivided Family	6	1,49,99,997	0	0	1,49,99,997	100	1,49,99,997	-	1,49,99,997	100	-	100	-	-	-	-	1,49,99,997
1.	Mr. Amit Gupta	-	74,99,994	0	0	74,99,994	50	74,99,994	0	74,99,994	50	0	50	0	0	0	0	74,99,994
2.	Mrs. Deepika Gupta	-	3	0	0	3	-	3	0	3	-	0	-	0	0	0	0	3
3	Mr. Sumit Gupta	-	74,99,991	0	0	74,99,991	50	74,99,991	0	74,99,991	50	0	50	0	0	0	0	74,99,991
4	Mrs Sarla Gupta	-	3	0	0	3	-	3	0	3	-	0	-	0	0	0	0	3
5	Mrs. Nainsi Gupta	-	3	0	0	3	-	3	0	3	-	0	-	0	0	0	0	3
6	Mr. Lakhanlal Gupta	-	3	0	0	3	-	3	0	3	-	0	-	0	0	0	0	3
(b)	Central Government/State Government(s)	-	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(c)	Financial	-	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

S. No (I)	Category of shareholder (II)	No. of Shareholders (III)	No. of fully paid up equity shares held (IV)	No. Of Party paid -up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII)=(IV)+(V) + (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			Total as a % of (A+B+ C)	No of shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) as a % of (A+B+C2)	Number of Locked in shares (XII)*		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form
								Class- Equity	Class	Total				No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	
	Institutions/ Banks																	
(d)	Any Other (Promoter companies)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	<b>Sub-Total (A)(1)</b>	<b>6</b>	<b>1,49,99,997</b>	<b>0</b>	<b>0</b>	<b>1,49,99,997</b>	<b>100</b>	<b>1,49,99,997</b>	<b>-</b>	<b>1,49,99,997</b>	<b>100</b>	<b>-</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,49,99,997</b>
Details of Shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc. - <b>N.A.</b>																		
<b>Note:</b>																		
PAN of the Shareholders will be provided by our Company to the Stock Exchange but would not be displayed on website of Stock Exchange(s).																		
The term “Encumbrance” has the same meaning as assigned under regulation 28(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.																		
*All Pre-IPO Equity Shares of our Company will be locked-in as mentioned above prior to listing of shares on Emerge Platform of NSE.																		

**Table III - Statement showing shareholding pattern of the public shareholder**

S. No (I)	Category of shareholder (II)	No. of Shareholders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid -up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII)=(IV)+(V) + (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			No of shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII) + (X) as a % of (A+B+C2)	Number of Locked in shares (XII)*		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form	
								Class- Equity	Class	Total			No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)		
(1)	<b>Institutions</b>																	
(a)	Mutual Fund	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(b)	Venture Capital Funds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(c)	Alternate Investment Funds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(d)	Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(e)	Foreign Portfolio Investors	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(f)	Financial Institutions/Banks	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(g)	Insurance Companies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(h)	Provident	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

S. No (I)	Category of shareholder (II)	No. of Shareholders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid -up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII)=(IV)+(V) + (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			No of shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII) +(X) as a % of (A+B+C2)	Number of Locked in shares (XII)*		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form	
								Class- Equity	No of Voting Rights (XIV)	Total			Total as a % of (A+B+ C)	No.(a)	As a % of total shares held (b)	No.(a)		As a % of total shares held (b)
	Funds/ Pension Funds																	
(i)	Any Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	<b>Sub-Total (B)(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
(2)	Central Government/ State Government(s)/President of India	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	<b>Sub-Total (B)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
(3)	<b>Non-institutions</b>																	
(a)	i. Individual shareholders	1	3	0	0	3	Negligible	3	0	3	Negligible	0	0	0	0	0	0	3



S. No (I)	Category of shareholder (II)	No. of Shareholders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid - up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII)=(IV)+(V) + (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	No. of Voting Rights held in each class of securities (IX)			No. of shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII) + (X) as a % of (A+B+C2)	Number of Locked in shares (XII)*		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form	
								Class- Equity	No of Voting Rights (XIV)	Total			Total as a % of (A+B+C)	No. (a)	As a % of total shares held (b)	No. (a)		As a % of total shares held (b)
	holding nominal share capital up to ₹ 2 Lakhs.																	
	Individuals - ii. Individual shareholder holding nominal share capital in excess of ₹ 2 Lakhs.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(b)	NBFCs registered with RBI	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(c)	Employee Trusts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(d)	Overseas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

S. No (I)	Category of shareholder (II)	No. of Shareholders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid - up equity shares held (V)	No. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII)=(IV)+(V) + (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			No of shares Underlying Outstanding convertible securities (Including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII)+(X) as a % of (A+B+C2)	Number of Locked in shares (XII)*		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form	
								Class- Equity	No of Voting Rights (XIV)	Total			Total as a % of (A+B+C)	No.(a)	As a % of total shares held (b)	No.(a)		As a % of total shares held (b)
	Depositories (holding DRs) (balancing figure)																	
(e)	Any Other (LLP)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	<b>Sub-Total (B)(3)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Total Public Shareholding (B)=(B)(1)+(B)(2)+(B)(3)</b>	<b>1</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>Negligible</b>	<b>3</b>	<b>0</b>	<b>3</b>	<b>Negligible</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>
Details of the shareholders acting as persons in Concert including their Shareholding (No. and %): - N.A																		
Details of Shares which remain unclaimed may be given here along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc. - N.A.																		
<b>Note:</b>																		
PAN of the Shareholders will be provided by our Company to the Stock Exchange but would not be displayed on website of Stock Exchange(s).																		

**Table IV - Statement showing shareholding pattern of the Non-Promoter- Non-Public shareholder**

S. No (I)	Category of shareholder (II)	No. of Shareholders (III)	No. of fully paid up equity shares held (IV)	No. of Partly paid –up equity shares held (V)	No. Of shares underlying Depository Receipts (VI)	Total nos. shares held (VII)=(IV)+(V) + (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			No of shares Underlying Outstanding convertible securities (Including Warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)=(VII) +(X) as a % of (A+B+C2)	Number of Locked in shares (XII)*		Number of shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form	
								Class eg: X	Class eg.: y	Total			No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)		
(1)	Custodian/DR Holder - Name of DR Holders (If Available)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(2)	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	<b>Total Non-Promoter- Non Public Shareholding (C)=(C)(1)+(C)(2)</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Our Company will file shareholding pattern of our Company in the format prescribed under Regulation 31 of the SEBI Listing Regulations, one day prior to the listing of the Equity Shares. The Shareholding pattern will be uploaded on the website of NSE before commencement of trading of such equity shares.

**6. The shareholding pattern of our Promoters and Promoters' Group and public before and after the Issue:**

S. No.	Name of shareholders	Pre issue		Post issue	
		No. of equity Shares	As a % of Issued Capital*	No. of equity Shares	As a % of Issued Capital*
<b>Promoters</b>					
1.	Mr. Amit Gupta	74,99,994	50	[●]	[●]
2.	Mr. Sumit Gupta	74,99,991	50	[●]	[●]
3.	Mrs. Deepika Gupta	3	Negligible	[●]	[●]
4.	Mrs. Nainsi Gupta	3	Negligible	[●]	[●]
<b>Total – A</b>		<b>1,49,99,991</b>	<b>100</b>	[●]	[●]
<b>Promoters' Group</b>					
1.	Mr. Lakhanlal Gupta	3	Negligible	[●]	[●]
2.	Mrs. Sarla Gupta	3	Negligible	[●]	[●]
<b>Total - B</b>		<b>6</b>	<b>Negligible</b>	[●]	[●]
<b>Total Promoters and Promoters' Group (A+B)</b>		<b>1,49,99,997</b>	<b>Negligible</b>	[●]	[●]
<b>Public</b>					
1.	Public	3	Negligible	[●]	[●]
<b>Total - C</b>		<b>3</b>	<b>-</b>	[●]	[●]
1.	Initial Public Issue – Public	-	-	57,00,000	[●]
<b>Total - D</b>		<b>-</b>	<b>-</b>	[●]	[●]
<b>Total Public (C+D)</b>		<b>3</b>	<b>Negligible</b>	[●]	[●]
<b>Grand Total (A+B+C+D)</b>		<b>1,50,00,000</b>	<b>100.00</b>	[●]	[●]

\*Round off.

**7. Details of Major Shareholders:**

- a. Set forth below is a list of Shareholders holding 1% or more of the paid-up Share Capital of our Company as on the date of this Draft Red Herring Prospectus

S. No.	Name of the Shareholder	Number of Equity Shares	Percentage of the Pre-Issue Equity Share Capital (%)
1.	Mr. Amit Gupta	74,99,994	50%
2.	Mr. Sumit Gupta	74,99,991	50%
<b>Total</b>		<b>1,49,99,985</b>	<b>100%</b>

\*Round off

- b. Set forth below is a list of Shareholders holding 1% or more of the paid-up Share Capital of our Company, on a fully diluted basis, as of 10 days prior to the date of this Draft Red Herring Prospectus.

S. No.	Name of the Shareholder	Number of Equity Shares	Percentage of the Pre-Issue Equity Share Capital (%)
1.	Mr. Amit Gupta	74,99,994	50%
2.	Mr. Sumit Gupta	74,99,991	50%
<b>Total</b>		<b>1,49,99,985</b>	<b>100%</b>

- c. Set forth below is a list of Shareholders holding 1% or more of the paid-up Share Capital of our Company as of one year prior to the date of this Draft Prospectus.

S. No.	Name of the Shareholder	Number of Equity Shares	Percentage of the pre-Issue Equity Share Capital (%)
1	Mr. Amit Gupta	25,00,000	50%
2	Mr. Sumit Gupta	25,00,000	50%
<b>Total</b>		<b>50,00,000</b>	<b>100%</b>

- d. Set forth below is a list of Shareholders holding 1% or more of the paid-up Share Capital of our Company as of two years prior to the date of this Draft Prospectus.

S. No.	Name of the Shareholder	Number of Equity Shares	Percentage of the pre-Issue Equity Share Capital (%)
1	Mr. Sumit Gupta	3500	35%
2	Mr. Amit Gupta	3500	35%
3	Mr. Lakhanlal Gupta	1500	15%
4	Badri EcoFibers Private Limited	1500	15%
	<b>Total</b>	<b>10,000</b>	<b>100%</b>

\* Total figure reported in Form MGT-7A, filed with the Registrar of Companies (ROC) for the Financial Year 19-20. The incorrect amount of ₹30,00,000 was reported, whereas the correct amount should be ₹10,000.

8. Except as stated in this Draft Red Herring Prospectus, our Company has not made any public issue (including any Further Issue to the public) since its incorporation.
9. Our Company has not issued any warrants, convertible debentures, loan or any other instrument which would entitle the shareholders to equity shares upon exercise or conversion.
10. There will be no further issue of capital, whether by way of issue of bonus shares, preferential allotment, right issue or in any other manner during the period commencing from the date of the Draft Red Herring Prospectus until the Equity Shares of our Company have been listed or refund of application monies in pursuance of the Draft Red Herring Prospectus.
11. Except as disclosed in this Draft Red Herring Prospectus, our Company does not have any intention or proposal to alter our capital structure within a period of 6 Months from the date of opening of the Issue by way of split/consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into exchangeable, directly or indirectly, for our Equity Shares) whether preferential or bonus, Fresh, further public issue or qualified institutions placement or otherwise. However, our Company may further issue Equity Shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise after the date of the opening of the Issue to finance an acquisition, merger or joint venture or for regulatory compliance or such other scheme of arrangement or any other purpose as the Board may deem fit, if an opportunity of such nature is determined by its Board of Directors to be in the interest of our Company.
12. **Except as stated below, none of our other Directors or Key Managerial Personnel holds Equity Shares in our Company.**

S. No.	Name	Designation	No. of Equity Shares held
1.	Mr. Amit Gupta	Chairman and Managing Director	74,99,994
2.	Mr. Sumit Gupta	Whole-Time Director	74,99,991
3.	Mrs. Deepika Gupta	Executive Director	3
4.	Mrs. Nainsi Gupta	Non- Executive Director	3
5.	Mr. Nitin Agrawal	Chief Financial Officer	3

### 13. Shareholding of our Promoters:

As on the date of this Draft Red Herring Prospectus, our Promoters hold 99.999% of the pre- Issued, subscribed and paid-up Equity Share capital of our Company.

#### Build-up of the shareholding of our Promoters in our Company since incorporation

Date of Allotment / Transfer	Nature of Issue / Transaction	Nature of Consideration (Cash /Other than Cash)	No. of Equity Shares	FV (₹)	Acquisition / Transfer Price	Cumulative No. of shares	% of Pre Issue Equity Share Capital*	% of Post Issue Equity Share Capital*	Source of Funds
<b>MR. AMIT GUPTA</b>									
February 06 <sup>th</sup> , 2020	Acquisition	Cash	3500	10	10	3500	0.02	[●]	Own Funds

February 20 <sup>th</sup> , 2024	Acquisition	Cash	1500	10	10	5000	0.01	[●]	Own Funds
February 29 <sup>th</sup> , 2024	Right Issue	Cash	24,95,000	10	10	25,00,000	16.63	[●]	Own Funds
September 20 <sup>th</sup> , 2024	Transfer	Cash	(1)	10	10	24,99,999	Negligible	[●]	-
September 20 <sup>th</sup> , 2024	Transfer	Cash	(1)	10	10	24,99,998	Negligible	[●]	-
January 18 <sup>th</sup> , 2025	Bonus Issue	Other than Cash	49,99,996	10	-	74,99,994	33.33	[●]	
<b>Total</b>			<b>74,99,994</b>	-	-	-	<b>50.00</b>	[●]	-

\*Round off.

Date of Allotment / Transfer	Nature of Issue / Transaction	Nature of Consideration	No. of Equity Shares	FV (₹)	Acquisition / Transfer Price	Cumulative No. of shares	% of Pre Issue Equity Share Capital*	% of Post Issue Equity Share Capital*	Source of Funds
<b>MR. SUMIT GUPTA</b>									
December 18 <sup>th</sup> , 2018	Subscriber to Memorandum	Cash	5000	10	10	5000	0.03	[●]	Own Funds
February 06 <sup>th</sup> , 2020	Transfer	Cash	(1500)	10	10	3500	(0.01)	[●]	-
February 20 <sup>th</sup> , 2024	Acquisition	Cash	1500	10	10	5000	0.01	[●]	Own Funds
February 29 <sup>th</sup> , 2024	Right Issue	Cash	24,95,000	10	10	25,00,000	16.63	[●]	Own Funds
September 20 <sup>th</sup> , 2024	Transfer	Cash	(1)	10	10	24,99,999	Negligible	[●]	-
September 20 <sup>th</sup> , 2024	Transfer	Cash	(1)	10	10	24,99,998	Negligible	[●]	-
September 20 <sup>th</sup> , 2024	Transfer	Cash	(1)	10	10	24,99,997	Negligible	[●]	-
January 18 <sup>th</sup> , 2024	Bonus Issue	-	49,99,994	10	-	<b>74,94,991</b>	33.33		
<b>Total</b>			<b>74,94,991</b>	-	-	-	<b>50.00</b>	[●]	-

\*Round off.

Date of Allotment / Transfer	Nature of Issue / Transaction	Nature of Consideration (Cash / Other than Cash)	No. of Equity Shares	FV (₹)	Acquisition / Transfer Price	Cumulative No. of Shares	% of Pre Issue Equity Share Capital*	% of Post Issue Equity Share Capital*	Source of Funds
<b>MRS. DEEPIKA GUPTA</b>									
December 18 <sup>th</sup> , 2018	Subscriber to Memorandum	Cash	5000	10	10	5000	0.03	[●]	Own Funds
February 06 <sup>th</sup> , 2020	Transfer	Cash	(3500)	10	10	1500	(0.02)	-	-



February 06 <sup>th</sup> , 2020	Transfer	Cash	(1500)	10	10	0	(0.01)		
September 20 <sup>th</sup> , 2024	Acquisition	Cash	1	10	10	1	Negligible	[•]	Own Funds
January 18 <sup>th</sup> , 2024	Bonus Issue	-	2	10	-	3	Negligible		
<b>Total</b>			<b>3</b>	<b>10</b>	<b>10</b>		Negligible	[•]	-

\*Round off.

Date of Allotment / Transfer	Nature of Issue / Transaction	Nature of Consideration (Cash / Other than Cash)	No. of Equity Shares	F V (₹)	Acquisition / Transfer Price	Cumulative No. of shares	% of Pre Issue Equity Share Capital*	% of Post Issue Equity Share Capital*	Source of Funds
<b>MRS. NAINSI GUPTA</b>									
September 20 <sup>th</sup> , 2024	Acquisition	Cash	1	10	10	1	Negligible	[•]	-
January 18 <sup>th</sup> , 2024	Bonus Issue	-	2	10	-	3	Negligible		
<b>Total</b>			<b>3</b>	<b>10</b>	<b>10</b>		Negligible	[•]	-

**Notes:**

- None of the shares belonging to our Promoters have been pledged till date.
- The entire Promoters' shares shall be subject to lock-in from the date of allotment of the equity shares issued through this Draft Red Herring Prospectus for periods as per applicable Regulations of the SEBI (ICDR) Regulations.
- Our Promoters have confirmed to the Company and the Book Running Lead Manager that, the Equity Shares held by our Promoters have been financed from their personal funds and no loans or financial assistance from any bank or financial institution has been availed by them for this purpose.
- All the shares held by our Promoters, were fully paid-up on the respective dates of acquisition of such shares.

**14. The Average Cost of acquisition of or Subscription to Equity Shares by our Promoters is sent forth in the table below:**

S. No.	Name of Promoter	No. of Equity Shares held	Average Cost of Acquisition per equity share (in ₹) <sup>(1)&amp;(2)</sup>
1.	Mr. Amit Gupta	74,99,994	3.33
2	Mr. Sumit Gupta	74,99,991	3.33
3	Mrs. Deepika Gupta	3	3.33
4	Mrs. Nainsi Gupta	3	3.33

<sup>(1)</sup>The average cost of acquisition of Equity Shares by our Promoters has been calculated by taking into account the amount paid by them, by way of fresh issuance or transfer, the Equity Shares less amount received by them for the sale of Equity Shares through transfer, if any and the net cost of acquisition has been divided by total number of shares held as on date of the Draft Red Herring Prospectus.

<sup>(2)</sup>As per the CA Certificate by S.L. Chajed & Co LLP., Chartered Accountants dated 28<sup>th</sup> January, 2025.

**15.** Our Company has 7 (Seven) Shareholders, as on the date of this Draft Red Herring Prospectus.

**16.** Except as stated below none of the members of the Promoters, Promoters Group, Directors and their immediate relatives have purchased or sold any Equity shares of our Company within the last six months from the date of this Draft Red Herring Prospectus.

Date of Transaction	Name of Transferor	Name of Transferee	No. of Shares	Price per Share (₹)	Nature of Transaction	Nature of Consideration*
September 20 <sup>th</sup> , 2024	Mr. Amit Gupta	Lakhan Lal Gupta	1	10	Transfer	Cash
September 20 <sup>th</sup> , 2024	Mr. Amit Gupta	Sarla Gupta	1	10	Transfer	Cash
September 20 <sup>th</sup> , 2024	Mr. Sumit Gupta	Deepika Gupta	1	10	Transfer	Cash
September 20 <sup>th</sup> , 2024	Mr. Sumit Gupta	Nainsi Gupta	1	10	Transfer	Cash
September 20 <sup>th</sup> , 2024	Mr. Sumit Gupta	Nitin Agrawal	1	10	Transfer	Cash

17. None of the members of the Promoters Group, Directors and their immediate relatives have financed the purchase by any other person of Equity shares of our Company other than in the normal course of business of the financing entity within the period of six months immediately preceding the date of this Draft Red Herring Prospectus.
18. As on the date of the Draft Red Herring Prospectus, our Promoters and Promoters' Group hold total 1,49,99,997 Equity Shares representing 100% of the pre-issue paid up share capital of our Company.

### 19. Details of Promoter's Contribution Locked-in for Three Years

Pursuant to Regulation 236 and 238 of SEBI (ICDR) Regulations, 2018, an aggregate of 20% of the post issue capital held by our Promoters shall be considered as Promoter's Contribution ("**Promoter's Contribution**") and shall be locked-in for a period of three years from the date of allotment of Equity shares issued pursuant to this Issue. The lock in of Promoter's Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares.

As on the date of this Draft Red Herring Prospectus, our Promoters hold 1,49,99,997 Equity Shares constituting [●]% of the Post-Issued, subscribed and paid up Equity Share Capital of our Company, which are eligible for the Promoter's contribution.

Our Promoters have given written consent to include [●] Equity Shares held by them and subscribed and held by them as part of Promoter's Contribution constituting [●]% of the post issue Equity Shares of our Company. Further, they have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoter's contribution, for a period of three years from the date of allotment in the Issue.

Date of Allotment/transfer and made fully paid up	No. of Equity Shares locked-in <sup>*(1)(2)(3)</sup>	Face Value Per Share (₹)	Issue/Acquisition/Transfer Price (₹)	Nature of transaction	Post-Issue Shareholding %	Lock in Period
[●]	[●]	[●]	[●]	[●]	[●]	[●]

\*Assuming full subscription to the Issue.

(1) For a period of three years from the date of allotment. Details to be inserted in the Prospectus;

(2) All Equity Shares have been fully paid-up at the time of allotment;

(3) All Equity Shares held by our Promoter are in dematerialized form.

The minimum Promoter's contribution has been brought in to the extent of not less than the specified minimum lot and from persons defined as "Promoters" under the SEBI (ICDR) Regulations. All Equity Shares, which are being locked in are not ineligible for computation of Minimum Promoter's Contribution as per Regulation 237 of the SEBI (ICDR) Regulations and are being locked in for 3 years as per Regulation 238(a) of the SEBI (ICDR) Regulations i.e. for a period of three years from the date of commencement of commercial production or date of allotment of Equity Shares in this issue.

No Equity Shares proposed to be locked-in as Minimum Promoter's Contribution have been issued out of revaluation reserve or for consideration other than cash and revaluation of assets or capitalization of intangible assets, involved in such transactions.

The entire pre-issue shareholding of the Promoters, other than the Minimum Promoter's contribution which is locked in for three years, shall be locked in for a period of one year from the date of allotment in this Issue.

**Explanation:** The expression “date of commencement of commercial production” means the last date of the month in which commercial production of the project in respect of which the funds raised are proposed to be utilized as stated in the offer document, is expected to commence. In our case, the company is going to utilize proceeds of issue towards existing projects of the company. Therefore, Minimum Promoters’ Contribution shall be locked for a period of 3 years from date of allotment in Initial Public Issue. We further confirm that Minimum Promoters’ Contribution of 20.00% of the post Issue Paid-up Equity Shares Capital does not include any contribution from Alternative Investment Fund. The Minimum Promoters’ Contribution has been brought into to the extent of not less than the 20.00% of the Post Issue Capital and has been contributed by the persons defined as Promoters under the SEBI (ICDR) Regulations, 2018. The lock-in of the Minimum Promoters’ Contribution will be created as per applicable regulations and procedure and details of the same shall also be provided to the Stock Exchange before listing of the Equity Shares. The details of Minimum Promoters’ Contribution are as follows:

**Eligibility of Share for “Minimum Promoters Contribution” in terms of clauses of Regulation 237 of SEBI (ICDR) Regulations, 2018:**

Reg. No.	Promoters’ Minimum Contribution Condition	Eligibility Status of Equity Shares forming part of Promoter’s Contribution
237 (1) (a) (i)	Specified securities acquired during the preceding three years, if they are acquired for consideration other than cash and revaluation of assets or capitalization of intangible assets is involved in such transaction.	The Minimum Promoter’s contribution does not consist of such Equity Shares which have been acquired for consideration other than cash and revaluation of assets or capitalization of intangible assets: <b>Hence Eligible.</b>
237 (1) (a) (ii)	Specified securities acquired during the preceding three years, resulting from a bonus issue by utilization of revaluation reserves or unrealized profits of the issuer or from bonus issue against Equity Shares which are ineligible for minimum promoters’ contribution.	The minimum Promoter’s contribution does not consist of such Equity Shares: <b>Hence Eligible.</b>
237 (1) (b)	Specified securities acquired by the promoters and alternative investment funds or foreign venture capital investors or scheduled commercial banks or public financial institutions or insurance companies registered with Insurance Regulatory and Development Authority of India, during the preceding one year at a price lower than the price at which specified securities are being offered to the public in the initial public offer. Provided that nothing contained in this clause shall apply: i. if the promoters and alternative investment funds or foreign venture capital investors or scheduled commercial banks or public financial institutions or insurance companies registered with Insurance Regulatory and Development Authority of India, as applicable, pay to the issuer the difference between the price at which the specified securities are offered in the initial public offer and the price at which the specified securities had been acquired; ii. if such specified securities are acquired in terms of the scheme under sections 230 to 234 of the Companies Act, 2013, as approved by a High Court or a tribunal, as applicable, by the promoters in lieu of business and invested capital that had been in existence for a period of more than one year prior to such approval; iii. to an initial public offer by a government company, statutory authority or corporation or any special purpose vehicle set up by any of them, which is engaged in the infrastructure sector.	The minimum Promoter’s contribution does not consist of such Equity Shares: <b>Hence Eligible.</b>
237 (1) (c)	Specified securities allotted to the promoters and alternative investment funds during the preceding one year at a price less than the issue price, against funds brought in by them during that period, in case of an issuer formed by conversion of one or more partnership firms or limited	The minimum Promoter’s contribution does not consist of such Equity Shares: <b>Hence Eligible.</b>

Reg. No.	Promoters' Minimum Contribution Condition	Eligibility Status of Equity Shares forming part of Promoter's Contribution
	liability partnerships, where the partners of the erstwhile partnership firms or limited liability partnerships are the promoters of the issuer and there is no change in the management; Provided that specified securities, allotted to the promoters against the capital existing in such firms for a period of more than one year on a continuous basis, shall be eligible.	
237 (1) (d)	Specified securities pledged with any creditor.	Our Promoter's has not Pledged any shares with any creditors. Accordingly, the minimum Promoter's contribution does not consist of such Equity Shares: <b>Hence Eligible.</b>

All the Equity Shares allotted and held by our Promoters were fully paid at the time of allotment itself.

Our Company shall ensure that the Equity Shares held by the Promoters / members of the Promoters' Group are in already dematerialized.

#### 20. Lock in of Equity Shares held by Promoter in excess of Minimum Promoters' contribution:

In addition to Minimum Promoter's Contribution which shall be locked-in for three years, the balance [●] Equity Shares held by Promoters shall be locked in for a period of one year from the date of allotment in the Initial Public Issue as provided in clause (b) of Regulation 238 of the SEBI (ICDR) Regulations, 2018.

#### 21. Lock in of Equity Shares held by Persons other than the Promoter:

In terms of Regulation 239 of the SEBI (ICDR) Regulations, 2018, the entire pre-issue capital held by the Persons other than the Promoters shall be locked in for a period of one year from the date of allotment in the Initial Public Issue. Accordingly [●] Equity shares held by the Persons other than the Promoters shall be locked in for a period of one year from the date of allotment in the Initial Public Issue.

#### 22. Inscription or Recording of non-transferability:

In terms of Regulation 241 of the SEBI (ICDR) Regulations, 2018, our Company confirms that certificates of Equity Shares which are subject to lock in shall contain the inscription "Non-Transferable" and specify the lock-in period and in case such equity shares are dematerialized, the Company shall ensure that the lock-in is recorded by the Depository.

#### 23. Other requirements in respect of lock-in:

- In terms of Regulation 242 of the SEBI ICDR Regulations, the locked in Equity Shares held by the Promoters, as specified above, can be pledged with any scheduled commercial bank or public financial institution as collateral security for loan granted by such bank or institution provided that the pledge of Equity Shares is one of the terms of the sanction of the loan. Provided that securities locked in as minimum promoter contribution may be pledged only if, in addition to fulfilling the above requirements, the loan has been granted by such bank or institution, for the purpose of financing one or more of the objects of the Issue.
- In terms of Regulation 243 of the SEBI ICDR Regulations, the Equity Shares held by persons other than the Promoters prior to the Issue may be transferred to any other person holding the Equity Shares which are locked in as per Regulation 36 or 37 of the SEBI ICDR Regulations, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.

Further in terms of Regulation 243 of the SEBI ICDR Regulations, the Equity Shares held by the Promoters may be transferred to and amongst the Promoter Group or to new promoters or persons in control of the company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as applicable.

- None of our Promoters, Promoter Group, Directors and their relatives has entered into any financing arrangement or financed the purchase of the Equity Shares of our Company by any other person during the period of six months immediately preceding the date of filing of the Draft Red Herring Prospectus/ Red Herring Prospectus / Prospectus.

25. Neither, we nor our Promoters, Directors and the BRLM to this Issue have entered into any buyback and / or stand by arrangements and / or similar arrangements for the purchase of our Equity Shares from any person.
26. As on the date of filing of the Draft Red Herring Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments which would entitle Promoters or any shareholders or any other person, any option to acquire our Equity Shares after this Initial Public Issue.
27. As on the date of the Draft Red Herring Prospectus, the entire Issued Share Capital, Subscribed and Paid up Share Capital of our Company is fully paid up.
28. Our Company has not raised any bridge loan against the proceeds of the Issue.
29. Since the entire Issue price per share is being called up on application, all the successful applicants will be allotted fully paid-up shares.
30. As on the date of the Draft Red Herring Prospectus, none of the shares held by our Promoters / Promoters Group are subject to any pledge.
31. The BRLM i.e. Swastika Investmart Limited and their associates do not hold any Equity Shares in our Company as on the date of filing of the Draft Red Herring Prospectus.
32. As per RBI regulations, OCBs are not allowed to participate in this Issue.
33. We here by confirm that there will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of the Draft Red Herring Prospectus until the Equity Shares Issued have been listed or application moneys refunded on account of failure of Issue.
34. Our Company does not presently intend or propose to alter its capital structure for a period of six months from the date of opening of the Issue, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether preferential or otherwise. This is except if we enter into acquisition or joint ventures or make investments, in which case we may consider raising additional capital to fund such activity or use Equity Shares as a currency for acquisition or participation in such joint ventures or investments.
35. None of our Equity Shares have been issued out of revaluation reserve created out of revaluation of assets.
36. An over-subscription to the extent of 2% of the Net Issue can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment, which is the minimum application size in this Issue. Consequently, the actual allotment may go up by a maximum of 2% of the Net Issue. In such an event, the Equity Shares held by the Promoters is used for allotment and lock-in for three years shall be suitably increased; so as to ensure that 20% of the post Issue paid-up capital is locked in.
37. Since present issue is a Book Building issue, the allocation in the net Issue to the public category in terms of Regulation 253(1) of the SEBI (ICDR) (Amendment) Regulations, 2018 shall be made as follows:
  - a. Not less than thirty-five per cent to Retail Individual Investors;
  - b. Not less than fifteen per cent to Non-Institutional Investors;
  - c. Not more than fifty per cent to Qualified Institutional Buyers, five per cent of which shall be allocated to mutual funds.

Provided that the unsubscribed portion in either of the categories specified in clauses (a) or (b) may be allocated to applicants in any other category.

Provided further that in addition to five per cent allocation available in terms of clause (c), mutual funds shall be eligible for allocation under the balance available for qualified institutional buyers.

38. In case of over-subscription in all categories the allocation in the Issue shall be as per the requirements of SEBI (ICDR) Regulations, 2018 and its amendments from time to time.
39. At any given point of time there shall be only one denomination of the Equity Shares, unless otherwise permitted by law.

40. Our Company shall comply with such disclosure and accounting norms as may be specified by NSE, SEBI and other regulatory authorities from time to time.
41. As on the date of the Draft Red Herring Prospectus, Our Company has not issued any equity shares under any employee Stock option scheme and we do not have any Employees Stock Option Scheme / Employees Stock Purchase Scheme.
42. There are no Equity Shares against which depository receipts have been issued.
43. Other than the Equity Shares, there is no other class of securities issued by our Company as on date of filing of the Draft Red Herring Prospectus.
44. We have 7 (Seven) Shareholders as on the date of filing of the Draft Red Herring Prospectus.
45. There are no safety net arrangements for this Public Issue.
46. Our Promoters and Promoter Group will not participate in this Issue.
47. Except as disclosed in the Draft Red Herring Prospectus, our Company has not made any public issue or rights issue of any kind or class of securities since its incorporation to the date of the Draft Red Herring Prospectus.
48. No person connected with the Issue shall issue any incentive, whether direct or indirect, in the nature of discount, commission, and allowance, or otherwise, whether in cash, kind, services or otherwise, to any Applicant.
49. We shall ensure that transactions in Equity Shares by the Promoters and members of the Promoter Group, if any, between the date of registering the Prospectus with the RoC and the Issue Closing Date are reported to the Stock Exchanges within 24 hours of such transactions being completed.



## SECTION VII – PARTICULARS OF THE ISSUE

### OBJECTS OF THE ISSUE

The Issue constitutes a public Issue upto 57,00,000 Equity Shares of our Company at an Issue Price of ₹[●]/- per Equity Share.

#### FRESH ISSUE

The Issue Proceeds from the Fresh Issue will be utilized towards the following objects:

1. Construction of Factory Building and Purchase of Plant and Machinery;
2. Repayment and/or pre-payment or repayment, in full or part, of certain outstanding borrowings availed by our Company;
3. General Corporate Purposes; and  
(Collectively referred as the “objects”)

We believe that listing will enhance our corporate image and visibility of brand name of our Company. We also believe that our Company will receive the benefits from listing of Equity Shares on the Emerge Platform of NSE. It will also provide liquidity to the existing shareholders and will also create a public trading market for the Equity Shares of our Company. Our company specializes in manufacturing High-Tenacity Recycled Polyester Staple Fibre (R-PSF) from post-consumer Polyethylene Terephthalate (PET) bottles. Our product portfolio are renowned for its excellent resilience properties. Finished products are supplied to over 100 esteemed customers across India, Europe, and the Middle East. Our commitment to quality and customer satisfaction has enabled us to establish a strong market presence.

The objects clause of our Memorandum enables our Company to undertake its existing activities and these activities which have been carried out until now by our Company are valid in terms of the objects clause of our Memorandum of Association.

#### REQUIREMENTS OF FUNDS

The proceeds of the Issue, after deducting Issue related expenses, are estimated to be ₹ [●] Lakhs (the “Net Issue Proceeds”). The following table summarizes the requirement of funds:

Particulars	Amount (Rs in) Lakhs
Gross Issue Proceeds	[●]
Less: Public Issue Related Expenses	[●]
<b>Net Issue Proceeds</b>	<b>[●]</b>

#### UTILIZATION OF THE NET ISSUE PROCEEDS

The Net Issue Proceeds will be utilized for following purpose:

S. No.	Particulars	Amount (Rs in Lakhs)	% of Gross Issue Proceeds	% of Net Issue Proceeds
1.	Construction of Factory Building and Purchase of Plant and Machinery	11,220.00	[●]	[●]
2.	Repayment and/or pre-payment or repayment, in full or part, of certain outstanding borrowings availed by our Company	[●]	[●]	[●]
3.	General Corporate Purpose*	[●]	[●]	[●]
	<b>Net Issue Proceeds</b>	<b>[●]</b>	<b>[●]</b>	<b>[●]</b>

\*To be finalized upon determination of the Issue Price and updated in the Prospectus prior to filing with the ROC. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.

#### MEANS OF FINANCE

We intend to finance our Objects of the Issue through Issue Proceeds and Long term borrowings which are as follows:

S. No.	Particulars	Amount Required (Rs in Lakhs)	From IPO Proceeds	Internal Accruals / Equity / Reserves	Long/Short Term Borrowing

1.	Construction of Factory Building and Purchase of Plant and Machinery	17,883.16	11,220.00	670.00	5,993.16
2.	Repayment and/or pre-payment or repayment, in full or part, of certain outstanding borrowings availed by our Company	[•]	[•]	[•]	[•]
3.	General Corporate Purpose*	[•]	[•]	[•]	[•]
4.	Public Issue Related Expenses*	[•]	[•]	[•]	[•]
	<b>Total</b>	[•]	[•]	[•]	[•]

\*To be finalized upon determination of the Issue Price and updated in the Prospectus prior to filing with the ROC. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.

Accordingly, we confirm that we are in compliance with the requirement to make the firm arrangement of finance under Regulation 230(1) (e) of the SEBI ICDR Regulations and Clause 9 (C) of Part A of Schedule VI of the SEBI ICDR Regulations (which requires firm arrangements of finance through verifiable means for 75% of the stated means of finance, excluding the Issue Proceeds and existing identifiable internal accruals). To compliance the said regulation the company has availed the in-principle approval letter amounting to ₹ 5,000 Lakhs from HDFC Bank Limited dated 07<sup>th</sup> January, 2025.

The fund requirement and deployment are based on internal management estimates and have not been appraised by any bank or financial institution. These are based on current conditions and are subject to change in light of changes in external circumstances or costs, other financial conditions, business or strategy, as discussed further below.

In case of variations in the actual utilization of funds allocated for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue. If surplus funds are unavailable, the required financing will be through our internal accruals and/or debt.

We may have to revise our fund requirements and deployment as a result of changes in commercial and other external factors, which may not be within the control of our management. Further, we may have to change the vendors for a particular purpose depending on any revisions in commercial terms or delivery time period at the time of placing the order. This may entail rescheduling, revising or cancelling the fund requirements and increasing or decreasing the fund requirements for a particular purpose from its fund requirements mentioned below, at the discretion of our management. In case of any shortfall or cost overruns, we intend to meet our estimated expenditure from internal accruals and/or debt. In case of any such re-scheduling, it shall be made by compliance of the relevant provisions of the Companies Act, 2013.

As we operate in competitive environment, our Company may have to revise its business plan from time to time and consequently our fund requirements may also change. Our Company's historical expenditure may not be reflective of our future expenditure plans. Our Company may have to revise its estimated costs, fund allocation and fund requirements owing to various factors such as economic and business conditions, increased competition and other external factors which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose and suppliers for the machineries at the discretion of the Company's management.

For further details on the risks involved in our business plans and executing our business strategies, please see the Section titled "Risk Factors" beginning on page no. 20 of this Draft Red Herring Prospectus.

## **DETAILS OF USE OF ISSUE PROCEEDS**

### **1. CONSTRUCTION OF FACTORY BUILDING AND PURCHASE OF PLANT AND MACHINERY**

Badri Cotsyn Limited, proposes to establish R-Pet (Bottle to Bottle) Plant at near Mandideep Distt. Raisen (MP) by using best in class machinery from different vendors.

We seek to capitalize on the growth opportunities in the packaging and bottling industry by supplying Recycled Pellets from our new facility. To this end, we intend to expand our operations by setting up a new manufacturing facility in Bhopal, Madhya Pradesh, through the purchase of new machinery.

#### **PROJECT DESCRIPTION:**

##### **A) PROJECT PROPONENT:**

- ✓ Given the obligation on the PIBOs (Producers, Importers and Brand Owners) to use 30% recycled plastic in FY26 → 40% in FY27 → 50% in FY28 → 60% in FY29, recycled pellets (R-PET) will be a large opportunity in the next few years [Source: Avendus Report];
- ✓ Our Company plans to setup a continuous operation R-PET line in Bhopal at a total project cost of ₹ 17,883.16 Lakhs;
- ✓ Plant and Machinery to be procured from various vendors which is a Solid State Polycondensation (SSP) technology which meets the regulations of FDA and requirements of the packaging industry.

### **NEED OF PROJECT AND ITS IMPORTANCE TO THE COUNTRY AND/OR REGION**

Globally, around 400 million tonnes of plastic waste are generated every year and less than 10% of it is recycled, of this 70% is either incinerated or dumped into landfills, and the remaining 20% is either mismanaged or leaked into the environment. In India, it is estimated that around 13 million tonnes of plastic waste is generated and 60% of it is recycled. The remaining waste suffers mismanagement, i.e. it ends up in dumpsites and landfills, or is burned - all of which contaminate the environment [Source: Avendus Report].

Only certain types of plastics such as PET (Polyethylene terephthalate) and HDPE (High-density Polyethylene) are easily recyclable. India is a leader in recycling some specific types of plastic such as PET, with an estimated recycling rate of around 90% [Source: Avendus Report].

“**Bottle to Bottle**” recycling plant for the conversion of post-consumer PET bottle bale into food grade r-PET pellets. The resulting r-PET pellets are suitable for applications in direct contact with food (FDA/EFSA approval).

### **B) DEMANDS – SUPPLY GAP**

Additionally, the following factors are also adding a tail wind to the sector:

#### **1. Rising awareness of environmental depletion**

The growing awareness of the negative impact of plastic waste on the environment has led to an increased demand for plastic recycling. Consumers, governments, and businesses are working on reducing the amount of plastic waste in the environment. Addressing this issue requires reducing plastics consumed, improving waste management practices, and promoting the recycling and reuse of plastic materials.

#### **2. Increase in demand from the e-commerce sector**

The high growth of e-commerce has led to increased use of plastics in packaging. With COVID-19, this trend only further accelerated. This increase in e-commerce penetration also provides a significant Opportunity for using environmental-friendly solutions like improved collection processes to manage the increase in plastic consumption.

#### **3. Improving recyclability by reducing the use of non-recyclable plastics**

There has been increased focus on reducing the use of plastic that is either non-recyclable or prone to mismanagement due to the high costs of recycling. The government implemented a ban on single-use plastics including the plastic sticks used in earbuds, balloons, ice cream and candies, wrapping films around cigarettes, disposable plates, cups, and grocery bags, in July 2022. It has also sought to limit the use of thin and flimsy plastic bags (under 120 microns).

### **PLASTIC RECYCLING MARKET**

The size of the Indian plastic waste recycling industry was estimated to be USD 2.3 billion in FY23. The industry is expected to grow at a strong CAGR of 24% and reach USD 10.2 billion by FY30 [Source: Avendus Report].

### **IMPORTS VS. INDIGENOUS PRODUCTION**

Raw material will be purchased from indigenous production. This helps in the economic development of the country to a great level. Thus, to decrease the dependency on imports, the project can work in positive manner.

### **EXPORT POSSIBILITY**

Presently, more than 90% of our revenue is from the domestic market and export business is almost negligible. Going forward, our focus would be to grow our export business. We believe that there lies a huge business opportunity for our products in the markets of Australia, Europe and Canada.

We believe that the recycled fiber and pellets sector will grow rapidly in the upcoming years, due to changing lifestyle, government policies across the world for environment protection, and consumer demand. We intend to capitalize on such opportunities and believe that we are well positioned to cater the growing demand with our offerings.

### DOMESTIC / EXPORT MARKETS

Going forward, we seek to allocate a portion of our resources to increase the brand awareness of our Company amongst our customers. We believe that the ability to differentiate our products from our competitors through our branding and marketing efforts will be an important factor in gaining market share.

To this end, we plan to actively participate in trade fairs and exhibitions across the world and in India and intend to undertake appropriate marketing initiatives such as social media marketing in order to increase our visibility and market share as well as to create public awareness for our products.

Marketing is an important function of our organization. Annually, our Company prepares and implements a comprehensive sales and marketing plan. Our sales and marketing teams along with our management regularly attend trade fairs, exhibitions to promote our products and understand our customer's needs. We avail both direct and indirect channels of sales for selling and marketing our products. We maintain a data base consisting of our existing customers and undertake direct sales efforts through either centrally from our head office or through our business representatives.

In future we intend to focus on following marketing strategies:

- Increasing our Geographical reach by entering new countries;
- Appointment of Dealers & Agents in developing markets;
- Increasing our participation in local trade fairs, exhibitions and by participating in International fairs;
- Increasing spending on advertisement, promotion etc.

### EMPLOYMENT GENERATION (DIRECT AND INDIRECT) DUE TO PROJECT

Employments Generations: More than 540 direct and indirect employments provided by our company at present and our project is expected to generate the approximate number of employment in future.

### FINANCE AND INVESTMENTS:

The total project investment in Land, Buildings, Plant and Machinery is approximately ₹ 17,883.16 Lakhs. We have already acquired the land, 51,759.29 sq. mts. (Approx. 12.79 Acres) at Khasra No.196/1, 197,198,199, Gram Pipariya Lorka, Patwari halka No. 32/16, Mandideep, Goharganj, Raisen. The manufacturing facility will be developed at this land in future to meet the required norms and international standard approvable level. However, detailed breakup of proposed investment is shown as **Table A** and details of financial arrangements is shown as **Table B**.

#### TABLE – A BREAKUP OF PROJECT COST:

		(₹ in Lakhs)
S. No.	Particulars	Amount
1.	Acquisition of Land	670.00
2.	Civil Work and Land Development	1,308.53
3.	Purchase of Plant and Machinery	15,904.63
<b>Total Project Cost</b>		<b>17,883.16</b>

Descriptive details of financial arrangements as mentioned below:

#### TABLE – B FINANCIAL ARRANGEMENTS:

		(₹ in Lakhs)
S. No.	Particulars	Amount
1.	Equity Raise by Initial Public Offering Fund (IPO)	11,220.00
2.	Internal Accruals	670.00
3.	Borrow from Bank	5,993.16
<b>Total Project Cost</b>		<b>17,883.16</b>

#### **1. Acquisition of Land:**

The proposed manufacturing facility is envisaged to be set up at Khasra No.196/1, 197,198,199, Gram Pipariya Lorka, Patwari halka No. 32/16, Mandideep, Goharganj, Raisen. Our Company has already acquired land approximately 51,759.29

sq. mtr, pursuant to the Purchase Agreement with Mr. Rajat Lowanshi, dated December 17<sup>th</sup>, 2024 at Bhopal, Madhya Pradesh, for that company has pay amount of ₹ 670.00 Lakhs (Including registry expenses and other misc. expenses). In which our company has already paid ₹ 435.00 Lakhs as an Advance. This amount will not be the part of the object of the issue of the company.

**Further, we undertake that:**

- that the Company or Promoters or Promoter Group or Directors is not having any relation with the owners of the Land;
- that the Land Acquired is free from all encumbrances, has a clear title and it is registered in the name of the Company.

**2. Civil Work and Land Development:**

Building work for the Project mainly includes Pre-Fabricated Steel Building and Erection, Electrical Installation, Fire Safety Equipment, Factory Shed and other misc. work office building and electric substation, among others. The total estimated cost for building and civil works is ₹ 1,308.53 Lakhs.

Bifurcation of Civil Work and Land Development as mentioned below:

(₹ in Lakhs)

Particulars	Amount
Civil Work and Land Development	482.11
Pre-Fabricated Steel Building and Erection	650.77
Electrical Installation, Fire Safety Equipment and other misc. work	175.65
<b>Total</b>	<b>1,308.53</b>

**a. Civil Work and Land Development:**

Before the erection of the pre-fabricated steel buildings, basic civil work including but not limited to land development, foundation, etc. needs to be completed. Further, additional structures such as compound wall and weigh bridge structure will also need to be completed. For Civil Work and Land Development the total estimated cost is ₹ 482.11 Lakhs. Our Company has received quotation dated December 15<sup>th</sup> 2024 from R.K. Construction, the quotation is valid for 90 days from the date of receiving the quotation.

The cost of the civil work for each of the above is given below:

(₹ in Lakhs)

S. No.	Particulars	Amount
i.	Wash Line	230.12
ii.	B2B Plant	62.71
iii.	Boiler Shed	33.32
iv.	Finish Material Godown Shed	55.86
v.	Utility Shed	13.66
vi.	Workshop Shed	25.71
vii.	Compound wall	57.80
viii.	Weigh Bridge	2.97
<b>Total</b>		<b>482.11</b>

**Note:**

1. The above cost is inclusive of GST and other taxes;
2. Company's Promoters, Promoter Group, Directors and Key Managerial Personnel is not associated directly or indirectly with the vendor;
3. The quotations relied upon by us in arriving at the above cost are valid for a specific period of time and may lapse after the expiry of the said period. Consequent upon which, there could be a possible escalation in the cost of civil work to be incurred by us at the actual time of expense, resulting in increase in the estimated cost;
4. Quotation received from the vendor mentioned above is valid as on the date of this Draft Red Herring Prospectus. However, we have not entered into any definitive agreements with any of the vendor and there can be no assurance that the same vendor would be engaged at the time of actual expenses.

**i. Estimate of civil work for Wash Line:**

(₹ in Lakhs)

Description	Unit	Qty.	Rate	Amount
L/C For dressing leveling and dry rolling	SqM	7,000	12.00	0.84
Labour charges for excavation	CuM	152	210.00	0.32
Boring and casting of pile 300 dia	RMtr	920	1,200.00	11.04

Description	Unit	Qty.	Rate	Amount
Providing and filling of Kopra	CuM	4,282.20	520.00	22.27
Providing and filling of Stone Dust	CuM	535.28	900.00	4.82
Providing and laying of 200 thk WBM	CuM	5,352.75	270.00	14.45
P/L Of PCC 1:4:8	CuM	31.92	4,100.00	1.31
Reinforced cement concrete M-20	CuM	1,018.78	5,500.00	56.03
Centering and shuttering for footing	SqM	1,418.56	450.00	6.38
Labour charges for Grouting of fdn. Bolts	No.	616	150.00	0.92
Extra charges for tremix flooring	SqM	5,352.80	70.00	3.75
Providing and placing of reinforcement steel	Kg	40,751.30	68.00	27.71
P/L Of brick masonry with local bricks	CuM	296.40	7,500.00	22.23
P/L 15 Smooth cement plaster internal	SqM	1,710.00	315.00	5.39
P/L 20 Smooth cement plaster external	SqM	1,710.00	370.00	6.33
Painting	-	3,420.00	120.00	4.10
Reinforced cement concrete M-20	CuM	47.23	5,500.00	2.60
Centering and shuttering for footing	SqM	353.76	450.00	1.59
Providing and placing of reinforcement steel	Kg	4,250.88	69.00	2.93
<b>Sub-Total</b>				<b>195.02*</b>
Add: GST @18%				35.10
<b>Total</b>				<b>230.12</b>

\*Rounding Off.

**ii. Estimate of civil work for B2B Plant:**

(₹ in Lakhs)

Description	Unit	Qty.	Rate	Amount
L/C For dressing leveling and dry rolling	SqM	2,400	12.00	0.29
Labour charges for excavation	CuM	49.80	210.00	0.10
Boring and casting of pile 300 dia	RMtr	272.00	1,200.00	3.26
Providing and filling of Kopra	CuM	1,168.20	520.00	6.07
Providing and filling of Stone Dust	CuM	146.03	900.00	1.31
Providing and laying of 200 thk WBM	CuM	1,460.25	270.00	3.94
P/L Of PCC 1:4:8	CuM	10.19	4,100.00	0.42
Reinforced cement concrete M-20	CuM	279.70	5,500.00	15.38
Centering and shuttering for footing	SqM	364.16	450.00	1.64
Labour charges for Grouting of fdn. Bolts	No.	148	150.00	0.22
Extra charges for tremix flooring	SqM	1,460.30	70.00	1.02
Providing and placing of reinforcement steel	Kg	1,1188.10	68.00	7.61
P/L Of brick masonry with local bricks	CuM	79.04	7,500.00	5.70
P/L 15 Smooth cement plaster internal	SqM	456.00	315.00	1.44
P/L 20 Smooth cement plaster external	SqM	456.00	370.00	1.69
Painting	-	912.00	120.00	1.09
Reinforced cement concrete M-20	CuM	11.31	5,500.00	0.62
Centering and shuttering for footing	SqM	88.16	450.00	0.40
Providing and placing of reinforcement steel	Kg	1,018.08	69.00	0.70
<b>Sub-Total</b>				<b>52.90*</b>
Add: GST @18%				9.52
<b>Total</b>				<b>62.71</b>

\*Rounding Off.

**iii. Estimate of civil work for Boiler Shed:**

(₹ in Lakhs)

Description	Unit	Qty.	Rate	Amount
L/C For dressing leveling and dry rolling	SqM	1280	12.00	0.15
Labour charges for excavation	CuM	35.30	210.00	0.07
Boring and casting of pile 300 dia	RMtr	192.00	1,200.00	2.30
Providing and filling of Kopra	CuM	507.40	520.00	2.64
Providing and filling of Stone Dust	CuM	63.43	900.00	0.57



Description	Unit	Qty.	Rate	Amount
Providing and laying of 200 thk WBM	CuM	634.25	270.00	1.71
P/L Of PCC 1:4:8	CuM	6.99	4,100.00	0.29
Reinforced cement concrete M-20	CuM	136.51	5,500.00	7.51
Centering and shuttering for footing	SqM	241.60	450.00	1.09
Labour charges for Grouting of fdn. Bolts	No.	104	150.00	0.16
Extra charges for tremix flooring	SqM	634.30	70.00	0.44
Providing and placing of reinforcement steel	Kg	5,460.54	68.00	3.71
P/L Of brick masonry with local bricks	CuM	49.92	7,500.00	3.74
P/L 15 Smooth cement plaster internal	SqM	288.00	315.00	0.91
P/L 20 Smooth cement plaster external	SqM	288.00	370.00	1.07
Painting	-	576.00	120.00	0.69
Reinforced cement concrete M-20	CuM	7.82	5,500.00	0.43
Centering and shuttering for footing	SqM	59.52	450.00	0.27
Providing and placing of reinforcement steel	Kg	704.16	69.00	0.49
<b>Sub-Total</b>				<b>28.24*</b>
Add: GST @18%				5.08
<b>Total</b>				<b>33.32</b>

\*Rounding Off.

#### iv. Finish Material Godown Shed:

(₹ in Lakhs)

Description	Unit	Qty.	Rate	Amount
L/C For dressing leveling and dry rolling	SqM	2100	12.00	0.25
Labour charges for excavation	CuM	60.3	210.00	0.13
Boring and casting of pile 300 dia	RMtr	320	1,200.00	3.84
Providing and filling of Kopra	CuM	928.2	520.00	4.83
Providing and filling of Stone Dust	CuM	116.03	900.00	1.04
Providing and laying of 200 thk WBM	CuM	1160.25	270.00	3.13
P/L Of PCC 1:4:8	CuM	8.59	4,100.00	0.35
Reinforced cement concrete M-20	CuM	230.47	5,500.00	12.68
Centering and shuttering for footing	SqM	381.12	450.00	1.72
Labour charges for Grouting of fdn. Bolts	No.	168	150.00	0.25
Extra charges for tremix flooring	SqM	1160.3	70.00	0.81
Providing and placing of reinforcement steel	Kg	9,218.86	68.00	6.27
P/L Of brick masonry with local bricks	CuM	79.04	7,500.00	5.93
P/L 15 Smooth cement plaster internal	SqM	456	315.00	1.44
P/L 20 Smooth cement plaster external	SqM	456	370.00	1.69
Painting	-	912	120.00	1.09
Reinforced cement concrete M-20	CuM	12.56	5,500.00	0.69
Centering and shuttering for footing	SqM	94.4	450.00	0.42
Providing and placing of reinforcement steel	Kg	1130.4	69.00	0.78
<b>Sub-Total</b>				<b>47.34*</b>
Add: GST @18%				8.52
<b>Total</b>				<b>55.86</b>

\*Rounding Off.

#### v. Utility Shed:

(₹ in Lakhs)

Description	Unit	Qty.	Rate	Amount
L/C For dressing leveling and dry rolling	SqM	620	12.00	0.07
Labour charges for excavation	CuM	27	210.00	0.06
Boring and casting of pile 300 dia	RMtr	60	1,200.00	0.72
Providing and filling of Kopra	CuM	155.8	520.00	0.81
Providing and filling of Stone Dust	CuM	19.48	900.00	0.18
Providing and laying of 200 thk WBM	CuM	194.75	270.00	0.53
P/L Of PCC 1:4:8	CuM	2.98	4,100.00	0.12

Description	Unit	Qty.	Rate	Amount
Reinforced cement concrete M-20	CuM	46.71	5,500.00	2.57
Centering and shuttering for footing	SqM	138.56	450.00	0.62
Labour charges for Grouting of fdn. Bolts	No.	40	150.00	0.06
Extra charges for tremix flooring	SqM	194.8	70.00	0.14
Providing and placing of reinforcement steel	Kg	1,868.34	68.00	1.27
P/L Of brick masonry with local bricks	CuM	28.08	7,500.00	2.11
P/L 15 Smooth cement plaster internal	SqM	162	315.00	0.51
P/L 20 Smooth cement plaster external	SqM	162	370.00	0.60
Painting	-	324	120.00	0.39
Reinforced cement concrete M-20	CuM	5.52	5,500.00	0.30
Centering and shuttering for footing	SqM	39.6	450.00	0.18
Providing and placing of reinforcement steel	Kg	496.8	69.00	0.34
<b>Sub-Total</b>				<b>11.57*</b>
<i>Add: GST @18%</i>				<i>2.08</i>
<b>Total</b>				<b>13.66</b>

\*Rounding Off.

**vi. Workshop Shed:**

(₹ in Lakhs)

Description	Unit	Qty.	Rate	Amount
L/C For dressing leveling and dry rolling	SqM	1080	12.00	0.13
Labour charges for excavation	CuM	14	210.00	0.03
Boring and casting of pile 300 dia	RMtr	112	1,200.00	1.34
Providing and filling of Kopra	CuM	389.4	520.00	2.02
Providing and filling of Stone Dust	CuM	48.68	900.00	0.44
Providing and laying of 200 thk WBM	CuM	486.75	270.00	1.31
P/L Of PCC 1:4:8	CuM	4.36	4,100.00	0.18
Reinforced cement concrete M-20	CuM	98.75	5,500.00	5.43
Centering and shuttering for footing	SqM	206.4	450.00	0.93
Labour charges for Grouting of fdn. Bolts	No.	56	150.00	0.08
Extra charges for tremix flooring	SqM	486.8	70.00	0.34
Providing and placing of reinforcement steel	Kg	3,949.94	68.00	2.69
P/L Of brick masonry with local bricks	CuM	44.72	7,500.00	3.35
P/L 15 Smooth cement plaster internal	SqM	258	315.00	0.81
P/L 20 Smooth cement plaster external	SqM	258	370.00	0.95
Painting	-	516	120.00	0.62
Reinforced cement concrete M-20	CuM	7.42	5,500.00	0.41
Centering and shuttering for footing	SqM	55.52	450.00	0.25
Providing and placing of reinforcement steel	Kg	668.16	69.00	0.46
<b>Sub-Total</b>				<b>21.79*</b>
<i>Add: GST @18%</i>				<i>3.92</i>
<b>Total</b>				<b>25.71</b>

\*Rounding Off.

**vii. Compound Wall:**

(₹ in Lakhs)

Description	Unit	Qty.	Rate	Amount
L/C For dressing leveling and dry rolling	SqM	50	12.00	0.01
Labour charges for excavation	CuM	29.4	210.00	0.06
Boring and casting of pile 300 dia	RMtr	432	1,200.00	5.18
Providing and filling of Kopra	CuM	182.4	520.00	0.93
Providing and filling of Stone Dust	CuM	36.48	900.00	0.33
P/L Of PCC 1:4:8	CuM	27.36	4,100.00	1.12
Reinforced cement concrete M-20	CuM	79.03	5,500.00	4.35
Centering and shuttering for footing	SqM	778.12	450.00	3.50
Providing and placing of reinforcement steel	Kg	7,755.00	68.00	5.35

Description	Unit	Qty.	Rate	Amount
P/L Of brick masonry with local bricks	CuM	262.2	7,500.00	19.67
P/L 15 Smooth cement plaster internal	SqM	1368	315.00	4.31
P/L 20 Smooth cement plaster external	SqM	1128	370.00	4.17
<b>Sub-Total</b>				<b>48.98*</b>
Add: GST @18%				8.82
<b>Total</b>				<b>57.80</b>

\*Rounding Off.

**viii. Weigh Bridge:**

(₹ in Lakhs)

Description	Unit	Qty.	Rate	Amount
Boring and casting of pile 300 dia	RMtr	72	1,200.00	0.86
Providing and filling of Stone Dust	CuM	6.39	900	0.06
Providing and laying of 100 thk WBM	CuM	26.1	140	0.04
P/L Of PCC	CuM	7.23	4,100.00	0.30
Reinforced cement concrete M-20	CuM	17.69	5,500.00	0.97
Centering and shuttering for footing	SqM	63.72	450	0.29
<b>Sub-Total</b>				<b>2.51*</b>
Add: GST @18%				0.45
<b>Total</b>				<b>2.97</b>

\*Rounding Off.

**b. Pre-Fabricated Steel Building and Erection:**

A **pre-fabricated steel building** is a structure built using components manufactured off-site, typically in a factory, which are then transported to the construction site for assembly. These buildings are commonly used for warehouses, industrial facilities, commercial buildings, and even residential purposes due to their efficiency, cost-effectiveness, and durability. For pre-fabricated steel the total estimated cost is ₹ 650.77 Lakhs. Our Company has received quotation dated December 14<sup>th</sup> 2024 from Kirby Building Systems and Structures India Ltd., the quotation is valid for 90 days from the date of receiving the quotation.

(₹ in Lakhs)

S. No.	Particulars of Building	Area (Sq. Mtr.)	Amount
1.	Wash Line	5,500	245.00
2.	B2B Plant	1,500	94.50
3.	Boiler Building	704	85.50
4.	Finish Material Godown Shed	1,800	83.00
5.	Utility Shed	200	17.50
6.	Workshop Shed	510	26.00
<b>Total</b>			<b>551.50</b>
Add: GST @18%			99.27
<b>Total Amount</b>			<b>650.77</b>

**Note:**

1. Company's Promoters, Promoter Group, Directors and Key Managerial Personnel is not associated directly or indirectly with the vendor;
2. The quotations relied upon by us in arriving at the above cost are valid for a specific period of time and may lapse after the expiry of the said period. Consequent upon which, there could be a possible escalation in the cost of **pre-fabricated steel** to be incurred by us at the actual time of expense, resulting in increase in the estimated cost;
3. Quotation received from the vendor mentioned above is valid as on the date of this Draft Red Herring Prospectus. However, we have not entered into any definitive agreements with any of the vendor and there can be no assurance that the same vendor would be engaged at the time of actual expenses.

**c. Electrical Installation, Fire Safety Equipment and other misc. work:**

Our Company proposes to Electrical Installation, Fire Safety Equipment and other misc. work at an estimated cost of ₹ 175.65 Lakhs. Our Company has obtained quotations from various vendors. The detailed list of Electrical Installation, Fire Safety Equipment and other misc. work to be acquired by our Company is provided below:

(₹ in Lakhs)

S. No.	Particulars	Qty.	Vendor	Amount	Date of Quotation / Purchase Order / Invoice
1.	Electrical Installation	-	Ranjan Electricals and Project	116.50	December 12 <sup>th</sup> 2024
2.	Fire Safety Equipment	1	Bhopal Fire and Safety Traders	59.15	December 11 <sup>th</sup> 2024
<b>Total</b>				<b>175.65*</b>	

\*Rounding off.

**Note:**

1. The above cost is inclusive of GST and other taxes;
2. Company's Promoters, Promoter Group, Directors and Key Managerial Personnel is not associated directly or indirectly with the vendor;
3. The quotations relied upon by us in arriving at the above cost are valid for a specific period of time and may lapse after the expiry of the said period. Consequent upon which, there could be a possible escalation in the cost to be incurred by us at the actual time of expense, resulting in increase in the estimated cost;
4. Quotation received from the vendor mentioned above is valid as on the date of this Draft Red Herring Prospectus. However, we have not entered into any definitive agreements with any of the vendor and there can be no assurance that the same vendor would be engaged at the time of actual expenses.

**3. Purchase of Plant and Machinery:**

Our Company proposes to acquire plant and machineries at an estimated cost of ₹ 15,904.63 Lakhs. Our Company has identified the type of plant and machinery to be purchased for the proposed manufacturing unit and obtained quotations from various vendors. The detailed list of Plant and Machinery to be acquired by our Company is provided below:

(₹ in Lakhs)

S. No.	Machine Description	Qty.	Vendor	Amount	Date of Quotation / Purchase Order / Invoice
1.	r-PET pellet flakes manufacturing unit (US FDA approved)	1	Starlinger & Co.	5,723.39 <sup>(2)</sup>	December 09 <sup>th</sup> 2024
2.	PET Bottle Washing Line	1	Amut S.p.A	7,055.94 <sup>(2)</sup>	December 13 <sup>th</sup> 2024
3.	Flake Sorting Line	1	Pellenc ST	523.08 <sup>(2)</sup>	November 12 <sup>th</sup> 2024
4.	Bottle Sorting Line	1	Buhler UK Limited	777.47 <sup>(3)</sup>	November 08 <sup>th</sup> 2024
5.	Effluent Treatment Plant	1	Microvision Enviro Equipments Private Limited	507.40	December 14 <sup>th</sup> 2024
6.	AI Powered Air sorter	1	Ishitva Robotic Systems	277.77	November 19 <sup>th</sup> 2024
7.	Lab Equipment's	1	Pet Stream Inc.	276.37	December 10 <sup>th</sup> 2024
8.	Diesel Generator Set	1	Sudhir Power Limited	233.88	December 12 <sup>th</sup> 2024
9.	Air Compressors	1	Elgi Equipment's	144.33	January 08 <sup>th</sup> , 2025
10.	Plastic Extrusion Machinery	1	RR Plast Extrusions Private Limited	84.61	December 08 <sup>th</sup> 2024
11.	Color Sorter Machine	2	Sreecycle Plast LLP	75.35 <sup>(4)</sup>	December 06 <sup>th</sup> 2024
12.	Boiler	1	Thermax Limited	44.71	December 12 <sup>th</sup> 2024
13.	Coal Handling Unit	1	Darshini Engineers	22.66	December 06 <sup>th</sup> 2024
14.	Insulation / Al sheet	1	Maruti Sales Corporation	46.28	December 06 <sup>th</sup> 2024

S. No.	Machine Description	Qty.	Vendor	Amount	Date of Quotation / Purchase Order / Invoice
15.	Fork Lifts	6	Action Construction Equipment	64.43	December 11 <sup>th</sup> 2024
16.	Tata Truck	1	Prem Motors India	24.93	December 11 <sup>th</sup> 2024
17.	Weigh Bridge	1	Avery India Limited	22.03	October 10 <sup>th</sup> 2024
<b>Total</b>				<b>15,904.63*</b>	

\*Rounding off.

**Note:**

- The above cost of Plant and Machinery proposes to purchase from India is inclusive of GST and other taxes;
- The Quotation was received in INR. Conversion rate: 1 EUR = ₹ 89.08/- as on 31<sup>st</sup> December, 2024, Reference: <https://m.rbi.org.in/scripts/ReferenceRateArchive.aspx> and import duty on such payment is not included in the above cost;
- The Quotation was received in INR. Conversion rate: 1 GBP = ₹ 107.46/- as on 31<sup>st</sup> December, 2024, Reference: <https://m.rbi.org.in/scripts/ReferenceRateArchive.aspx> and import duty on such payment is not included in the above cost;
- The Quotation was received in INR. Conversion rate: 1 USD = ₹ 85.62/- as on 31<sup>st</sup> December, 2024, Reference: <https://m.rbi.org.in/scripts/ReferenceRateArchive.aspx> and import duty on such payment is not included in the above cost;
- In case of increase in price of quotations at the time of purchase of product including but not limited to change in exchange rate, change in market conditions, economic conditions, the excess amount will be funded by the company from internal accruals;
- As this will be a new location, our Company will obtain a new factory license at the new location;
- Company's Promoters, Promoter Group, Directors and Key Managerial Personnel is not associated directly or indirectly with the vendor;
- Quotation received from the vendor mentioned above is valid as on the date of this Draft Red Herring Prospectus. However, we have not entered into any definitive agreements with any of the vendor and there can be no assurance that the same vendor would be engaged at the time of actual expenses.

**DESCRIPTION/USAGE OF PROPOSE PLANT AND MACHINERY:**

**1. R-Pet Pellet Flakes Manufacturing Unit (USFDA Approved):**

The r-PET Pellet flakes manufacturing unit from Starlinger & Co is a specialized machinery with patented technology which enables the optimal preparation of the PET flakes before they are fed directly into the extruder using the generated heat. The final product is melt-filtered, uniform and dry pellets, IV increased and decontaminated with characteristics like virgin resin. reco STAR PET art was designed to satisfy the requirements of the modern plastics recycling industry. The art of PET recycling combines excellent r-PET pellet properties and outstanding decontamination efficiency with:

- High output
- low energy consumption
- low maintenance costs and
- low equipment footprint

The manufacturing unit consists of various parts details and price which are mentioned herein below:

(₹ in Lakhs)

S. No	Particulars of Equipment	Quantity	Amount
1	Big Bag Unloading Station	2	126.55
2	Mixing Silo for PET flakes	1	107.65
3	Feeding screw including metal detector	1	85.79
4	Dosing unit for liquid additives and colours	1	13.26
5	Combined Drying Unit	1	1,228.37
6	Extruder including accessories	1	946.66
7	Melt Pump	1	113.88
8	Double piston cartridge filter	1	604.39
9	Crane for easier handling of cartrdiges	1	9.68

10	Pyrolysis oven including vacuum pump	1	77.22
11	Inline viscosimeter	1	60.47
12	Underwater pelletizing with inline crystallization incl feeding system	1	517.31
13	Online colour measuring	1	56.25
14	Filling station	1	34.38
15	Post crystallization unit with hot air	1	199.58
16	Vacuum feeding system	1	27.54
17	Filling station incl material ventilation	1	34.70
18	ViscoSTAR 350 base unit incl. preheating, enlarged maintenance platform with stairs, nitrogen generator and stand filter (condensor) for vacuum unit	1	2,288.40
19	Energy recover for 4 pre heater	1	255.05
20	Energy recovery kit incl pellet water cooler	2	299.86
21	High temperature feeding system incl filling station	1	101.52
22	High temperature feeding system incl filling station & pellet water cooler	1	87.60
23	Food grade monitoring and automation	1	19.07
24	Starlogger PET pro	1	27.45
25	Remote access unit for online support	1	5.10
26	Laboratory equipment	1	65.56
27	Licence for Starlinger PET art process	1	27.79
28	Reinforced heat exchangers for electrical cabinets	1	26.26
29	Recommended wear and spare parts	1	219.48
30	Packing & Loading	1	92.00
31	Installation, startup and training	1	128.54
32	Freight	1	222.70
<i>Less: Discount</i>			-2,386.69
<b>Total</b>			<b>5,723.39</b>

## 2. PET Bottle Washing Line:

Wash line is specialized machinery or system which is typically used in washing our raw material (PET Bottles). These pet bottles are washed so as to remove any residue left or to remove any bacteria or contamination or loose dirt initially. Further they are also used in later stages of manufacturing when pet flakes are again washed to remove any chemicals or enhanced contaminations. This proposed installation has a capacity of 4.2 MT per hour.

(₹ in Lakhs)

S. No	Particulars of Equipment	Quantity	Amount
1	Washing Plant includes	1	5,612.04
	* Whole bottle feeding and pre washing		
	* NIR detectors and ancillary equipment for detectors		
	* Manual Control		
	* Pre washing		
	* Wet Grinding		
	* Flakes Washing		
	* Filtration & Treatment System for water re circulation		
	* Electric Control System		
	* Eddy Current to detect metal flakes		
	* Elutriator, NIR flakes sorter to detect polymer, color and metal		
	* Recirculation bottle sorter with auxiliary equipment		
2	Assembling of the plant & extra services	1	1,040.02
3	Polyolefins Recovery	1	107.43
4	Rotating Trommel	1	296.46
	<b>Total</b>		<b>7,055.94</b>

## 3. Flake Sorting Line:



The flake sorting line is a high-speed optical sorting machine used to maximize the processing capacity and purity of the recycled PET flakes. The machine is equipped to remove unwanted colors, metals and foreign materials as well as same-in-color polymer contaminants.

(₹ in Lakhs)

S. No.	Particulars of Equipment	Quantity	Amount
1	Compact + DVI 2800 incl Lower standard valve block	1	162.90
2	Compact + DVI 2400 incl Upper standard valve block	1	152.13
3	Inductive Sensor 25-2400	1	32.30
4	Compact + DVI 1200 incl Lower standard valve block	1	112.02
5	Inductive Sensor 50-1200	1	18.94
6	Freight till CIF Nhava Shava	1	19.78
7	Packing	1	2.32
8	Start up and commissioning	1	19.24
9	Spare / Wear parts optical sorter	1	3.46
<b>Total</b>			<b>523.08</b>

#### 4. Bottle Sorting Line:

The bottle sorting line is a high-speed optical sorting machine for waste bottle sorting and recycling. It features a focused lighting system, one or more sensors with specific settings, a data acquisition and processing chain, and a pneumatic ejection system.

(₹ in Lakhs)

S. No.	Particulars of Equipment	Quantity	Amount
1	Optical Sorter SORTEX A Glowvision including	2	
	* Inspection System		
	* Feed System		
	* Ejection System		
	* Software & Display		
	* Automation		
	* Construction		
2	SORTEX N3 Polyvision Optical Sorter	1	
	* Optical Camera Detection System		
	* Feed System		
	* Ejection System		
	* Software & Display		
	* Automation		
	* Construction		
3	Commissioning	1	
	<b>Sub-Total</b>		<b>762.97</b>
4	Freight		14.51
<b>Total</b>			<b>777.47</b>

#### 5. Effluent Treatment Plant:

The raw effluent from process shall be separately collected in equalization tank after passing through screen chamber and oil and grease trap. The mixing in equalization tank shall be accomplished by an aeration grid. The supernatant effluent shall be taken to MBR system and then collected in treated water tank. From here 350 KLD effluent will be recycled back and rest 150 KLD effluent taken to RO plant. The permeate shall be recycled and reject shall be taken to MEE. The sludge from the bottom of clarifier shall be collected in sludge sump and finally pumped to sludge dewatering unit.

Additionally, a triple effect forced circulation multiple effect evaporator (MEE) system with an agitated thin film dryer will also be installed to ensure compliance with pollution norms.

(₹ in Lakhs)

S. No.	Particulars of Equipment	Quantity	Amount
1	ETP supply and installation including	1	250.00
	* Design ETP for 500 KLD followed by RO Plant for 150 KLD		
	* Fabrication & Supply		
	GST @ 18%		45.00

<b>Total</b>	<b>295.00</b>
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(₹ in Lakhs)

S. No.	Particulars of Equipment	Quantity	Amount
1	Design, Engineering, Manufacturing and supply of	1	180.00
	* Triple effect forced circulation Multiple Effect Evaporator System		
	* Pumps along with Motors		
	* Piping fittings and valves		
	* Instruments along with MCC with PID controller		
	* Insulation and cladding of all the equipment and piping		
	* Supply and routing of electrical and insulation cabling along with cable trays and junction box		
	* Mechanical erection of all equipment and piping fitting at site		
	* Agitated Thin Film Dryer (ATFD) system package fabricated equipment		
	GST @ 18%		32.40
<b>Total</b>			<b>212.40</b>

#### 6. AI Powered Air Sorter:

The AI Powered Air Sorter is installed on the washing line for sorting flattened (baled) Plastic rigid bottle sorting (PET) with mixed plastic polymer bottles (PET bales having impurities) before washing as input. The equipment is designed to handle flattened post-consumer rigid plastic waste articles of minimum 50 mm and maximum 300 mm any side.

(₹ in Lakhs)

S. No.	Particulars of Equipment	Quantity	Amount
1	SUKA AI Powered Air Sorter including	1	225.40
	* SUKA 2 Unit		
	* Valve Block		
	* Valve Block Positioning System		
	* Acceleration Belt + Separation Chamber		
	* Electrical Control Panels		
	* Daily Sorting Reports by Email		
2	Installation, Commissioning & Handholding	1	10.00
3	GST @ 18%		42.37
<b>Total</b>			<b>277.77</b>

#### 7. Lab Equipment:

The lab equipments mentioned below are required for maintaining quality as the line is a continuous operation line and to ensure all parameters are monitored and are maintained within range for a high quality output.

(₹ in Lakhs)

S. No.	Particulars of Equipment	Quantity	Amount
1	IVS200 - Automatic Viscometer incl Sample Dissolver & Pipette machine	1	17.44
2	GC-MS GC-F80 Mainframes Capillary Inlet FID Detector S900 MSD HS930(24 bit ) Fully automatic headspace sampler DB-5MS 30m*0.25mm*0.25um RB-PLOT Q 30m*0.53mm*20um Chromatographic Workstation(Mylab) SPH-300 Hydrogen generator SPB-3 Air generator SPN-300 Nitrogen generator Consumables and accessories Injection pad liner tube Quartz cotton lining tube 500g	1	117.42

	Graphite sealing kit		
	O-rings		
3	HPLC 5190 Quaternary Pump System	1	54.67
4	PR224 Analytical Balance	1	1.68
5	Hot air oven	1	2.22
6	Muffle Furnace	1	4.08
7	DM Water System	1	2.54
8	Thermal Analysis System	1	6.60
9	Hot Plate	1	0.23
10	Magnetic stirrer	1	0.21
11	Grinder for chips / flakes	1	0.80
12	Moisture Analyzer	1	2.95
13	Color Meter	1	23.18
14	YH2000 Balance	1	0.18
	GST @ 18%		42.16
<b>Total</b>			<b>276.37</b>

### 8. Diesel Generator Set:

As the plant is operational for 24 Hrs., a backup power source is essential to maintain continuity of operations.

(₹ in Lakhs)

S. No.	Particulars of Equipment	Quantity	Amount
1	1250 KVA KTA 50 G27	2	178.00
2	Standard Synchronization Panel for 2 x 1250 KVA SDG Operation	1	18.50
3	Cable Termination Box	1	1.70
	GST @ 18%		35.68
<b>Total</b>			<b>233.88</b>

### 9. Air Compressors:

Air compressors are used to provide pressurized air to all the major equipments viz. Washing Line, Bottle sorters, flake sorters, etc.

(₹ in Lakhs)

S. No.	Particulars of Equipment	Quantity	Amount
1	Air Compressor Fixed Speed	2	58.11
2	Air Compressor with inbuilt VFD	1	35.09
3	Refrigerated Air Dryer	3	22.05
4	Pre Filter	3	2.35
5	Fine Filter	3	2.35
6	Carbon Filter	3	2.35
	GST @ 18%		22.02
<b>Total</b>			<b>144.33</b>

### 10. Plastic Extrusion Machine:

Plastic extrusion machine is used to extrude HDPE waste to granules for use in various industries.

(₹ in Lakhs)

S. No.	Particulars of Equipment	Quantity	Amount
1	G500C Two Stage Vented Recycling Plant with Die Face Cutter	1	71.70
	GST @ 18%		12.91
<b>Total</b>			<b>84.61</b>

### 11. Color Sorter Machine:

Color sorter machine is an intelligent machine which can sort PP/PE, PET/non-PET, scrap metal, recycled glass and etc. These color sorters can detect and remove discolored materials, foreign materials, and defects such as stones, sticks, or damaged grains. This results in higher purity and quality of the final Plastic product, meeting consumer and market standards.

(₹ in Lakhs)

S. No.	Particulars of Equipment	Quantity	Amount
1	Meyer Plastic Color Sorter Machine with Standard Accessories	2	75.35
<b>Total</b>			<b>75.35</b>

## 12. Boiler:

Boiler is required in the plant during the manufacturing process.

(₹ in Lakhs)

S. No.	Particulars of Equipment	Quantity	Amount
1	Combloc Stationary Grate 2000 kg/hr Indian Coal/Wood/Briquette 10.54 kg/cm2(g)	1	34.39
2	ID fan for bag filter (IDB)	1	0.82
3	Opticlone (Low Pressure Drop Cyclomax) as Pollution Control Equipment along with ash collecting hopper and Rotary Air-Lock Valve (RAV)	1	2.68
	GST @ 18%		6.82
<b>Total</b>			<b>44.71</b>

## 13. Coal Handling Unit:

Coal handling unit is required to store and transport coal to the boiler in the plant

(₹ in Lakhs)

S. No.	Particulars of Equipment	Quantity	Amount
1	Grizzly Hopper	1	0.85
2	Feed Conveyor	1	4.86
3	Vibrating Screen	1	2.35
4	Hammer Crusher	1	2.73
5	Recycle Bucket Elevator	1	1.51
6	Main Bucket Elevator	1	3.51
7	MS Structure	1	1.74
8	Control Panel	1	0.85
9	Accessories	1	0.80
	GST @ 18%		3.46
<b>Total</b>			<b>22.66</b>

## 14. Insulation:

Insulation and aluminum sheet is required to insulate piping in the plant

(₹ in Lakhs)

S. No.	Particulars of Equipment	Quantity	Amount
1	Aluminum Sheet	3750 Kg	11.63
2	LRB 120 Density x 50 mm thick	2520 sq Mtr	11.34
3	LRB 120 Density x 75 mm thick	2500 Sq Mtr	16.26
	GST @ 18%		7.06
<b>Total</b>			<b>46.28</b>

## 15. Fork Lifts:

Fork lifts are required to lift and transport raw material and finished goods inside the plant. Our company estimates that 6 such fork lifts will be required at various areas.

(₹ in Lakhs)

S. No.	Particulars of Equipment	Quantity	Amount
1	ACE Diesel Forklift Truck	6	54.60
	GST @ 18%		9.83
<b>Total</b>			<b>64.43</b>

### 16. Tata Truck:

A truck (Make: Tata) will be required to transport finished goods to our customers.

(₹ in Lakhs)

S. No.	Particulars of Equipment	Quantity	Amount
1	Tata Truck	1	24.93
<b>Total</b>			<b>24.93</b>

### 17. Weigh Bridge:

A 60 ton weigh bridge will be required to regularly weigh both incoming and outgoing goods.

(₹ in Lakhs)

S. No.	Particulars of Equipment	Quantity	Amount
1	ZM510 WB J209A 9x3M 60T 6ALC With Guide Rails	1	17.33
2.	PC (i3), Laser Printer, Online UPS, WI-Base	1	1.35
	GST @ 18%		3.36
<b>Total</b>			<b>22.03</b>

### Water Requirement:

The total water requirement of the plant is 150 KLD which will be fulfilled via borewell and MP Government water connection.

### Safety Precautions:

The plant will have the following safety Precautions:

1. **Fire Extinguishers:**
  - Fire extinguishers at easily accessible locations.
  - Training to employees on how to use them during emergencies.
2. **Yellow Line Markings:**
  - Clearly marked yellow lines to separate pedestrian walkways and vehicle routes.
3. **Speed Breakers:**
  - Speed breakers in areas where factory vehicles operate to control their speed.
  - Visible signs to alert drivers of their presence.
4. **Separate Pathways:**
  - Separate pathways for workers and moving machinery to reduce the risk of collisions.
5. **Separate Parking Yard:**
  - Separate parking yard for vehicles to keep factory premises free from congestion.
  - Restricted vehicle entry into operational areas.
6. **Helmets:**
  - Helmets mandatory for workers in high-risk zones or areas with overhead work.
7. **Protective Shoes:**
  - Safety shoes to prevent injuries from falling objects, sharp tools, or slippery surfaces.
8. **Gloves for Labor:**
  - Gloves appropriate for the task, such as heat-resistant gloves for handling hot materials or cut-resistant gloves for sharp objects.

### Hazardous Chemicals, Waste And Risk Assessment:

Our factory will ensure safety with designated storage for hazardous chemicals, proper PPE, spill kits, and employee training. Hazardous waste will be segregated, labeled, and disposed of via certified agencies, with spill prevention systems in place. Risk assessments will be conducted regularly, supported by engineering controls, SOPs, and a robust emergency response plan.

### Implementation Schedule:

The proposed schedule of implementation as per the Detailed Project Report is as below:

Particulars	Estimated Commencement	Estimated Completion
Acquisition of Land	Advance Given	March 2025

Civil Work and Land Development	May 2025	December 2025
<b>Purchase of Plant and Machinery</b>		
-Placement of orders	June 2025	September 2025
-Arrival of Machinery	December 2025	June 2026
-Erection and Installation	January 2026	September 2026
<b>Power Connection</b>	December 2025	January 2026
<b>Trial Production</b>	September 2026	September 2026
<b>Commencement of commercial Production</b>	October 2026	

**Government and other approvals:**

Particulars	Authority	Status
Consent to Establishment	Madhya Pradesh Pollution Control Board	To be applied
Electricity Connection	Madhya Pradesh Electricity Board	To be applied
Factory License	Madhya Pradesh Labour Department	To be applied
Consent to Operate	Madhya Pradesh Pollution Control Board	To be applied
Place of Business in GST	GST Authority	To be applied

**2. REPAYMENT AND/OR PRE-PAYMENT OR REPAYMENT, IN FULL OR PART, OF CERTAIN OUTSTANDING BORROWINGS AVAILED BY OUR COMPANY:**

Our business is capital intensive and we avail majority of our fund based and non-fund-based facilities in the ordinary course of business from various banks and financial institutions. For further details of the loans availed by our Company, refer to section titled “Restated Financial Statement” beginning on page no. 191 of this Draft Red Herring Prospectus.

As of 31<sup>st</sup> December, 2024 our Company had a total outstanding indebtedness from banks amounting to ₹ 8,048.43 Lakhs. We propose to utilize ₹ [●] Lakhs from the Net Proceeds towards the repayment/prepayment of certain Secured term loans availed by our Company. The company has utilized the loan for the intended purpose for which it was obtained duly certified by SL Chajjed Associates, Chartered Accountant as per the certificate dated January 28<sup>th</sup> 2025. We believe that such repayment/ pre-payment will help reduce our outstanding indebtedness and improve our debt-equity ratio.

We believe that reducing our indebtedness will result in an enhanced equity base, assist us in maintaining a favorable debt-equity ratio in the near future and enable utilization of our accruals for further investment in business growth and expansion. In addition, we believe that the leverage capacity of our Company will improve significantly to raise further resources in the future to fund our potential business development opportunities and plans to grow and expand our business in the coming years.

The following table provides details of certain loans availed by our Company, which we may repay/ pre-pay, from the Net Proceeds, without any obligation to any particular bank. The company proposes to repay the Secured Loans of the company.

Particulars	
Name of the Lender	HDFC Bank Limited
Nature of Facility	Term Loans, Bank Guarantees and CC limit.
Security, if any	Refer Note 1a.
Initial date of sanction/ date of amount received	11 <sup>th</sup> December, 2024
Sanctioned amount (₹ In Lakhs)	₹ 11,229.00
Amount Outstanding (as on 31 <sup>st</sup> December, 2024) (₹ in Lakhs)	₹ 8,048.43
Rate of Interest (%)*	Repo Rate 6.5%+ Spread of 1.26% to 3%
Tenure (in Month)	
Purpose of raising the loan	Term Loans, Bank Guarantees and CC limit.
Prepayment Clause (if any) (%)	Refer Note 1b.

\*Rate of interest is different for different loan accounts. In case of external benchmark the Reference Rate shall be reset by the Bank once in three months or at such intervals as may be permissible under the RBI guidelines/regulations from time to time. In case of MCLR Reference Rate the applicable Bank's Reference Rate the applicable Bank's MCLR shall be reset by the Bank in accordance with the tenure/tenor frequency of the MCLR being [overnight]/[one-month]/[three-month]/[six-month]/[one-year] MCLR. The Borrower here by further agrees that the applicable interest rate shall change in accordance with every reset/change of the Reference Rate or change of the spread by the Bank.



## Secured Loan:

### Note: 1a

Security	Nature of Charge
Security-Primary	Stock, Industrial Property, Book Debts, FDR, Collateral
Security-Collateral	Plant & Machinery
Personal Guarantee of Promoters	Amit Gupta and Sumit Gupta

### Note: 1b

- **Prepayment/ Takeover Charges:**  
The Borrower shall give the bank a minimum of 30 days' prior notice to its intention to prepay or foreclose whole or part of the facility. The applicable prepayment or takeover charges shall be as follows:

#### Borrowers other than Micro and

- I. Term loan: 4% on outstanding principal amount under the facility/loan as on the date of the end of notice period.
- II. Facility other than term loan: 4% of the overall facility limit.

#### Borrowers classified as Micro and Small enterprises (MSE)

- I. Term Loan: 2% on outstanding principal amount under the facility/loan as on date of the end of the notice period, in case of takeover of the account by any other Bank/FI as takeover charges.
- II. Facility other than term loan: 2% of the overall facility limit, in case of takeover of the account by any other Bank/FI as takeover charges.
- III. Nil charges if the borrower is foreclosing or prepaying the facility/ties to reduce the business liabilities.

Bank hereby reserves the right to acquire or ask the documentary proof of source of funds for any prepayment/ foreclosure request of facilities and the borrower is bound to furnish the same forthwith upon Bank's demand.

The details of the indebtedness of the Company as on December 31<sup>st</sup>, 2024 is provided below:

(₹ in Lakhs)	
Nature of Borrowings	December 31 <sup>st</sup> , 2024
Secured Borrowings (fund and non-fund based)	8,048.43
<b>Total</b>	8,048.43

## Secured

(₹ in Lakhs)

Name of Lender	Purpose	Amount Outstanding as on 31.12.2024 (In Lakhs)	Rate of Interest*	Tenor / Valid up to
HDFC Bank Ltd TL A/c 83697371/8989518	Taken for setting up the new plant	686.63	Repo rate 6.5%+2.25%	Payable in 84 instalments up to 07/05/2026
HDFC Bank Ltd TL A/c 84106006/8989586	Taken for setting up the new plant	198.91	Repo rate 6.5%+2.25%	Payable in 88 instalments up to 07/02/2027
HDFC GECL Loan A/c 452669177	GECL loan during Covid-19 for working capital assistance	721.36	Repo rate 6.5%+2.25%	Payable in 63 instalments up to 07/06/2027
HDFC DG -1 Loan A/c No 87258943	Taken for New DG	25.40	Repo rate 6.5%+1.26%	Payable in 48 instalments up to 20/11/2026
HDFC DG-2 Loan A/c No 87258971	Taken for New DG	25.40	Repo rate 6.5%+1.26%	Payable in 48 instalments up to 20/11/2026

Name of Lender	Purpose	Amount Outstanding as on 31.12.2024 (In Lakhs)	Rate of Interest*	Tenor / Valid up to
HDFC DG Panel Loan A/c No 87258774	Taken for New DG Panel	7.14	Repo rate 6.5%+1.26%	Payable in 48 instalments up to 20/11/2026
HDFC TL A/c No 87548281	Taken for Up gradation of Washline	134.53	Repo rate 6.5%+2.25%	Payable in 61 instalments up to 07/03/2028
HDFC TL A/c-88864821	Taken for Solar Plant	158.63	Repo rate 6.5%+3%	Payable in 60 instalments up to 07/12/2030
HDFC TL A/c-89704391 (BBG-WC)	Taken for Capital Expenditure for Office at Mandideep and Addition in Fixed Assets	776.23	Repo rate 6.5%+3%	Payable in 48 instalments up to 07/12/2029
BCPL HDFC Forklift Loan-85233345	Forklift Loan	1000.00	Repo rate 6.5%+3%	Payable in 48 instalments up to 20/03/2025
BCPL HDFC Forklift Loan-85329856	Forklift Loan	0.61	Repo rate 6.5%+3%	Payable in 48 instalments up to 20/03/2025
BCPL HDFC Forklift Loan-85343192	Forklift Loan	0.61	Repo rate 6.5%+3%	Payable in 48 instalments up to 01/04/2025
BCPL HDFC Forklift Loan-85343199	Forklift Loan	1.44	Repo rate 6.5%+3%	Payable in 48 instalments up to 01/04/2025
BCPL HDFC Forklift Loan-85382549	Forklift Loan	1.44	Repo rate 6.5%+3%	Payable in 48 instalments up to 15/04/2025
BCPL HDFC Forklift Loan-85890726	Forklift Loan	0.80	Repo rate 6.5%+3%	Payable in 48 instalments up to 20/10/2025
BCPL HDFC Tractor Loan-86117595	Tractor Loan	1.67	Repo rate 6.5%+3%	Payable in 36 instalments up to 01/01/2025
BCPL HDFC Forklift Loan-85890741	Forklift Loan	0.25	Repo rate 6.5%+3%	Payable in 48 instalments up to 20/10/2025
BCPL HDFC Forklift Loan-85890741	Forklift Loan	1.66	Repo rate 6.5%+3%	Payable in 48 instalments up to 20/10/2025
HDFC Bank Ltd	CC Limit	4305.72		-
<b>Total</b>		<b>8048.43</b>		

\*Rate of interest is different for different loan accounts. In case of external benchmark the Reference Rate shall be reset by the Bank once in three months or at such intervals as may be permissible under the RBI guidelines/regulations from time to time. In case of MCLR Reference Rate the applicable Bank's Reference Rate the applicable Bank's MCLR shall be reset by the Bank in accordance with the tenure/tenor frequency of the MCLR being [overnight]/[one-month]/[three-month]/[six-month]/[one-year] MCLR. The Borrower here by further agrees that the applicable interest rate shall change in accordance with every reset/change of the Reference Rate or change of the spread by the Bank.

### 3. GENERAL CORPORATE PURPOSE:

Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. We intend to deploy ₹ [●] Lakh towards the general corporate purposes to drive our business growth. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purpose subject to above mentioned limit, as may be approved by our management, including but not restricted to, the following:

1. Funding growth opportunities;
2. Strengthening of marketing activities and Products of the Our Company in domestic and International market;
3. Meeting expenses incurred by our Company in the ordinary course of business or other uses or contingencies;
4. Capital expenditure, including towards expansion/development/refurbishment/renovation of our assets;
5. On-going general corporate exigencies or any other purposes as approved by the Board subject to compliance with the necessary regulatory provisions.

The quantum of utilization of funds towards each of the above purposes will be determined by our Board of Directors based on the permissible amount actually available under the head “General Corporate Purposes” and the business requirements of our Company, from time to time. We, in accordance with the policies of our Board, will have flexibility in utilizing the Net Proceeds for general corporate purposes, as mentioned above in any permissible manner. We confirm that any issue related expenses shall not be considered as a part of General Corporate Purpose.

Further, we confirm that the amount for general corporate purposes, as mentioned in this Draft Red Herring Prospectus, shall not exceed 25% of the amount raised by our Company through this Issue.

#### 4. PUBLIC ISSUE RELATED EXPENSES:

The total expenses of the Issue are estimated to be approximately ₹ [●] Lakhs. The expenses of this include, among others, underwriting and management fees, printing and distribution expenses, advertisement expenses, legal fees and listing fees. The estimated Issue expenses are as follows:

Expenses	Expenses (Rs. in Lakh)	Expenses (% of total Issue expenses)	Expenses (% of Gross Issue Proceeds)
Book Running Lead Manger Fees	[●]	[●]	[●]
Fees Payable to Registrar to the Issue	[●]	[●]	[●]
Fees Payable Advertising and Printing Expenses	[●]	[●]	[●]
Fees Payable to Regulators including Stock Exchanges and other Intermediaries	[●]	[●]	[●]
Fees payable to Peer Review Auditor and Legal Advisor	[●]	[●]	[●]
Fees Payable to Market Maker (for One Year)	[●]	[●]	[●]
Escrow Bank Fees	[●]	[●]	[●]
Others (Fees payable for marketing & distributing expenses, selling commission, brokerage, processing fees, underwriting fees and miscellaneous expenses)	[●]	[●]	[●]
<b>Total Estimated Issue Expenses</b>	<b>[●]</b>	<b>[●]</b>	<b>[●]</b>

#### Notes:

1. SCSBs will be entitled to a processing fee of ₹ 10/- per Application Form for processing of the Application Forms only for the Successful Allotments procured by other Application Collecting Intermediary and submitted to them;
2. Selling commission payable to Registered Broker, SCSBs, RTAs, CDPs on the portion directly procured from Retail Individual Investors and Non-Institutional Investors, would be 0.01% on the Allotment Amount;
3. No additional uploading/processing charges shall be payable to the SCSBs on the applications directly procured by them;
4. Notwithstanding anything contained above the total processing / uploading / bidding charges under above clauses payable to Syndicate/ Sub Syndicate members, SCSBs, RTAs, CDPs, Registered Brokers, Sponsor Bank will not exceed ₹50,000/- (plus applicable taxes) and in case if the total uploading / bidding charges exceeds ₹50,000/- (plus applicable taxes) then uploading charges will be paid on pro-rata basis except the fee payable to respective Sponsor Bank.
5. The processing fees for applications made by Retail Individual Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02nd, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16th, 2021 and SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20th, 2022;
6. Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price.

#### SCHEDULE OF IMPLEMENTATION AND DEPLOYMENT OF FUNDS

We propose to deploy the Net Proceeds for the aforesaid purposes in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below:

S. No.	Particulars	Total Estimated Cost	Amount to be funded from the Net Issue Proceeds (Rs. in Lakhs)	Amount already deployed (Rs. in Lakhs)	Estimated Utilization of Net Proceeds (Rs. in Lakhs) upto Financial year (2025-26)*	Estimated Utilization of Net Proceeds (Rs. in Lakhs) upto Financial year (2026-27)*
1.	Construction of Factory Building and Purchase of Plant and Machinery	17,883.16	11,220.00	435.00	11,220.00	-
2.	Repayment and/or pre-payment or repayment, in full or part, of certain outstanding borrowings availed by our Company**	[●]	[●]	[●]	[●]	[●]
3.	General Corporate Purpose**	[●]	[●]	[●]	[●]	[●]
4.	Public Issue Related Expenses**	[●]	[●]	[●]	[●]	[●]
	<b>Total</b>	[●]	[●]	[●]	[●]	[●]

\*To the extent our Company is unable to utilize any portion of the Net Proceeds towards the Object, as per the estimated schedule of deployment specified above; our Company shall deploy the Net issue Proceeds in the subsequent Financial Years towards the Object.

\*\*To be finalised upon determination of the Issue Price and updated in the Prospectus prior to filing with the RoC. The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds of the Fresh Issue.

#### APPRAISAL REPORT

None of the objects for which the Issue Proceeds will be utilized have been financially appraised by any financial institutions/ banks.

#### BRIDGE FINANCING

We have not entered into any bridge finance arrangements that will be repaid from the Net Issue Proceeds. However, we may draw down such amounts, as may be required, from an overdraft arrangement / cash credit facility with our lenders, to finance the existing ongoing project facility requirements until the completion of the Issue. Any amount that is drawn down from the overdraft arrangement / cash credit facility during this period to finance our existing/ongoing projects will be repaid from the Net Proceeds of the Issue.

#### INTERIM USE OF FUNDS

Pending utilization of the Issue Proceeds for the Objects of the Issue described above, our Company shall deposit the funds only in Scheduled Commercial Banks included in the Second Schedule of Reserve Bank of India Act, 1934.

In accordance with Section 27 of the Companies Act, 2013, our Company confirms that, pending utilization of the proceeds of the Issue as described above, it shall not use the funds from the Issue Proceeds for any investment in equity and/or real estate products and/or equity linked and/or real estate linked products.

#### COLLABORATIONS / TIE-UPS/JOINT VENTURES

As on the date of this Draft Red Herring Prospectus our company does not have any collaborations and joint ventures except a tie-up in the form of a non-competing job work agreement with one of our group company i.e. Badri Ecofibers Private Limited agreement dated 01<sup>st</sup> July, 2024 to supply 95% percent of its total production to our company, the remaining 5% is left for the company to meet its export obligation under EPCG scheme.

#### UTILIZATION OF FUNDS

In accordance with Regulation 262 of the SEBI ICDR Regulations, our Company may appoint [●] as the monitoring agency ("Monitoring Agency") to monitor the utilisation of the Net Proceeds. Our Company undertakes to place the Net Proceeds in a separate bank account which shall be monitored by the Monitoring Agency for utilisation of the Net Proceeds. Our Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee without any

delay and in accordance with the applicable laws. Our Company will disclose the utilisation of the Net Proceeds, including interim use under a separate head in its balance sheet for such financial year/periods as required under the SEBI ICDR Regulations, the SEBI Listing Regulations and any other applicable laws or regulations, specifying the purposes for which the Net Proceeds have been utilised. Our Company will also, in its balance sheet for the applicable financial year, provide details, if any, in relation to all such Net Proceeds that have not been utilised, if any, of such currently unutilised Net Proceeds.

The reports of the monitoring agency on the utilization of the Net Proceeds shall indicate the deployment of the Net Proceeds under the following heads:

1. Construction of Factory Building and Purchase of Plant and Machinery;
2. Repayment and/or pre-payment or repayment, in full or part, of certain outstanding borrowings availed by our Company;
3. General Corporate Purpose;
4. Public Issue Related Expenses.

Pursuant to Regulation 32(3) of the SEBI Listing Regulations, our Company shall, on a half-yearly basis, disclose to the Audit Committee the uses and applications of the Net Proceeds. On an annual basis, our Company shall prepare a statement of funds utilised for purposes other than those stated in the Draft Red Herring Prospectus and place it before the Audit Committee and make other disclosures as may be required until such time as the Net Proceeds remain unutilised. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statutory auditor of our Company will also provide report/ certificate on the utilization of the Net Proceeds to the monitoring agency. Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilisation of the proceeds of the Fresh Issue from the Objects; and (ii) details of category wise variations in the actual utilisation of the proceeds of the Fresh Issue from the objects of the Fresh Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results and explanation for such variation (if any) will be included in our Directors' report, after placing the same before the Audit Committee.

#### **VARIATION IN OBJECTS**

In accordance with Section 13(8) and Section 27 of the Companies Act, 2013 and applicable rules, our Company shall not vary the objects of the Issue without our Company being authorized to do so by the Shareholders by way of a special resolution through postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (the "Postal Ballot Notice") shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in the vernacular language of the jurisdiction where the Registered Office is situated. Our Promoters or controlling Shareholders will be required to provide an exit opportunity to such Shareholders who do not agree to the proposal to vary the objects, at such price, and in such manner, as may be prescribed by SEBI, in this regard.

#### **OTHER CONFIRMATIONS**

No part of the proceeds of the Issue will be paid by us to the Promoters and Promoter Group, the Directors, Associates, Key Management Personnel or Group Companies except in the normal course of business and in compliance with the applicable Law.

## 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 “**Business Overview**” and its financial statements under the section titled “**Financial Information of the Company**” beginning on page 20,134 and 191 respectively of the Draft 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.

The Issue Price will be determined by our Company in consultation with the BRLM on the basis of the quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹ 10.00 each and the Issue Price is ₹ [●] times of the face value.

### QUALITATIVE FACTORS

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

- Long standing relationships with diversified customers across geographies.
- In-house manufacturing facility with equipped machines and processes.
- Focus on Quality, Environment, Health and Safety.
- Stable and consistent financial performance.
- Experienced Promoters and Senior Management with extensive domain knowledge.

For a detailed discussion on the qualitative factors which form the basis for computing the price, please refer to sections titled “*Business Overview*” beginning on page 134 of this Draft Red Herring Prospectus.

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 no. 191 of this Draft Red Herring Prospectus.

### QUANTITATIVE FACTORS

Some of the information presented below relating to our Company is based on the Restated Financial Information prepared in accordance with the SEBI ICDR Regulations. For details, see ‘Restated Financial Information’ on page no. 191.

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 ₹ 10 each):

As per the Restated Financial Statements:

Sr. No.	Period	Basic & Diluted (₹)**	Weights
1	Financial Year ending March 31, 2024	3.39	3
2	Financial Year ending March 31, 2023	(3.88)	2
3	Financial Year ending March 31, 2022	(2.08)	1
<b>Weighted Average</b>		<b>(3.33)</b>	<b>6</b>
Financial period from April 01, 2024 to December 31 <sup>st</sup> , 2024		10.50	

\*Not Annualized.

\*\*Basic and diluted EPS is calculated after taking the effect of bonus issue in the ratio of 2:1 allotted on 18th January, 2025.

#### Notes:

- The figures disclosed above are based on the restated financial statements of the Company.
- Face Value of Equity Share is ₹ 10/-
- Earnings per Share has been calculated in accordance with Accounting Standard 20 “Earnings per Share” issued by the Institute of Chartered Accountants of India.
- Basic Earnings per Equity Share (₹) & Diluted Earnings per Equity Share (₹) = Restated Consolidated profit for the period/year divided by Weighted average number of equity shares outstanding during the period/year (Post Bonus).
- Weighted Average = Aggregate of year wise weighted EPS divided by the aggregate of weights i.e. (EPS x weight) for each year / Total weights

#### 2. Price Earning (P/E) Ratio in relation to the Price Band of ₹ [●] /- to ₹ [●] /- 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 Financial Year 2023-24	[●]	[●]
P/E ratio based on the Weighted Average EPS, as restated.	[●]	[●]

\* To be updated in the Red Herring Prospectus.

Industry P/E Ratio*	(P/E) Ratio
Highest	71.40
Lowest	11.67
<b>Industry Average</b>	<b>41.54</b>

\*For the purpose of industry, we have considered those companies which are engaged in the similar line of business segment as of our Company, however, they may not be exactly comparable in terms of product portfolio or the size of our Company. The peers have been included for the purpose of broad comparison.

\*The industry high and low has been considered from the industry peer set. The industry Average has been calculated as the arithmetic average P/E of the industry peer set disclosed in this section.

**Note:**

- i) P/E Ratio of the peer company is based on the EPS as mentioned in the Annual Reports for the F.Y. 2023-24 and market price on the respective stock exchange dated 03/01/2025.

**3. Return on Net worth (RoNW)**

Sr. No	Period	RONW (%)	Weights
1.	Year ending March 31, 2024	(267.92%)	3
2.	Year ending March 31, 2023	(106.59%)	2
3.	Year ending March 31, 2022	(238.17%)	1
	<b>Weighted Average</b>	<b>(209.18%)</b>	<b>6</b>
	Half year ended on December 31 <sup>st</sup> , 2024	<b>143.86%*</b>	

\*Not Annualized

**Notes:**

- The figures disclosed above are based on the Restated Financial Statements of the Company.
- The RoNW has been computed by dividing restated net profit after tax with restated Average Net worth as at the end of the year/period
- Average Networth= (Opening Net worth+ Closing Net worth)/2
- 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	-1700.81
2.	As at March 31, 2023	-5582.13
3.	As at March 31, 2024	69.09
4.	Financial Period from April 2024 to December 2024.	12.46
	After the completion of issue:	
4.	NAV per Equity Share at the Floor Price	[●]
5.	NAV per Equity Share at the Cap Price	[●]
6.	Issue Price	[●]

\*The above NAV has been calculated based on weighted number of shares outstanding at the end of the respective Year/period (Post split and Bonus).

\*\*Weighted number of shares have been calculated after giving the effect of Bonus issue in the ratio of 2:1 on 18<sup>th</sup> January, 2025.

**Notes:**

- NAV per share = Restated Net worth at the end of the year/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.
- 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

(₹ In lakhs)

Name of Company	Current Market Price (₹)	Face Value	EPS		PE	RONW (%)	NAV per share (₹)	Total Income
			Basic	Diluted				(₹ In lakhs)
Badri Cotsyn Limited	[●]	10	3.39 <sup>(ii)</sup>	3.39 <sup>(ii)</sup>	[●]	(267.92) <sup>(ii)</sup>	69.09 <sup>(ii)</sup>	20,077.52
<b>Peer Group</b>								
Ganesha Ecosphere Limited	1,992	10	27.90 <sup>(iii)</sup>	27.90 <sup>(iii)</sup>	71.40	5.74 <sup>(iii)</sup>	429.80 <sup>(ii)</sup>	1,00,109.75
Divyadhan Recycling Industries Limited	72.5	10	6.21 <sup>(iii)</sup>	6.21 <sup>(iii)</sup>	11.67	2.37 <sup>(iii)</sup>	24.19 <sup>(iii)</sup>	5,913.22

### Notes:

- (i) Source – All the financial information for listed industry peers mentioned above is sourced from the published results of the aforesaid companies for the period ended March 31, 2024 and stock exchange data dated 13/01/2025 to compute the corresponding financial ratios. For our Company, we have taken Current Market Price as the issue price of equity share. Further, P/E Ratio is based on the current market price and EPS as on 31<sup>st</sup> March 2024 of the respective scrips.
- (ii) The EPS, NAV, RoNW and total Income of our Company are calculated based on the numbers of Restated Financial Statements for the Financial Year 2023-24.
- (iii) The EPS, NAV, RoNW and total Income of our Company are calculated based on the numbers of Audited Financial Statements for the Financial Year 2023-24.
- (iv) RoNW has been computed as NAV per share is computed as the Average net worth divided by the weighted average number of paid up equity shares as on March 31, 2024.
- (v) Net profit after tax divided by closing net worth.
- (vi) Net worth has been computed in the manner as specifies in Regulation 2(1) (hh) of SEBI (ICDR) Regulations, 2018.
- (vii) The face value of Equity Shares of our Company is ₹ 10/- per Equity Share and the Issue price is [●] times of 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 January 28<sup>th</sup>, 2025 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 the Red Herring Draft Red Herring Prospectus. Further, the KPIs herein have been certified by S.L. Chhajed & Co. LLP, Chartered Accountants, by their certificate dated January 28<sup>th</sup>, 2025

The KPIs of our Company have been disclosed in the sections titled “Business Overview” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations – Key Performance Indicators” on pages 134 and 195, respectively. We have described and defined the KPIs as applicable in “Definitions and Abbreviations” on page 2.

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

(₹ In Lakhs except percentages and ratios)

Particulars	For the period ended December 31 <sup>st</sup> 2024	For the year ended		
		March 31, 2024	March 31, 2023	March 31, 2022
Revenue from operations <sup>(1)</sup>	28,029.94	20,039.86	22,516.91	17,776.94
Growth in Revenue from Operations (%) <sup>(2)*</sup>	86.50	-11.00	26.66	6976.53
EBITDA <sup>(3)</sup>	2,640.66	1,819.19	1,413.29	775.14
EBITDA (%) Margin <sup>(4)</sup>	9.42	9.08	6.28	4.36
PAT <sup>(5)</sup>	1,443.66	353.53	(388.13)	(208.69)
PAT Margin (%) <sup>(6)</sup>	5.15	1.76	-1.72	-1.17
Net Debt <sup>(7)</sup>	11,793.29	8,337.61	8,130.64	8,201.00
Total Share Holder's Fund <sup>(8)</sup>	1,712.67	294.31	(558.21)	(170.08)
Average Share Holder's Fund <sup>(9)</sup>	1,003.49	(131.95)	(364.15)	(87.62)
ROE(%) <sup>(10)</sup>	143.86	(267.92)	(106.59)	(238.17)
Capital employed <sup>(11)</sup>	13,654.87	8,706.28	7,406.63	7,362.14
Average Capital Employed <sup>(12)</sup>	11,180.57	8,056.46	7,384.39	3,681.11
ROCE(%) <sup>(13)</sup>	18.64	6.24	7.05	10.07
EPS <sup>(14)</sup>	10.50	3.39	(3.88)	(2.08)
NAV <sup>(15)</sup>	12.46	69.09	(5,582.13)	(1,700.81)

**Note:**

- (1) Revenue from operation means revenue from sales;
  - (2) Growth in Revenue from Operations (%) is calculated as Revenue from Operations of the relevant period minus Revenue from Operations of the preceding period, divided by Revenue from Operations of the preceding period;
  - (3) EBITDA is calculated as Profit before tax + Depreciation + Finance Cost;
  - (4) EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations;
  - (5) PAT is calculated as Profit before tax – Taxes;
  - (6) PAT Margin is calculated as PAT for the period/year divided by revenue from operations.
  - (7) Net debt = Non-current borrowing + current borrowing - Cash and cash equivalent, Bank balance.
  - (8) Total shareholder's Fund = Equity share capital + Reserves & Surplus +/- Minority Interest.
  - (9) Average Share Holder's Fund: Opening Total Share Holder's Fund + Closing Total Share Holder's Fund / 2.
  - (10) ROE = Net profit after tax / Average Share Holder's Fund.
  - (11) Capital Employed = Total Equity + Non-current borrowing + Current Borrowing + Deferred Tax liabilities - Deferred Tax Assets – Intangible Assets.
  - (12) Average Capital Employed = Opening Capital Employed + Closing Capital Employed / 2.
  - (13) ROCE = Profit before tax and finance cost / Average Capital Employed.
  - (14) EPS = Net Profit after tax, as restated, attributable to equity shareholders / weighted average number of equity shares outstanding during the year after considering bonus shares.
  - (15) NAV = Total shareholder's Fund / weighted average number of equity shares outstanding during the year.
  - (16) The above has been computed on the basis of the Restated Consolidated Financial Statements of the Company.
- \*The growth rate is calculated based on the annualized turnover.

**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.
Net Debt	It denotes the net borrowings which the company has to meet by after deducting the liquid assets.
Return on Equity (ROE)	Return on equity (ROE) shows how well a company generates profit from shareholders' equity

Return on Capital Employed ( ROCE)	Return on Capital Employed (ROCE) is a financial ratio that measures a company's profitability and the efficiency with which its capital is employed.
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Set forth below are the details of comparison of key performance of indicators with our listed industry peer:

(₹ In Lakhs except percentages and ratios)

Particulars	Ganeshha Ecosphere Limited			Divyadhan Recycling Industries Limited		
	Mar-24	Mar-23	Mar-22	Mar-24	Mar-23	Mar-22
Revenue from operations <sup>(1)</sup>	97,534.03	1,13,285.92	1,02,235.46	5,612.99	5,733.83	5,777.70
Growth in Revenue from Operations (%) <sup>(2)*</sup>	(13.90)	10.81	36.11	(2.11)	(0.76)	39.60
EBITDA <sup>(3)</sup>	12549.81	14,028.45	12,886.60	554.12	509.87	264.82
EBITDA (%) Margin <sup>(4)</sup>	12.87%	12.38%	12.60%	9.87%	8.89%	4.58%
PAT <sup>(5)</sup>	6,247.53	7,331.93	6,954.65	306.72	208.19	40.62
PAT Margin (%) <sup>(6)</sup>	6.41	6.47	6.80	5.46	3.63	0.70
Net Debt <sup>(7)</sup>	(24559.63)	(49924.09)	(13729.77)	406.14	544.9	798.43
Total Share Holder's Fund <sup>(8)</sup>	1,08,915.22	65,335.13	58,403.71	1,273.62	766.90	558.70
Average Share Holder's Fund <sup>(9)</sup>	87,125.18	61,869.42	58,403.71	1,020.26	662.80	539.29
ROE (%) <sup>(10)</sup>	7.17	(11.85)	(11.91)	30.06	(31.41)	(7.53)
Capital employed <sup>(11)</sup>	111059.57	82809.53	74051.58	1906.59	1315.71	1364.56
Average Capital Employed <sup>(12)</sup>	116280.115	96934.55	78430.555	1611.15	1340.135	1461.81
ROCE (%) <sup>(13)</sup>	10.20%	14.44%	14.57%	7.68%	26.68%	9.01%
EPS <sup>(14)</sup>	27.90	33.59	31.86	6.21	4.24	0.83
NAV <sup>(15)</sup>	429.80	299.30	267.55	24.19	15.34	11.17

**Note:**

- (1) Revenue from operation means revenue from sales;
  - (2) Growth in Revenue from Operations (%) is calculated as Revenue from Operations of the relevant period minus Revenue from Operations of the preceding period, divided by Revenue from Operations of the preceding period;
  - (3) EBITDA is calculated as Profit before tax + Depreciation + Finance Cost;
  - (4) EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations;
  - (5) PAT is calculated as Profit before tax – Taxes;
  - (6) PAT Margin is calculated as PAT for the period/year divided by revenue from operations.
  - (7) Net debt = Non-current borrowing + current borrowing - Cash and cash equivalent, Bank balance.
  - (8) Total shareholder's Fund = Equity share capital + Reserves & Surplus +/- Minority Interest.
  - (9) Average Share Holder's Fund: Opening Total Share Holder's Fund + Closing Total Share Holder's Fund / 2.
  - (10) ROE = Net profit after tax / Average Share Holder's Fund.
  - (11) Capital Employed = Total Equity + Non-current borrowing + Current Borrowing + Deferred Tax liabilities - Deferred Tax Assets – Intangible Assets.
  - (12) Average Capital Employed = Opening Capital Employed + Closing Capital Employed / 2.
  - (13) ROCE = Profit before tax and finance cost / Average Capital Employed.
  - (14) EPS = Net Profit after tax, as restated, attributable to equity shareholders / weighted average number of equity shares outstanding during the year after considering bonus shares.
  - (15) NAV = Total shareholder's Fund / weighted average number of equity shares outstanding during the year after considering bonus shares.
  - (16) The above has been computed on the basis of the Restated Consolidated Financial Statements of the Company.
- \*The growth rate is calculated based on the annualized turnover.

**Weighted average cost of acquisition**

**a) The price per share of our Company based on the primary/ new issue of shares (equity/ convertible securities).**

There has been a issuance of Equity Shares other than Equity Shares issued pursuant to a bonus issue on January 18<sup>th</sup> 2025 during the 18 months preceding the date of the Draft Red Herring Prospectus, where such issuance is equal to or more than 5% of the fully diluted paid-up share capital of the Company (calculated based on the pre-issue capital before such transaction(s) and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of 30 days.

**Primary Transaction:**

Except as disclosed below, there have been no primary transactions in the last three years preceding the date of this Draft Red Herring Prospectus:

Date of Allotment	No. of equity shares allotted	Issue price per equity share (₹)	Nature of allotment	Nature of consideration	Total Consideration (in ₹ lakhs)
28/02/2024	49,90,000	10	Fresh Issue	Cash	4,99,00,000
18/01/2025	1,00,00,000	-	Bonus	Reserves and Surplus	10,00,00,000

Note:

1. The Company issued and allotted 1,00,00,000 bonus shares on January 18<sup>th</sup>, 2025 in the ratio of 2:1, i.e 2 Equity Shares for every 1 Equity Share held.

**b) The price per share of our Company based on the secondary sale/ acquisition of shares (equity shares)**

There have been no secondary sale/ acquisitions of Equity Shares, where the promoters, members of the promoter group or shareholder(s) having the right to nominate director(s) in the board of directors of the Company are a party to the transaction (excluding gifts of shares), during the 18 months preceding the date of this certificate, where either acquisition or sale is equal to or more than 5% of the fully diluted paid up share capital of the Company (calculated based on the pre-issue capital before such transaction/s and excluding employee stock options granted but not vested), in a single transaction or multiple transactions combined together over a span of rolling 30 days.

c) Except as disclosed below, there were no such other primary issuances / secondary transactions except as provided in 8 (a) and (b) to be informed under this section based on last 5 primary or secondary transactions (secondary transactions where Promoter / Promoter Group entities or shareholder(s) having the right to nominate director(s) in the Board of our Company, are a party to the transaction, in the last three years preceding the date of this Draft Red Herring Prospectus irrespective of the size of transactions.

**Secondary Transactions:**

Except as disclosed below, there have been no secondary transactions by the Promoters, members of the Promoter Group or shareholder(s) having the right to nominate director(s) in the Board of Directors of our Company are a party to the transaction, in the last three years preceding the date of this Draft Red Herring Prospectus:

Date of transfer	Name of transferor	Name of transferee	No. of Equity shares	Price Per Equity Share	Nature of transaction	Total Consideration (in ₹ lakhs)
February 20 <sup>th</sup> 2024	Lakhanlal Gupta	Amit Gupta	1,500	10	Transfer for cash	15,000
February 20 <sup>th</sup> 2024	Badri Ecofibres Private Limited	Sumit Gupta	1,500	10	Transfer for cash	15,000
September 20 <sup>th</sup> 2024	Amit Gupta	Lakhanlal Gupta	1	10	Transfer for cash	0.00
September 20 <sup>th</sup> 2024	Amit Gupta	Sarla Gupta	1	10	Transfer for cash	0.00
September 20 <sup>th</sup> 2024	Sumit Gupta	Deepika Gupta	1	10	Transfer for cash	0.00
September 20 <sup>th</sup> 2024	Sumit Gupta	Nainsi Gupta	1	10	Transfer for cash	0.00
September 20 <sup>th</sup> 2024	Sumit Gupta	Nitin Agrawal	1	10	Transfer for cash	0.00

d) The Weighted average cost of acquisition (WACA) compared to floor price and cap price.

Types of transactions	Weighted average cost of acquisition (₹ per Equity Shares)	Floor price* (i.e. ₹ [●])	Cap price* (i.e. ₹ [●])
WACA of primary issuance as per 8(a) above	10	[●]	[●]
WACA for secondary sale / acquisition (exceeding 5% of the pre issue capital) as per 8(b) above	10	[●]	[●]

WACA for primary issuance / secondary sale or acquisition of shares as per 8(c) above	10	[•]	[•]
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**Note:**

**\*To be included at Prospectus Stage.**

This is a Book Built Issue and the price band for the same shall be published 2 working days before opening of the Issue in all editions of the English national newspaper, all editions of Hindi national newspaper and Regional newspaper where the registered office of the company is situated each with wide circulation.

The Price Band/ Floor Price/ Issue Price shall be determined by our Company in consultation with the BRLM and will be justified by us in consultation with the BRLM on the basis of the above information. Investors should read the above mentioned information along with “*Business Overview*”, “*Risk Factors*” and “*Restated Financial Statements*” on pages no. 134, 20 and 191 respectively, to have a more informed view. The trading price of the Equity Shares of our Company could decline due to the factors mentioned in “*Risk Factors*” or any other factors that may arise in the future and you may lose all or part of your investments.



## STATEMENT OF POSSIBLE TAX BENEFITS

To,  
The Board of Directors,  
BADRI COTSYN LIMITED  
Plot No 33, New Industrial Area-II Ward No 14,  
Tehsil Goharganj, Mandideep, Huzur,  
Madhya Pradesh, India, 462046

Dear Sir,

**Sub: Statement of possible Special tax benefit ('the Statement') available to Badri Cotsyn Limited ("The Company") (Previously known as Badri Cotsyn Private Limited) and its shareholders prepared in accordance with the requirements under Schedule VI-Clause 9L of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended (the 'Regulations').**

We hereby confirm that the enclosed annexure's 1 and 2, prepared by "Badri Cotsyn Limited" ("the Company") states the possible special tax benefits available to the Company and the shareholders of the Company under the Income – tax Act, 1961 ('Act') as amended time to time, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the State Goods and Services Tax Act as passed by respective State Governments from where the Company operates and applicable to the Company, the Customs Act, 1962 and the Foreign Trade Policy 2015-2020, as amended by the Finance Act, 2023, i.e., applicable for the Financial Year 2023-24 relevant to the assessment year 2024-25, presently in force in India for inclusion in the Draft Red Herring Prospectus ("DRHP") / Red Herring Prospectus ("RHP") / Prospectus for the proposed public offer of equity shares, as required under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations").

Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the company may or may not choose to fulfill.

The benefits discussed in the enclosed Annexure's 1 and 2 cover only special tax benefits available to the Company and its Shareholders and do not cover any general tax benefits. Further, these benefits are neither exhaustive nor conclusive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that this statement is only intended to provide general information to the investors and hence is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue. We are neither suggesting nor are we advising the investor to invest money or not to invest money based on this statement.

Our views are based on the existing provisions of the Act and its interpretations, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. Any such change, which could also be retroactive, could have an effect on the validity of our views stated herein. We assume no obligation to update this statement on any events subsequent to its issue, which may have a material effect on the discussions herein.

**We do not express any opinion or provide any assurance as to whether:**

- the Company or its Shareholders will continue to obtain these benefits in future;
- the conditions prescribed for availing the benefits, where applicable have been/would be met;
- The revenue authorities/courts will concur with the views expressed herein.

**We hereby give our consent to include the enclosed statement regarding the tax benefits available to the Company and to its shareholders in the DRHP for the proposed public offer of equity shares which the Company intends to submit to the Securities and Exchange Board of India provided that the below statement of limitation is included in the offer document.**

### Limitations

*Our views expressed in the statement enclosed are based on the facts and assumptions indicated above. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and the interpretation of the existing tax laws in force in India and its interpretation, which are*

*subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. Reliance on the statement is on the express understanding that we do not assume responsibility towards the investors who may or may not invest in the proposed issue relying on the statement.*

The enclosed Annexure's 1 and 2 are intended solely for your information and for inclusion in the Draft Red Herring Prospectus / Red Herring Prospectus/ Prospectus or any other issue related material in connection with the proposed issue of equity shares and is not to be used, referred to or distributed for any other purpose without our prior written consent.

The certificate is issued solely for the limited purpose to comply with Indian (ICDR Regulations). Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in jurisdictions outside India (including in the United States of America), and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices. This report should not be relied upon by prospective investors outside India (including persons who are Qualified Institutional Buyers as defined under (i) Rule 144A or (ii) Regulation S under the United States Securities Act of 1933, as amended) participating in the Offering. We accept no responsibility and deny any liability to any person who seeks to rely on this report and who may seek to make a claim in connection with any offering of securities on the basis that they had acted in reliance on such information under the protections afforded by United States of America law and regulation or any other laws other than laws of India.

**Yours faithfully,**

**For S.L. Chhajed & Co. LLP**

Chartered Accountants  
FRN: 000709C/C400277

Sd/-

**Vijit Baidmutha**

**Partner**

**Membership no. 406044**

**UDIN:**

Place: Bhopal

Date: 28<sup>th</sup>, January 2025

## ANNEXURE 1

### TO THE STATEMENT OF POSSIBLE TAX BENEFITS

Outlined below are the possible Special tax benefits available to the Company and its shareholders under the Income Tax Act, 1961 (the Act) presently forced in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the Equity Shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have different interpretation on the benefits, which an investor can avail.

**INVESTORS ARE ADVISED TO CONSULT THEIR OWN TAX CONSULTANT WITH RESPECT TO THE TAX IMPLICATIONS OF AN INVESTMENTS AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN THE SECURITIES, PARTICULARLY IN THE VIEW OF THE FACT THAT CERTAIN RECENTLY ENACTED LEGISLATION MAY NOT HAVE A DIRECT LEGAL PRECEDENT OR MAY HAVE A DIFFERENT INTERPRETATION ON THE BENEFITS, WHICH AN INVESTOR CAN AVAIL IN THEIR PARTICULAR SITUATION.**

#### 1. Special Tax Benefits available to the Company under the Income Tax Act:

##### i. Lower corporate tax rate under Section 115BAA of the ITA

Section 115BAA inserted w.e.f. 1 April 2020 (AY 2020-21), provides an option to a domestic company to pay corporate tax at a reduced rate of 22% (plus applicable surcharge and education cess).

*(Surcharge at 10% on the tax liability and further, enhanced by an education cess at 4% of the total tax liability and surcharge)*

In case the Company opts for the concessional income tax rate as prescribed under Section 115BAA of the ITA, it will not be allowed to claim any of the following deductions/ exemptions:

- Deduction under the provisions of Section 10AA (deduction for units in Special Economic Zone);
- Deduction under clause (iia) of sub-section (1) of Section 32 (Additional depreciation);
- Deduction under Section 32AD or Section 33AB or Section 33ABA (Investment allowance in backward areas, Investment deposit account, site restoration fund);
- Deduction under sub-clause (ii) or sub-clause (iia) or sub-clause (iii) of sub-section (1) or sub-section (2AA) or sub-section (2AB) of Section 35 (Expenditure on scientific research);
- Deduction under Section 35AD or Section 35CCC (Deduction for specified business, agricultural extension project);
- Deduction under Section 35CCD (Expenditure on skill development);
- Deduction under any provisions of Chapter VI-A other than the provisions of Section 80JJAA (Deduction in respect of employment of new employees) and 80M (Deduction in respect of certain inter-corporate dividends);
- No set-off of any loss carried forward or depreciation from any earlier assessment year, if such loss or depreciation is attributable to any of the deductions referred above;
- No set-off of any loss or allowance for unabsorbed depreciation deemed so under Section 72A, if such loss or depreciation is attributable to any of the deductions referred above.

The provisions of Section 115JB regarding Minimum Alternate Tax ("MAT") are not applicable if the Company opts for the concessional income tax rate as prescribed under Section 115BAA of the ITA. Consequently, the Company will not be entitled to claim tax credit relating to MAT.

The Company has opted for the concessional rate of tax for the first time in the return of income filed for FY 2021-22 for which declaration in specified form (i.e., Form 10- IC) has been filed with the ITA.

##### ii. Deduction in respect of employment of new employees under Section 80JJAA of the ITA

As per Section 80JJAA of the ITA, an assessee subject to tax audit under Section 44AB of the ITA, is entitled to claim a deduction of an amount equal to thirty per cent of additional employee cost incurred in the course of business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided, subject to the fulfilment of prescribed conditions therein.

The deduction under Section 80JJAA is available even if the Company opts for concessional tax rate under Section 115BAA of the ITA.

#### 2. Special Tax Benefits available to the shareholders under the Income Tax Act:

**Apart from the tax benefits available to each class of shareholders as such, there are no special tax benefits available to the shareholders of the Company under the Tax Laws identified above.**

**Notes:**

1. All the above benefits are as per the current direct tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.
2. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.

No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

## ANNEXURE 2

### TO THE STATEMENT OF TAX BENEFITS

Outlined below are the possible Special tax benefits available to the Company and its shareholders under the Indirect Tax laws presently forced in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the Equity Shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have different interpretation on the benefits, which an investor can avail.

**INVESTORS ARE ADVISED TO CONSULT THEIR OWN TAX CONSULTANT WITH RESPECT TO THE TAX IMPLICATIONS OF AN INVESTMENTS AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN THE SECURITIES, PARTICULARLY IN THE VIEW OF THE FACT THAT CERTAIN RECENTLY ENACTED LEGISLATION MAY NOT HAVE A DIRECT LEGAL PRECEDENT OR MAY HAVE A DIFFERENT INTERPRETATION ON THE BENEFITS, WHICH AN INVESTOR CAN AVAIL IN THEIR PARTICULAR SITUATION.**

#### A. SPECIAL TAX BENEFITS TO THE COMPANY

- i. **Benefits under the Export Promotion Capital Goods (EPCG) Scheme, governed by Chapter 5 of the Foreign Trade Policy 2015-20 (read with relevant rules prescribed thereunder), include:**

**Custom Duty Exemption:**

As per FTP Para 5.01, entities engaged in manufacturing or services are eligible to import capital goods at zero customs duty under the EPCG Scheme. These goods may include machinery and equipment essential for the production or service processes.

**Exemption from IGST and Compensation Cess:**

Domestic companies are exempt from paying Integrated GST (IGST) and compensation cess on imported capital goods under the scheme. This exemption aligns with a commitment to promote exports and boost production efficiency.

- ii. **Benefits under the Central Goods and Services Tax Act, 2017 (CGST Act), respective State Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017 (IGST Act) (read with relevant rules prescribed thereunder)**

**Export of services under the GST law**

Under the GST regime, supplies of goods and services which qualify as export of goods or services are zero-rated. On account of zero rating of supplies, the supplier is entitled to claim Input Tax Credit (ITC) in respect of input and input services used for such supplies and can seek refund of accumulated/ unutilized ITC.

GST law inter-alia allows export of services at zero rate on fulfilment of certain conditions. Exporters can export services under Letter of Undertaking (LUT) without payment of IGST and claim refund of accumulated ITC. There is also an alternative available to export services with payment of IGST and subsequently claim refund thereof, as per the provisions of section 54 of the CGST Act. We understand that the Company is undertaking exports of services without payment of tax under the cover of LUT. However, no refund is applied due to commercial viability.

- iii. **Benefits of Duty Drawback scheme under Section 75 of the Customs Act, 1962:**

As per Section 75 of the Customs Act, the Central Government is empowered to allow duty drawback on goods manufactured in India and exported. The Company avails duty drawback benefit as per the All Industry Rate (AIR) in the duty drawback schedule.

- iv. **Benefits of Remission of Duties and Taxes on Export Products (“RoDTEP”) Scheme under The Foreign Trade (Development and Regulation) Act, 1992 (read with Foreign Trade Policy 2023):**

This scheme provides rebate of duties/ taxes / levies (which are not refunded under any other existing schemes), at the Central, State and local level, borne on the exported product, including prior stage cumulative indirect taxes on goods and services used in the production of the exported product and such indirect duties/ taxes / levies in respect of distribution of exported product. The Company avails RoDTEP benefit as notified, on exported products. Under the Scheme, a rebate would be granted to eligible exporters at a notified rate as a percentage of FOB value with a value cap per unit of the exported product, wherever required, on export of items which are categorized under the notified 8 digits HSN Code. However, for certain export items, a fixed quantum of rebate amount per unit may also be notified.

#### B. SPECIAL TAX BENEFITS TO THE SHAREHOLDER

The Shareholders of the Company are not entitled to any special tax benefits under the Indirect Tax Laws in India.

**Notes:**

1. All the above benefits are as per the current tax laws and will be available only to the sole / first name holder where the shares are held by joint holders.
2. The above statement covers only certain relevant indirect tax law benefits and does not cover any direct tax law benefits or benefit under any other law.

No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.



## SECTION VIII: ABOUT OUR COMPANY

### INDUSTRY OVERVIEW

*The information in this section has been extracted from various websites and publicly available documents from various industry sources. The data may have been re-classified by us for the purpose of presentation. None of the Company and any other person connected with the Issue have independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projection forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on information.*

### GLOBAL OUTLOOK

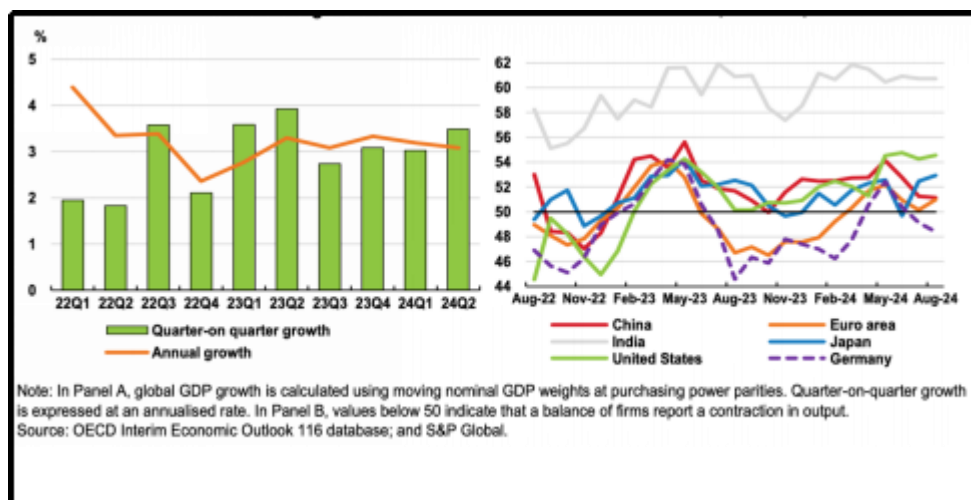
#### Resilient Economies

The global economy is facing significant challenges, with ongoing conflicts such as the Israel-Palestine war in West Asia and the prolonged Russia-Ukraine crisis casting long shadows over international stability. These geopolitical tensions have sparked concerns about global security, disrupted supply chains, and heightened uncertainty across markets. However, despite these headwinds, the world's economies are demonstrating an impressive resilience. Key regions continue to report robust growth, driven by adaptive policy measures, innovation, and diversified trade. This underscores the remarkable capacity of nations to endure and prosper in the face of global unrest.

#### Growth Momentum Continues with Easing Inflation

The global economy remained resilient in the first half of 2024, with output growing at an estimated annualized rate of 3.2. Declining consumer price inflation has supported household spending, providing a counterbalance to the negative impact from restrictive financial conditions and the uncertainty about the ongoing war in Ukraine and the evolving conflicts in the Middle East. Growth in the United States strengthened in the second quarter of 2024, with private consumption underpinned by real wage gains partly owing to falling inflation.

GDP growth was also relatively robust in several other advanced economies including Canada, Spain and the United Kingdom. In Japan, growth picked up sharply in the second quarter after contracting in the first amid temporary supply disruptions. Nonetheless, there have been less favorable recent outcomes in some other advanced economies, notably Germany, where weak sentiment has contributed to elevated saving rates in both the household and corporate sectors and industrial activity has been weak. Emerging market economies have also displayed diverse growth patterns. Domestic demand has buoyed activity in Brazil, India and Indonesia, but has slowed in Mexico with the services sector losing momentum. In China, industrial production growth has been underpinned by strengthening exports, but consumer demand remains modest and a protracted correction in the real estate sector is ongoing.

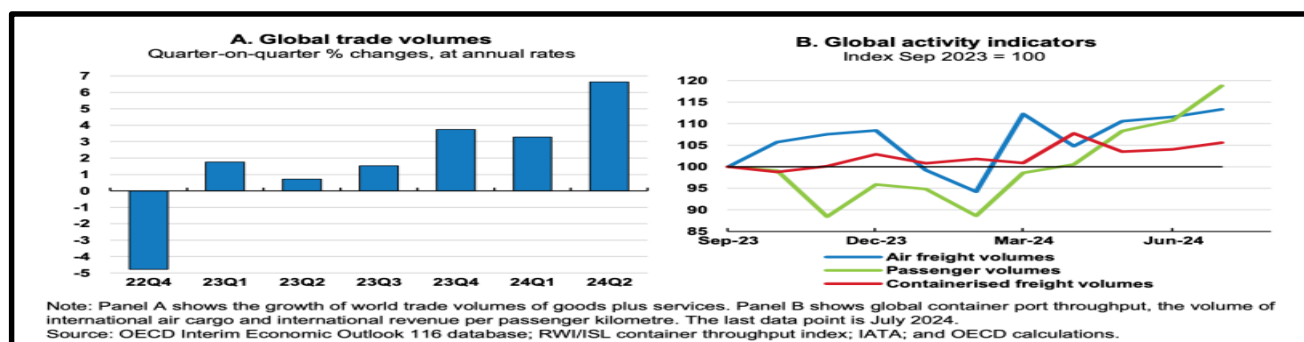


In late 2023, headline inflation neared its pre pandemic level in most economies for the first time since the start of the global inflation surge. In the last quarter of 2023, headline inflation for advanced economies was 2.3 percent on a quarter-over-quarter annualized basis, down from a peak of 9.5 percent in the second quarter of 2022. For emerging market and developing economies, inflation was 9.9 percent in the last quarter of 2023, down from a peak of 13.7 percent in the first quarter of 2022, but this average was driven by high inflation in a few countries; for the median emerging market and developing economy, inflation declined to 3.9 percent. This progress notwithstanding, inflation is not yet at target in most economies. As global inflation descended from its peak, economic activity grew steadily, defying warnings of stagflation and global recession. During 2022 and 2023, global real GDP rose by a cumulative 6.7 percent.

### Global Trade

The recovery in global trade continued in the first half of 2024, with growth in trade volumes in both goods and services strengthening, especially in the second quarter. An upturn in US import growth, in part due to stronger equipment investment, and greater trade dynamism in key emerging market economies, including China, the Dynamic Asian Economies, Brazil and India, were key factors behind the stronger-than expected resilience of trade.

Monthly activity indicators have generally remained firm, with global container trade volumes, air freight volumes and international passenger volumes all rising steadily through to July. While this provides a positive signal of demand, survey measures of export orders have begun to weaken again, suggesting that at least part of the trade boost in mid-year may have come from earlier-than-usual orders for the peak season in the advanced economies in an effort to avoid congestion later in the year.

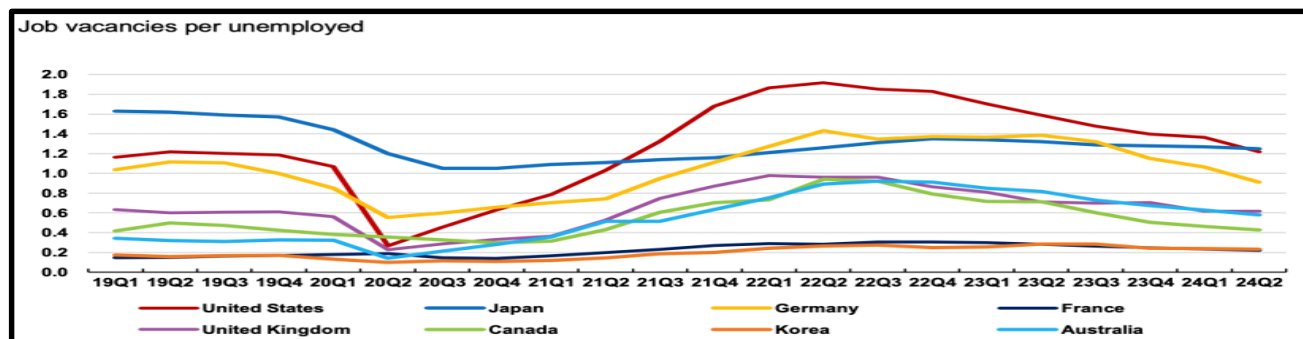


Global container shipping has mostly adapted to the effective closure of the Red Sea route, and lower water levels in the Panama Canal, but journey times have lengthened and congestion has risen in some key Asian ports. Container shipping costs have strengthened significantly through 2024. Even with some moderation since August, costs remain around 160% higher than a year earlier, with even larger increases for some routes between Asia and Europe. These past increases will feed through into consumer prices, but the impact will be relatively modest if costs continue their recent decline, and falls in merchandise export prices from some countries, especially China, as well as lower global commodity prices, are sustained.

### Pressure on Labor Market are Easing

Labor markets have continued to loosen. The number of job vacancies per unemployed worker has fallen steadily and is now back to levels observed immediately prior to the pandemic. Survey measures of labor shortages have also continued to moderate in many major advanced economies.

Unemployment has also risen by 0.5 percentage point or more in Argentina, Canada, South Africa, Türkiye and the United States. In part this reflects moderating demand, with employment growth slowing in some countries, including Japan, Korea, Mexico, Türkiye, South Africa and the United States.



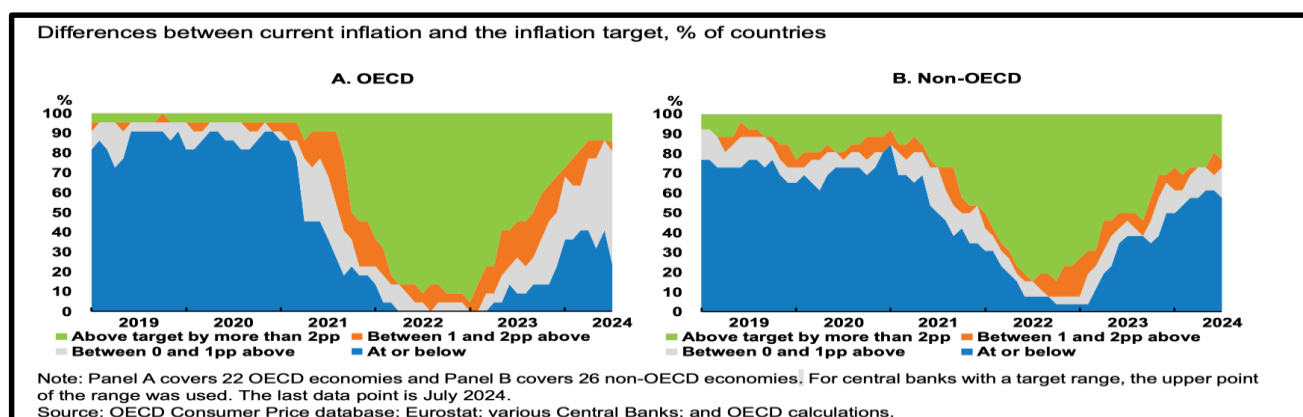
However, rising labor supply has also been a key element, often reflecting stronger immigration flows. Increases in foreign-born workers have accounted for the majority of labor force growth since the start of 2023 in Australia, Canada, the United States and many European countries.

Nominal wage growth remains high, particularly in Germany and the United Kingdom, but is now moderating. In contrast, pay growth is gaining pace in Japan, with significant base pay gains in the spring wage round and strong bonus payments boosting total cash earnings in recent months. Growth in unit labor costs has generally eased, in keeping with moderating wage increases, but remains elevated in many countries due to sluggish labor productivity growth, especially in Europe. In contrast, strong productivity gains in the United States kept unit labor costs in the non-farm sector unchanged over the year to the second quarter of 2024.

### Inflation is continuing to moderate gradually

Headline inflation has continued to fall this year in most countries, partly due to further declines in food price inflation and low, or negative, energy and goods price inflation. Exceptions include Mexico and Brazil, where inflation has drifted higher, in part due to currency depreciations.

The recent steep fall in oil prices, and the ongoing easing of global food prices could place further downward pressure on headline inflation in the short-term. Oil prices have declined by over 10% since July, amid expectations for excess supply next year and market concerns about weakening oil demand growth in some major economies, particularly China. If oil prices remain at their current level, global headline inflation could be reduced by around 0.5 percentage points over the coming year. Indicators of short-term inflation expectations of households in the major advanced economies have also continued to ease, in line with actual inflation outcomes.



A decomposition of GDP deflator growth in nine major economies suggests that unit labor costs are currently accounting for the majority of inflation, consistent with the greater weight of labor costs in most service sectors. Unit profit growth has moderated, now contributing only a small share to inflation, and helping to offset other cost pressures.

Inflation is now at, or approaching, central bank targets in an increasing proportion of countries. Nonetheless, the prices of over half the items in the United Kingdom inflation basket were still growing at an annual rate above 3% in July 2024, with over 40% of the items rising above this threshold in the United States. This points to some lingering underlying pressures. Services price inflation is still proving particularly sticky and has abated only slowly. If core goods price inflation remains unchanged at the current rate, year-on-year aggregate services price inflation may need to decline by 3 percentage points in Mexico, 2.5 percentage points in the United Kingdom, 1.2 percentage points in the euro area and 0.8 percentage points in the United States to bring aggregate core inflation back to a rate consistent with the inflation target

### Financial conditions have eased somewhat

Global financial conditions remain restrictive but are continuing to ease, with financial market participants anticipating policy rate reductions will be faster than previously expected. Long-term real interest rates are still at high levels relative to the previous decade in the United States, the euro area, the United Kingdom and in emerging markets such as Brazil.

However, long-term nominal bond yields have declined, and corporate bond issuance has picked up as borrowers capitalise on strong demand and compressed spreads. Indicators of systemic stress remain at low levels, though market volatility soared briefly in early August in response to unexpectedly weak economic data. Equity prices have strengthened in the United States, even though equity price-to-earnings ratios remain high by historical standards, as well as in several emerging markets including India, Brazil and South Africa.

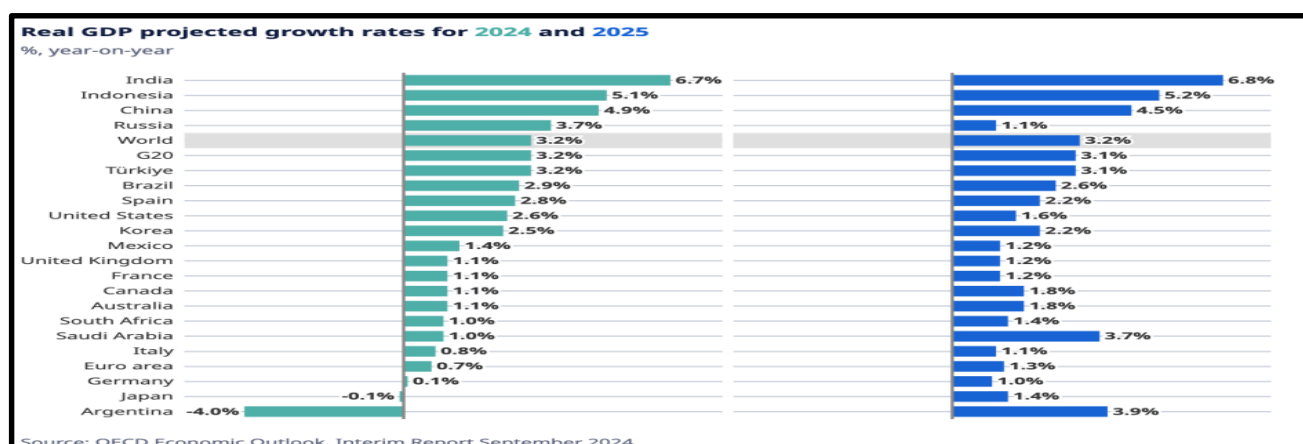
While credit growth has started to recover in some advanced economies, bank lending standards remain tight. Currency depreciation in Brazil, Argentina, Mexico and Türkiye has supported export earnings but increased US-dollar denominated debt servicing costs and exerted some upward pressure on inflation. Sovereign debt distress persists in some emerging market economies, particularly in lower-income economies, though dollar-denominated government bond spreads have remained stable in most countries.

### Future Projections

Global growth is expected to stabilize over the projection period at 3.2% in both 2024 and 2025, in line with the average pace observed through the first half of this year. The lagged impact of monetary policy tightening in advanced economies on growth has begun to moderate, and further monetary policy easing as inflation declines will support interest-rate-sensitive expenditures in 2025. The decline in inflation will also provide a further boost to real income growth and a tailwind to private consumption in many economies.

In the United States and Canada, economic growth is projected to slow over the coming quarters from the solid pace observed in the first half of 2024. Europe will also benefit from policy rate reductions and the further recovery in real incomes. Nonetheless, monetary easing is projected to help underpin stronger growth through the second half of next year

Economic growth in the emerging market G20 economies is expected to remain broadly stable, despite diverse projected outcomes within the group. In China, growth is expected to be supported through the second half of 2024 by an increase in government spending following a recent rise in local government bond issuance. In India, GDP growth is projected to be 6.7% in FY 2024-25 and 6.8% in FY 2025-26, while Indonesia is projected to grow by 5.1% in 2024 and 5.2% in 2025.



[Source: <https://www2.deloitte.com/us/en/insights/economy/global-economic-outlook/weekly-update.html>  
[https://www.oecd.org/en/publications/oecd-economic-outlook-interim-report-september-2024\\_1517c196-en/full-report.html](https://www.oecd.org/en/publications/oecd-economic-outlook-interim-report-september-2024_1517c196-en/full-report.html)]

## OVERVIEW OF THE RECYCLING INDUSTRY

Globally, emphasis on sustainable development is becoming paramount as our society is realizing the criticality of stable economic development and the need for the resolution of environmental and social concerns. Sustainable practices help in improving the quality of life, preserving natural resources for future generations, and fostering consistent economic growth. Several major initiatives such as the Paris Agreement, a goal to limit global warming to well below 2°C, and Sustainable Development Goals (SDGs), a set of 17 goals and 169 targets aimed at reducing poverty and increasing prosperity, have also been introduced.

Circular economy is a system that is restorative or regenerative by design. It involves eradicating the concept of ‘end-of-life’ for any material. The way to achieve this is to redesign the consumption and manufacturing system altogether to create a regenerative ecosystem. The idea behind a circular economy is to eliminate any form of waste and keep materials in use for as long as possible and extract maximum value at every stage. Items should be discarded only when there is no possibility for further reuse or recycling. Also, the end-of-life of materials (if any) should have a minimal impact on the environment. For this, the entire supply chain needs to be re-designed so that the final products are viable for recycling after use and there is limited real waste.

Recycling is often referred to as a ‘last order process’ of circular economy. It offers a solution when other methods fail to cycle a product up the value chain. Designing a circular loop just with reuse, repair, refurbish and remanufacture is a difficult process as the overall product quality degrades over time and cannot be brought back to the level of a new product. Recycling helps extract the base raw materials, which, along with the virgin materials can be used to create a new product of a near-similar quality level and performance vis-a-vis the products made entirely from virgin materials. Thus, recycling has a prominent role to stop resources from ending up in landfills and reduce the dependence on virgin material extraction and its associated environmental impacts.

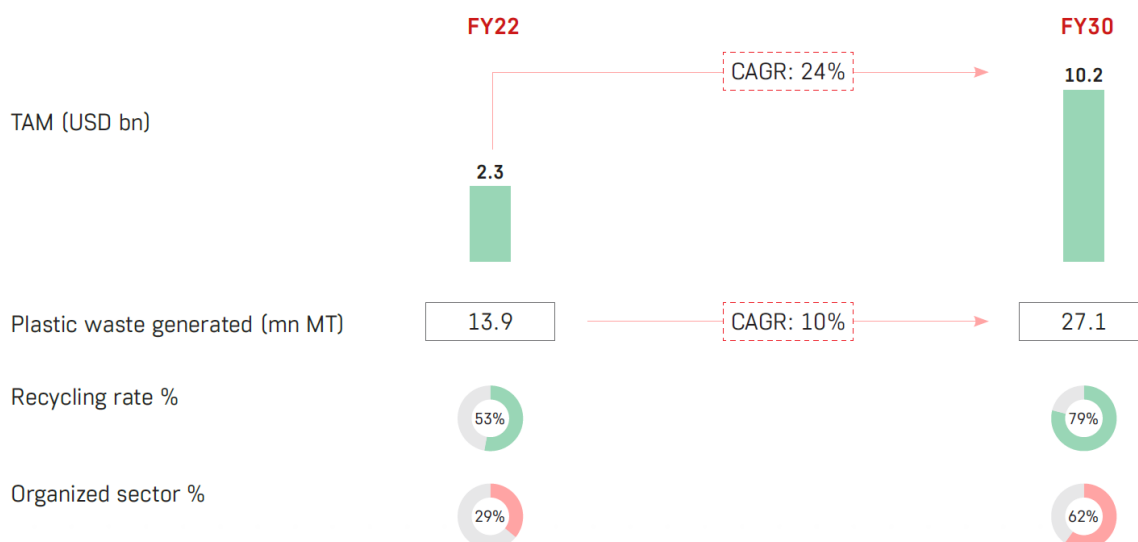
Globally, around 400 million tonnes of plastic waste is generated every year and less than 10% of it is recycled. Of this, 70% is either incinerated or dumped into landfills, and the remaining 20% is either mismanaged or leaked into the environment. In India, it is estimated that around 14 million tonnes of plastic waste is generated and 53% of it is recycled. The remaining waste suffers mismanagement, i.e. it ends up in dumpsites and landfills, or is burned - all of which contaminate the environment.

Only certain types of plastics such as PET (Polyethylene terephthalate) and HDPE (High-density Polyethylene) are easily recyclable. India is a leader in recycling some specific types of plastic such as PET, with an estimated recycling rate of around 90%.

Recycling process can be segregated into two steps: pre-processing and recycling. Pre-processing involves collection, segregation, and separation of materials. In the recycling step, material obtained during the pre-processing is taken through appropriate recycling processes to get the desired output. The plastic recycling processes involves physical processes to convert plastic waste into secondary raw materials without changing the chemical structure. It is a contamination-free process to produce recycled plastic which can be substituted in place of virgin polymers. The process does not break or alter the polymer molecule and can be used for multiple recycling cycles.

### Plastic Recycling Market

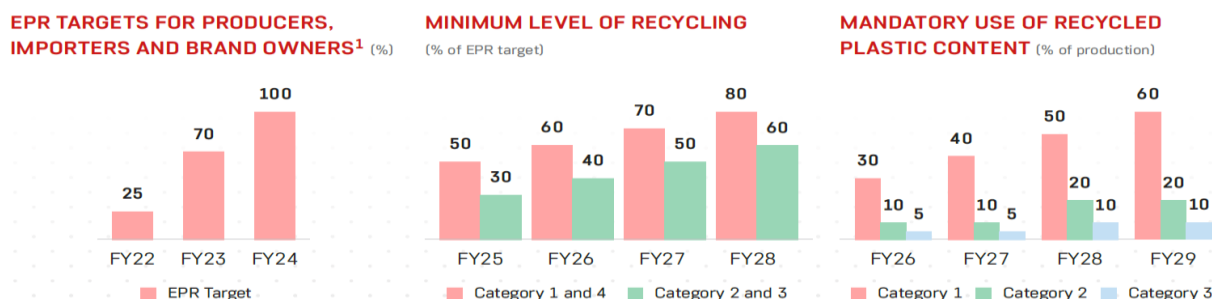
The size of the Indian plastic waste recycling industry was estimated to be USD 2.3 billion in FY23. The industry is expected to grow at a strong CAGR of 24% and reach USD 10.2 billion by FY30.



[Source: Circular Economy – Recycling Waste to Wealth by Aventus, June 2023]

One of the key reasons for the strong growth in the sector is the Extended Producer Responsibility (EPR) which is a game changer in the circular economy transition. It puts the responsibility on the producers, brand owners and importers to ensure environmentally sound management of the product until the end of its life and includes obligations to ensure collection, recycling, using recycled plastic and safe disposal. While EPR was first implemented in the European Union, it now exists worldwide, including in India, Australia, Japan, Canada, and the United States.

The obligations provide for a gradual ramp-up to improve plastic waste management. The guidelines also allow for the trading of EPR certificates, providing incentives to the companies managing their waste. Additionally, surplus EPR certificates can be carried forward and offset against future obligations. It also introduces the concept of environmental compensation instead of direct fines as a penalty for the non-fulfillment of obligations.



<sup>1</sup> Calculation basis last two years production  
 Category 1: Rigid Plastics, Category 2: Flexible Plastics, Category 3: Multi-Layered Plastics (MLPs), Category 4: Compostable Plastics

Compliance with EPR requires producers to obtain authorization from the Central Pollution Control Board (CPCB) and submit annual compliance reports detailing their waste management efforts and results. Non-compliance can result in penalties, fines, or other enforcement actions, with regular audits and inspections conducted to ensure adherence. This policy promotes sustainable waste management, encourages recycling, and reduces environmental impact by holding producers accountable for the lifecycle of their products.

Additionally, the following factors are also adding a tail wind to the sector:

### Rising awareness of environmental depletion

The growing awareness of the negative impact of plastic waste on the environment has led to an increased demand for plastic recycling. Consumers, governments, and businesses are working on reducing the amount of plastic waste in the environment. Addressing this issue requires reducing plastics consumed, improving waste management practices, and promoting the recycling and reuse of plastic materials.

### Increase in demand from the e-commerce sector



The high growth of e-commerce has led to increased use of plastics in packaging. With COVID-19, this trend only further accelerated. This increase in e-commerce penetration also provides a significant opportunity for using environmental-friendly solutions like improved collection processes to manage the increase in plastic consumption.

### **Improving recyclability by reducing the use of non-recyclable plastics**

There has been increased focus on reducing the use of plastic that is either non-recyclable or prone to mismanagement due to the high costs of recycling. The government implemented a ban on single-use plastics including the plastic sticks used in earbuds, balloons, ice cream and candies, wrapping films around cigarettes, disposable plates, cups, and grocery bags, in July 2022. It has also sought to limit the use of thin and flimsy plastic bags (under 120 microns).

## **INDIAN OUTLOOK**

### **India's Rapid Growth and Future Outlook: Boosting Competitiveness**

The India Development Update (IDU) observes that India remained the fastest-growing major economy and grew at a rapid clip of 8.2 percent in FY 23/24. Growth was boosted by public infrastructure investment and an upswing in household investments in real estate. On the supply side, it was supported by a buoyant manufacturing sector, which grew by 9.9 percent, and resilient services activity, which compensated for underperformance in agriculture. Reflecting these trends, urban unemployment has improved gradually since the pandemic, especially for female workers. Female urban unemployment fell to 8.5 percent in early FY 24/25, although urban youth unemployment remained elevated at 17 percent. With a narrowing of the current account deficit and strong foreign portfolio investment inflows, foreign exchange reserves reached an all-time high of \$670.1 billion in early August, equivalent to over 11 months of cover (in FY23/24 import terms).

Amid challenging external conditions, the World Bank expects India's medium-term outlook to remain positive. Growth is forecast to reach 7 percent in FY 24/25 and remain strong in FY 25/26 and FY26/27. With robust revenue growth and further fiscal consolidation, the debt-to-GDP ratio is projected to decline from 83.9 percent in FY 23/24 to 82 percent by FY 26/27. The current account deficit is expected to remain at around 1-1.6 percent of GDP up to FY 26/27.

The IDU also highlights the critical role of trade for boosting growth. The global trade landscape has witnessed increased protectionism in recent years. The post pandemic reconfiguration of global value chains, triggered by the pandemic, has created opportunities for India. The report emphasizes that India has boosted its competitiveness through the National Logistics Policy and digital initiatives that are reducing trade costs. However, it also notes that tariff and non-tariff barriers have increased and could limit the potential for trade focused investments.

“India's robust growth prospects along with declining inflation will help to reduce extreme poverty,” said Auguste Tano Kouame, World Bank's Country Director in India. “India can boost its growth further by harnessing its global trade potential. In addition to IT, business services and pharma where it excels, India can diversify its export basket with increased exports in textiles, apparel, and footwear sectors, as well as electronics and green technology products.”

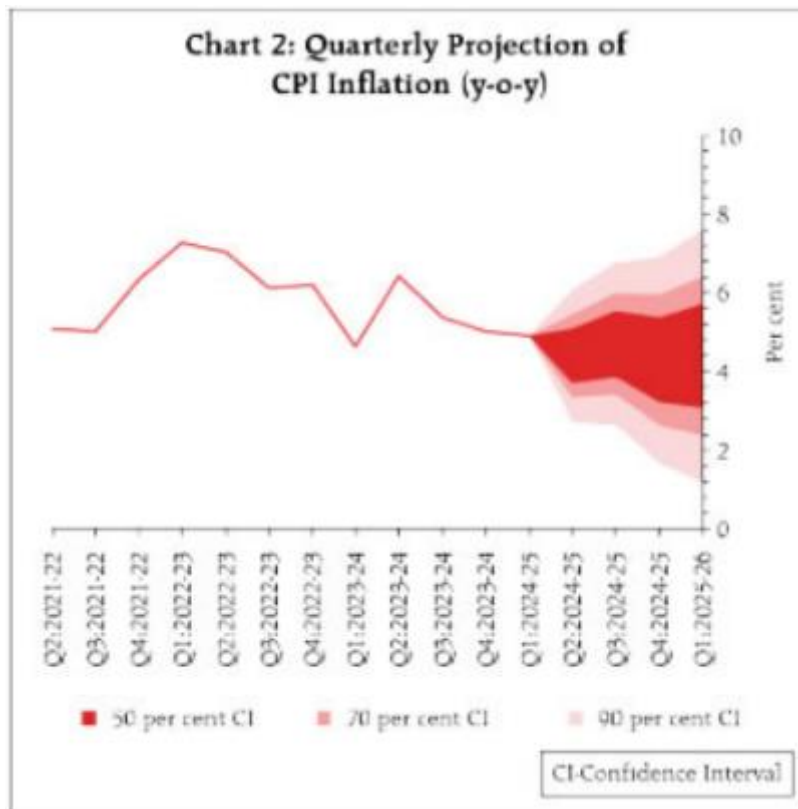
[Source: <https://www.worldbank.org/en/news/press-release/2024/09/03/india-s-economy-to-remain-strong-despite-subdued-global-growth>]

### **Inflation Dynamics and Policy Outlook: Balancing Price Stability with Growth in 2024-25**

Headline inflation increased to 5.1 per cent in June 2024 after remaining steady at 4.8 per cent during April-May 2024. Worsening of food inflation pressures – driven primarily by a sharp increase in prices of vegetables, pulses and edible oils along with a pick-up in inflation across cereals, milk, fruits and prepared meals – pushed up headline inflation. The fuel group remained in deflation, reflecting the cumulative impact of the sharp cuts in LPG price in August 2023 and March 2024. Core (CPI excluding food and fuel) inflation at 3.1 percent in May-June touched a new low in the current CPI series, with core services inflation also at its lowest in the series.

Headline inflation has moderated from its peak but unevenly. Looking ahead, food price momentum has remained elevated in July. In Q2:2024-25, though favorable base effects are large, the sharper uptick in price momentum relative to earlier expectations is likely to result in a shallower softening of CPI headline inflation. Inflation is expected to edge up in Q3 as favorable base effects taper off. The steady progress in monsoon, pick-up in kharif sowing, adequate buffer stocks of foodgrains and easing global food prices are positives for containing food price pressures. Adverse climate events remain an upside risk to food inflation. Crude oil prices continue to be volatile on demand concerns and geopolitical tensions. The revision in mobile tariff rates is likely to lead to an increase in core inflation. Manufacturing, services and infrastructure firms surveyed by the Reserve Bank expect a pickup in selling prices in the second half of this year. Households' inflation expectations have also gone up and consumer confidence has weakened. Assuming a normal monsoon, CPI inflation for 2024-25 is projected at 4.5 per cent with Q2 at 4.4 per cent; Q3 at 4.7 per cent; and Q4 at 4.3 per cent. CPI inflation for Q1:2025-26 is projected at 4.4 per cent. The risks are evenly balanced. The MPC expects domestic growth to hold up on the strength of investment demand, steady urban consumption and rising rural consumption. Risks from volatile and

elevated food prices remain high, which may adversely impact inflation expectations and result in spillovers to core inflation. There are also indications of core inflation bottoming out. Accordingly, the MPC decided to remain watchful on how these forces play out, going forward. The MPC stays resolute in its commitment to aligning inflation to the 4 per cent target on a durable basis. In these circumstances, the MPC decided to keep the policy repo rate unchanged at 6.50 per cent in this meeting. The MPC reiterates the need to continue with the disinflationary stance, until a durable alignment of the headline CPI inflation with the target is achieved. Enduring price stability sets strong foundations for a sustained period of high growth. Hence the MPC also considers it appropriate to continue with the disinflationary stance of withdrawal of accommodation to ensure that inflation progressively aligns to the target, while supporting growth.



[Source: [https://rbi.org.in/scripts/BS\\_ViewBulletin.aspx?Id=227791](https://rbi.org.in/scripts/BS_ViewBulletin.aspx?Id=227791)]

### Indian Forex Reserves

India's forex reserves stood at \$6,56,582 million, according to the Reserve Bank of India as of November 22, 2024 which included \$5,66,791 million of foreign currency assets, \$65,573 million of gold reserves, \$17,985 million of special drawing rights (SDR) and \$4,232 million of reserve position in IMF.

[Source: <https://www.forbesindia.com/article/explainers/indian-forex-reserves/87581/11>]

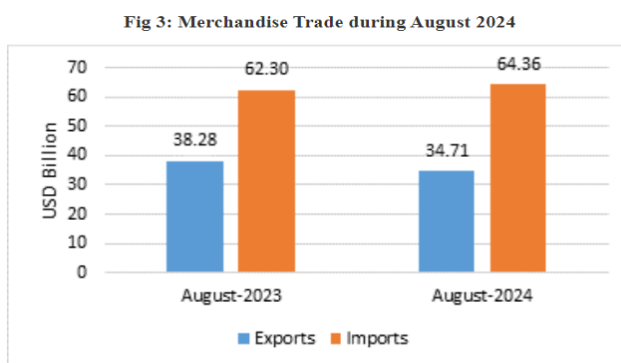
### Optimistic Outlook for Exports

The cumulative overall exports during April-August 2024 is estimated at USD 374.33 billion, as compared to USD 350.11 billion in April-August 2023, with an estimated growth of 5.35%.

The cumulative value of merchandise exports during April-August 2024 was USD 178.68 Billion, as compared to USD 176.67 Billion during April-August 2023, registering a positive growth of 1.14%. Major drivers of merchandise exports growth in August 2024 include Engineering Goods, Organic & Inorganic Chemicals, Electronic Goods, RMG of all Textiles and Drugs & Pharmaceuticals.

1. Non-petroleum & Non-Gems & Jewellery exports registered an increase of 2.35% from USD 26.14 Billion in August 2023 to USD 26.76 Billion in August 2024;
2. Engineering Goods exports increased by 4.36% from USD 9.05 Billion in August 2023 to USD 9.44 Billion in August 2024;
3. Organic & Inorganic Chemicals exports increased by 8.32% from USD 2.19 Billion in August 2023 to USD 2.37 Billion in August 2024;
4. Electronic Goods exports increased by 7.85% from USD 2.16 Billion in August 2023 to USD 2.33 Billion in August 2024;

5. Drugs & Pharmaceuticals exports increased by 4.67% from USD 2.24 Billion in August 2023 to USD 2.35 Billion in August 2024.

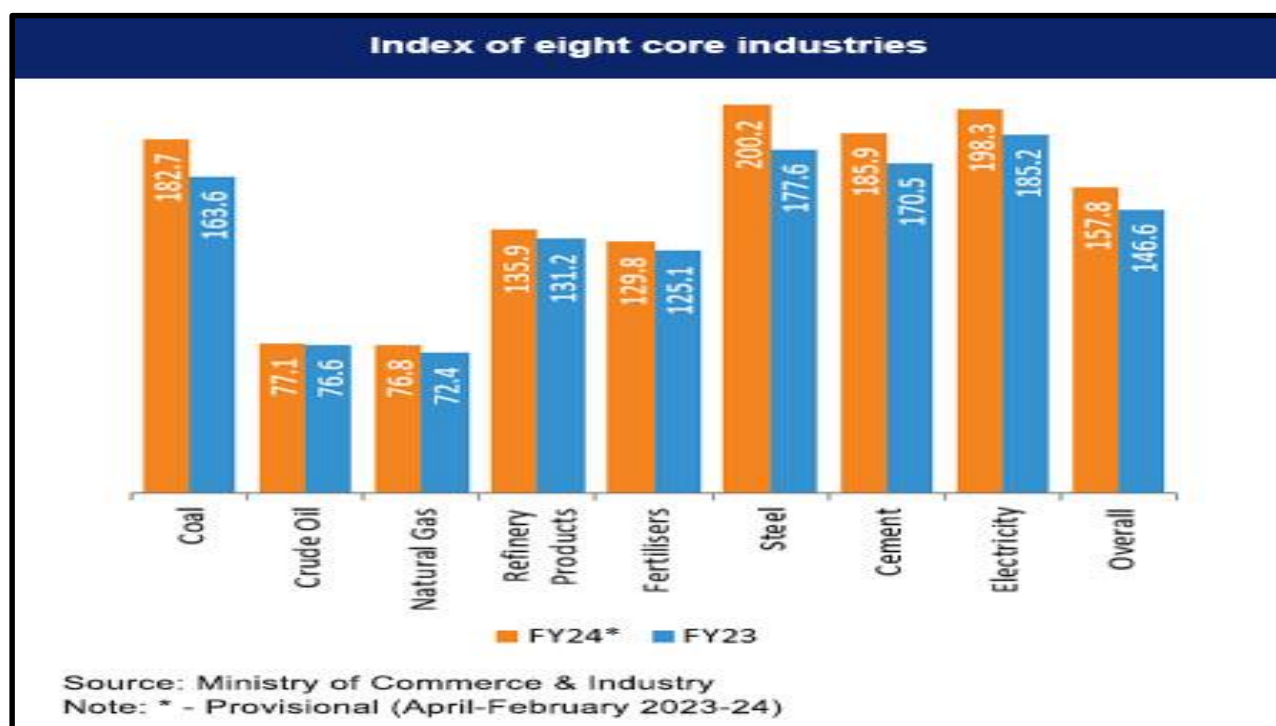


[Source: <https://pib.gov.in/PressReleasePage.aspx?PRID=2055667>]

The Indian economy continues to grow at a healthy pace despite challenging global conditions, according to the World Bank’s latest India Development Update: India’s Trade Opportunities in a Changing Global Context. But to reach its \$1 trillion merchandise exports goal by 2030, India needs to diversify its export basket and leverage global value chains.

The IDU recommends a three-pronged approach towards achieving the \$1 trillion merchandise export target by reducing trade costs further, lowering trade barriers, and deepening trade integration.

[Source: <https://www.worldbank.org/en/news/press-release/2024/09/03/india-s-economy-to-remain-strong-despite-subdued-global-growth>]



### Infrastructure Growth

In Interim Budget 2024-25, capital investment outlay for infrastructure has been increased by 11.1% to Rs. 11.11 lakh crore (US\$ 133.86 billion), which would be 3.4 % of GDP. As per the Interim Budget 2023-24, a capital outlay of Rs. 2.55 lakh crore (US\$ 30.72 billion) has been made for the Railways, an increase of 5.8% over the previous year.

Starting with 6,835 projects, the NIP project count now stands at 9,142 covering 34 sub-sectors, as per news reports. Under the initiative, 2476 projects are under the development phase with an estimated investment of US\$ 1.9 trillion. Nearly half of the under-development projects are in the transportation sector, and 3,906 are in the roads and bridges sub-sector. During FY 2023-24, Total revenue of Indian Railways stands at US\$ 28.89 billion (Rs 2.40 Lakh Crore) as on 15th March. Last year on 15th March, total Revenue was US\$ 26.84 billion (Rs 2.23 Lakh Crore). During the month of June 2024,

originating freight loading of 135.46MT has been achieved against loading of 123.06 MT in June 2023. India's logistics market is estimated to be US\$ 317.26 billion in 2024 and is expected to reach US\$ 484.43 billion by 2029, growing at a CAGR of 8.8%.

According to a Cushman & Wakefield report, India's real estate market saw a surge in investments during the second quarter of 2024, attracting US\$ 2.77 billion.

India intends to raise its ranking in the Logistics Performance Index to 25 and bring down the logistics cost from 14% to 8% of GDP, leading to a reduction of approximately 40%, within the next five years.

In December 2022, AAI and other Airport Developers have targeted capital outlay of approximately Rs. 98,000 crore (US\$ 11.8 billion) in the airport sector in the next five years for expansion and modification of existing terminals, new terminals and strengthening of runways, among other activities.

India currently has the fifth-largest metro network in the world and will soon overtake advanced economies such as Japan and South Korea to become the third-largest network. Metro rail network reached 810 kms and is operational in 20 cities. In the last 10 years, 697 km have been added to the Metro Rail Network across the country. In 2024, about 945 km of metro rail lines are operational in 21 cities and 919 km are under construction in 26 different cities. At almost 20 kms, Mumbai monorail is the third largest route in the world after China with 98 kms and Japan with 28 kms.

FDI in construction development (townships, housing, built-up infrastructure and construction development projects) and construction (infrastructure) activity sectors stood at US\$ 26.61 billion and US\$ 33.91 billion, respectively, between April, 2000 – March, 2024.

The Indian logistics market is estimated to touch US\$ 320 billion by 2025. The overall infrastructure capex is estimated to grow at a CAGR of 11.4% over 2021-26 driven by spending on water supply, transport, and urban infrastructure. Investment in infrastructure contributed around 5% of the GDP in the tenth five-year plan as against 9% in the eleventh five-year plan. Further, US\$ 1 trillion investment in infrastructure was proposed by India's planning commission during the 12th five-year plan, with 40% of the funds coming from the private sector.

[\[Source:https://www.ibef.org/industry/infrastructure-sector-india#:~:text=to%20six%20years,.In%20Interim%20Budget%202024%2D25%2C%20capital%20investment%20outlay%20for%20infrastructure,of%20Roads%20for%202024%2D25\]](https://www.ibef.org/industry/infrastructure-sector-india#:~:text=to%20six%20years,.In%20Interim%20Budget%202024%2D25%2C%20capital%20investment%20outlay%20for%20infrastructure,of%20Roads%20for%202024%2D25)

## **Stellar Performance of India's Banking and Financial Sector Amidst Global Headwinds**

### **Monetary Policy**

The Monetary Policy Committee (MPC) maintained the status quo on the policy repo rate at 6.5 per cent in FY24. During the current tightening cycle, i.e., from May 2022 to May 2024, the external benchmark-based lending rate and the one-year median marginal-cost-of-funds based lending rate increased by 250 bps and 175 bps, respectively.

Important factors impacting the evolution of monetary and credit conditions during FY24 were the withdrawal of ₹2,000 banknotes (May 2023), the merger of HDFC, a non-bank, with HDFC Bank (July 2023), and the temporary imposition of the incremental CRR (I-CRR) (August 2023).

The growth in Broad Money (M3), excluding the impact of the merger of HDFC with HDFC Bank (with effect from 1 July 2023), was 11.2 per cent (YoY) as of 22 March 2024, compared to 9 per cent a year ago.

During FY24, 17 fortnightly Variable Rate Reverse Repo (VRRR) auctions and seven Variable Rate Repo (VRR) auctions were undertaken as the primary operation. In addition, 49 fine-tuning operations (25 VRRR and 24 VRR) were conducted intermittently, modulating liquidity conditions in alignment with the monetary policy stance, the survey notes.

### **Bank Credit**

Credit growth remains robust, mainly driven by lending to services and personal loans.

Lending by non-banking financial companies (NBFCs) accelerated, led by personal loans and loans to the industry, and their asset quality improved. Credit disbursement by SCBs stood at ₹164.3 lakh crore, growing by 20.2 per cent at the end of March 2024, compared to 15 per cent growth at the end of March 2023.

Agricultural credit increased nearly 1.5 times from ₹13.3 lakh crore in FY21 to ₹20.7 lakh crore in FY24. The Kisan Credit Card (KCC) scheme played a pivotal role in providing timely and hassle-free credit to farmers, with over 7.4 crore operative KCC accounts at the end of 2023.

Industrial credit growth picked up in H2 of FY24, registering 8.5 per cent growth in March 2024, compared to 5.2 per cent a year ago, driven by an increase in bank credit to small and large industries.

Improving credit flow to the MSME sector at low cost has been a policy priority of the Government and RBI. Bank credit disbursement to the services sector remained resilient despite a slowdown in credit growth to NBFCs. Credit disbursement for housing loans increased from ₹19.9 lakh crore in March 2023 to ₹27.2 lakh crore in March 2024.

### **Banking Sector**

There has been a significant enhancement in the asset quality of banks, led by improved borrower selection, more effective debt recovery and heightened debt awareness among large borrowers. In addition to regulatory capital and liquidity requirements, qualitative metrics such as enhanced disclosures, robust code of conduct, and transparent governance structures also improved banking performance.

The gross non-performing assets (GNPA) ratio of SCBs continued its downward trend, reaching a 12-year low of 2.8 per cent at the end of March 2024 from its peak of 11.2 per cent in FY18.

The macro-and micro-prudential measures by RBI and the Government have enhanced risk absorption capacity in recent years, improving the banking system's stability. For the top 10 Indian banks in asset size, loans constitute more than 50 per cent of their total assets, making banks immune to the rising interest rate cycle.

In the eight years since 2016, 31,394 corporate debtors involving a value of ₹13.9 lakh crore have been disposed of (including pre-admission case disposals) as of March 2024. ₹10.2 lakh crore of underlying defaults were addressed at the pre-admission stage.

The Government has taken several measures to improve the insolvency ecosystem. It has strengthened the NCLT regarding infrastructure, increasing its strength by filling vacancies and proposing an integrated IT platform. The regulations have been amended to keep in line with the needs of the markets and the advances in judicial pronouncements, the survey notes.

### **Strong Primary Markets**

The Survey highlights the remarkable expansion of Indian capital markets. Capital markets have shown impressive results, with India's stock market capitalisation to GDP ratio ranking fifth globally.

Primary markets remained robust during FY24, facilitating capital formation of ₹10.9 lakh crore (which approximates 29 per cent of the gross fixed capital formation of private and public corporates during FY23), compared to ₹9.3 lakh crore in FY23. Fund mobilization through all three modes, viz., equity, debt, and hybrid, increased by 24.9 per cent, 12.1 per cent and 513.6 per cent, respectively, in FY24 compared to the previous year.

The number of initial public offers (IPOs) increased by 66 per cent in FY24 from 164 in FY23 to 272 in FY24, while the amount raised grew by 24 per cent (from ₹54,773 crore in FY23 to ₹67,995 crore in FY24). The corporate debt market in India is going from strength to strength. During FY24, the value of corporate bond issuances increased to ₹8.6 lakh crore from ₹7.6 lakh crore during the previous financial year. The number of corporate bonds public issues in FY24 was the highest for any financial year so far, with the amount raised (₹19,167 crore) at a four-year high. Increasing investor demand and the rise in the cost of borrowing from banks have made these markets more attractive for corporates for funding requirements.

### **Robust Secondary Markets**

The Indian stock market was among the best-performing markets, with India's Nifty 50 index ascending by 26.8 percent during FY24, as against (-)8.2 percent during FY23. The Survey says that the exemplary performance of the Indian stock market compared to the world can be primarily attributed to India's resilience to global geo-political and economic shocks, its solid and stable domestic macroeconomic outlook, and the strength of the domestic investor base.

The Indian capital markets have seen a surge in retail activity in the last few years. The registered investor base at NSE has nearly tripled from March 2020 to March 2024 to 9.2 crore as of 31 March 2024, potentially translating into 20 per cent of the Indian households now channeling their household savings into financial markets. The number of demat accounts rose from 11.45 crore in FY23 to 15.14 crore in FY24.

FY24 has been a spectacular year for Mutual Funds as their Assets under Management (AuM) increased by ₹14 lakh crore (YoY growth of 35 per cent) to ₹53.4 lakh crore at the end of FY24, boosted by mark-to-market (MTM) gains and expansion of the industry.

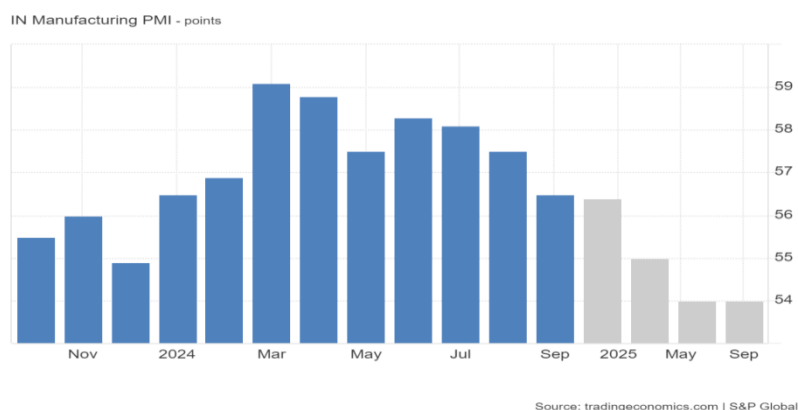


Economic Survey notes that the significant increase in retail investors in the stock market calls for careful consideration as there is the possibility of overconfidence leading to speculation. It says that the firms operating in banking and capital markets must keep the interests of the consumers in mind through fair selling, disclosure, transparency, reliability, and responsiveness.

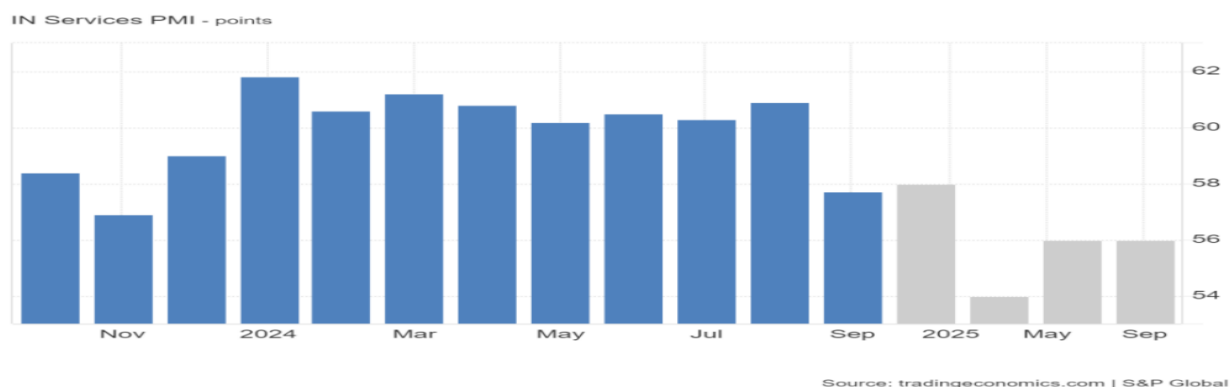
[Source: <https://pib.gov.in/PressReleasePage.aspx?PRID=2034950>]

### India's Manufacturing & Services Growth

The HSBC India Manufacturing PMI fell to 57.4 in December 2024, compared to the flash estimate of 56.5 in November. This marked the softest expansion in factory activity since January as both output and new orders grew at a slower pace. Additionally, new export orders dropped to the lowest level since March 2023. Hiring growth also receded during the month, and input buying expanded at the slowest pace in the calendar year to date. Regarding prices, input prices rose in September while factory gate price inflation eased. Lastly, business confidence fell to its weakest since April 2023, with only 23% of Indian manufacturers forecasting output growth in the year ahead, while the remaining firms predict no change.



The HSBC India Services PMI was revised lower to 57.7 in September 2024 from 58.9 in the preliminary estimates, after a reading of 60.9 in August, marking the fastest growth in five months. This was the 38th consecutive month of growth in services activity, but at its slowest pace since January 2023, as total new business, international sales, and output all rose at the slowest rates since late 2023. Meanwhile, employment continued to rise, with recruitment of both full- and part-time workers. On the price front, input cost inflation accelerated due to higher electricity bills, food prices, and the cost of other materials, though inflation remained below its long-run average. Meanwhile, output cost inflation eased to its lowest level in over two-and-a-half years, amid strong competition. Finally, sentiment improved, supported by optimism around pending project approvals and anticipated efficiency gains.



[Source: <https://tradingeconomics.com/india/manufacturing-pmi>, <https://www.pmi.spglobal.com/public>]

### Government Initiatives to Promote Economic Growth

#### 1. Infrastructure

- Provision of ₹11,11,111 crore for infrastructure (3.4% of GDP).
- ₹1.5 lakh crore to states as long term interest free loans to support resource allocation.
- Phase IV of PMGSY will be launched to provide all weather connectivity to 25,000 rural habitations.



- Financial support for projects with estimated cost of ₹11,500 crore such as the Kosi-Mechi intra-state link and 20 other ongoing and new schemes.
2. Manufacturing & Services
    - Mudra Loans: The limit enhanced to ₹20 lakh from the current ₹10 lakh under the 'Tarun' category.
    - Credit Guarantee Scheme for MSMEs in the Manufacturing Sector.
    - Twelve industrial parks under the National Industrial Corridor Development Programme.
    - Scheme for providing internship opportunities in 500 top companies to 1 crore youth in 5 years.
    - Allowance of ₹5,000 per month along with a one-time assistance of ₹6,000 through the CSR funds.
    - Rental housing with dormitory type accommodation for industrial workers in PPP mode with VGF support.
    - Critical Minerals Mission for domestic production, recycling and overseas acquisition.
  3. Employment & Skilling
    - One-month wage to new entrants in all formal sectors in 3 installments up to ₹15,000, expected to benefit 210 lakh youth.
    - Government will reimburse EPF contributions of employers up to ₹3000 per month for 2 years for all new hires, expected to generate 50 lakh jobs
    - Facilitate higher participation of women in the workforce through setting up of working women hostels in collaboration with industry, and establishing creches.
    - 20 lakh youth will be skilled over a 5-year period.
    - 1,000 Industrial Training Institutes will be upgraded in hub and spoke arrangements with outcome orientation.
  4. Human Resource Development and Social Justice
    - Purvodaya: Vikas bhi Virasat bhi.
    - Plan for endowment rich states in the Eastern parts covering Bihar, Jharkhand, West Bengal, Odisha and Andhra Pradesh for generation of economic opportunities to attain Viksit Bharat.
    - Amritsar Kolkata Industrial Corridor with development of an industrial node at Gaya.
    - Allocation of more than ₹3 lakh crore for schemes benefitting women and girls
    - *Pradhan Mantri Janjatiya Unnat Gram Abhiyan*: Improving the socio-economic condition of tribal communities covering 63,000 villages benefitting 5 crore tribal people.
    - More than 100 branches of India Post Payment Bank will be set up in the NorthEast region.
  5. Innovation, Research & Development
    - Operationalization of the Anusandhan National Research Fund for basic research and prototype development.
    - Private sector-driven research and innovation at commercial scale with a financing pool of ₹1 lakh crore
    - *Space Economy*: A venture capital fund of ₹1,000 crore is to be set up
  6. Productivity and resilience in Agriculture
    - A comprehensive review of the agriculture research setup to bring the focus on raising productivity and developing climate resilient varieties.
    - New 109 high-yielding and climate-resilient varieties of 32 field and horticulture crops will be released for cultivation by farmers.
    - 1 crore farmers across the country will be initiated into natural farming, supported by certification and branding in the next 2 years.
    - 10,000 need-based bio-input resource centers to be established.
    - Large scale clusters for vegetable production will be developed closer to major consumption centers.
    - Financing for Shrimp farming, processing and export will be facilitated through NABARD.
    - DPI for coverage of farmers and their lands in 3 years.
    - Digital crop survey in 400 districts
    - Issuance of Jan Samarth based Kisan Credit Cards
  7. Next Generation Reforms
    - Unique Land Parcel Identification Number or Bhu-Aadhaar for all lands.
    - Survey of map subdivisions as per current ownership.
    - Linkages to the farmers' registries.
    - Land records in urban areas will be digitized with GIS mapping
    - Digitization of cadastral maps.
    - Establishment of land registry.

- Taxonomy for Climate Finance: Enhancing the availability of capital for climate adaptation and mitigation related investments.
- FDI and Overseas Investments: Simplified to facilitate FDIs and promote opportunities for using Indian Rupee as a currency for overseas investments.
- NPS Vatsalya: A plan for contribution by parents and guardians for minors.
- Improvement of data governance, collection, processing and management of data and statistics.
- New Pension Scheme (NPS): A solution that addresses the relevant issues, protects the common citizen and maintains fiscal prudence will be formed.

[Source: <https://www.india.gov.in/spotlight/union-budget-2024-25>]

## INDUSTRY REPORT

### What is PET/PETE

PET (polyethylene terephthalate) is a type of clear, durable and versatile plastic. In fact, it is the most recyclable and recycled plastic in the world.

This plastic is generally used for packaging foods and beverages, especially carbonated soft drinks, juices and water bottles. Apart from this, PET also finds its applicability in Textile (PSF), Automotive, Electronics, Consumer Goods (like toys), etc.

Recycled PET (rPET) is a highly sought after material. Using rPET rather than new plastic reduces environmental impact - when used to make new bottles, total energy consumption is reduced by 79% and greenhouse gas (GHG) emissions are limited by 67%. It can be used to make new bottles as well as many other products — winter jackets, rugs, playground equipment, dog beds and more.



[Source : [https://www.americanbeverage.org/education-resources/blog/what-is-pet/#:~:text=PET%20\(polyethylene%20terephthalate\)%20is%20a,clear%2C%20durable%20and%20versatile%20plastic.](https://www.americanbeverage.org/education-resources/blog/what-is-pet/#:~:text=PET%20(polyethylene%20terephthalate)%20is%20a,clear%2C%20durable%20and%20versatile%20plastic.)]

### Basic Raw Material for PET

The raw materials for PET (Polyethylene Terephthalate) plastic are:

- Ethylene Glycol: A colorless, viscous liquid derived from petroleum.
- Terephthalic Acid: A white crystalline solid, also derived from petroleum.

These two substances undergo a chemical reaction to form PET resin, which is then molded into various products like bottles, packaging films, and clothing fibers.

Although there is a caveat over here, a tiny proportion of the world's oil is used to make PET plastic bottles, about 4% of the entire world's oil.

[Source:

1. <https://www.britannica.com/science/polyethylene-terephthalate>
2. <https://www.theplasticbottlescompany.com/plastic-types/pet-plastic/#:~:text=What%20does%20PET%20stand%20for,a%20third%20of%20global%20demand.>

### Global PET Market Overview - Overall

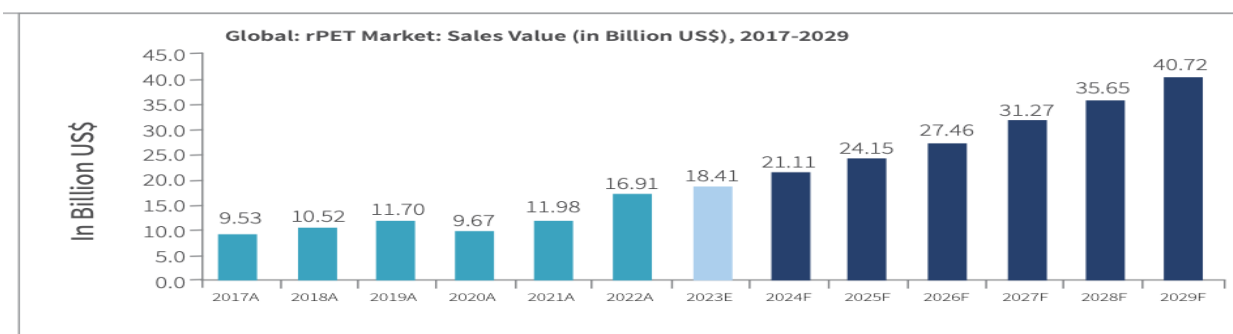
- During 2017-2023, the global PET market grew at a CAGR of 2.5%, reaching a volume of 80.2 Million Tons in 2023.
- It reached a value of \$96.2 Billion in 2023 growing at a CAGR of 4.4% during 2017-2023.
- Expected to grow at a CAGR of 5.6% during 2024-2029 reaching a value of \$135.1 Billion by 2029.

### Indian PET Market Overview - Overall

- During 2017-23 the Indian PET market reached a volume of 2,048 Kilo Tons in 2023, growing at a CAGR of 7.9%.
- The Indian PET market reached a value of \$3.60 Billion in 2023, growing at a CAGR of 18.0% during 2017-2023.
- Going forward, the India PET market is expected to reach a value of \$12.18 Billion by 2029, growing at a CAGR of 22.3% during 2024-2029.

### Global rPET Market Overview - Overall

- The global rPET market reached a value of \$18.41 Billion in 2023, growing at a CAGR of 11.6% during 2017-2023.
- Moving forward, the global rPET market is expected to reach a value of \$40.72 Billion by 2029, growing at a CAGR of 14.0% during 2024-2029.



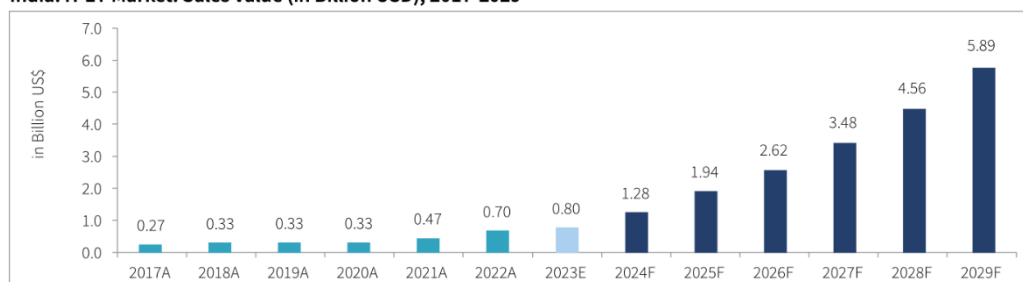
Source: Analyst Reports, Expert Interviews and IMARC Group  
 Note: The above calculations are for the Calendar Year (Jan-Dec). 2017-2022 are Actual figures, 2023 figure is Estimated & 2024-2029 figures are Forecasted.

### Indian rPET Market Overview - Overall

- The India rPET market reached a value of USD 0.80 Billion in 2023, growing at a CAGR of 19.5% during 2017-2023.
- Moving forward, the India rPET market is expected to reach a value of USD 5.89 Billion by 2029, growing at a CAGR of 35.8% during 2024-2029.

### The PET Growth Driver

India: rPET Market: Sales Value (in Billion USD), 2017-2029



Source: Analyst Reports, Expert Interviews and IMARC Group  
 Note: The above calculations are for the Calendar Year (Jan-Dec). 2017-2022 are Actual figures, 2023 figure is Estimated & 2024-2029 figures are Forecasted.

- The growing preference for convenience foods and increase in population contribute to the growth of the PET market.
- PET is a preferred replacement for conventional packaging materials due to its flexibility, simplicity, durability and recycling capacity.
- The pharmaceutical, food and beverage industries have switched to PET packaging due to greater demand for the maintenance of higher quality standards and overall health have become more important.

- Major FMCG businesses are gradually replacing virgin plastic with recycled alternatives in their supply chain.

### The rPET Growth Driver

- Growing concern about plastic pollution and the environmental impact of single-use plastics significantly heightened the demand for recycled PET products.
- Consumers, educated by awareness campaigns and media coverage, are increasingly choosing environmentally friendly options, making sustainability a key factor in purchasing decisions.
- Governments are implementing stricter regulations, such as bans on single-use plastics and incentives for recycling, which push manufacturers to adopt recycled PET. For example the Extended Producer Responsibility which mandates the use of 40-60% of recycled plastic in the packaging.

### How PET will drive the growth for rPET

The increased use of PET resin would lead to generation of more waste which would then get into the waste stream and move towards recycling. PET has witnessed robust growth over last five years increasing usage in various end user industries such as packaging & bottling, automobile, medical packaging, electrical and electronics.

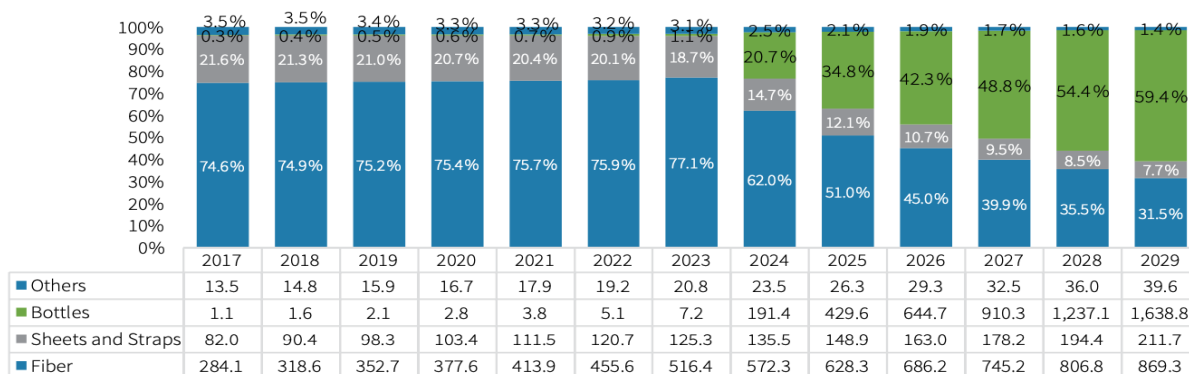
### Customer (Usability) Segmentation of PET Market

- In 2023, bottle represented the largest application for PET in India, accounting for a share of 55.8% of the total market in terms of volume and this share is anticipated to reach 57.5%, by 2029.
- By 2029, the food and beverage sector is expected to dominate the PET packaging market in India, representing 50.2% of the total market volume. Followed by consumer products (21.8%), pharmaceuticals (10.3%) and other applications (17.8%).

### Customer (Usability) Segmentation of rPET Market

- In 2023, non-food grade rPET dominated the market in India, comprising 98.9% of the total volume and reaching 662.5 kilotons, with a CAGR of 9.7% from 2017- 2023.
- Within this category, fiber was the largest application, accounting for 77.1% of the volume and reaching 516.4 kilotons.
- By 2029, food-grade rPET is expected to become the largest segment in India, accounting for 59.4% of the total market volume.

### India: rPET Market: Breakup by Application: Sales Volume (in '000 Tons), 2017-2029



### PET & rPET Bottles Market

- The PET Bottles Market size is estimated at 25.18 Million metric tons in 2024, and is expected to reach 30.90 Million metric tons by 2029, growing at a CAGR of 4.18% during the forecast period (2024-2029).
- Plastic bottles and containers, primarily made of polyethylene terephthalate, are widely used because they are lightweight and durable, facilitating easier handling.
- During the forecast period, the market studied is poised for growth, propelled by the cost-effectiveness of plastic packaging and the rising demand for packaged food and beverage.
- The consumption of bottled water is increasing across China and India due to population growth and changing lifestyles. This trend is creating demand for various bottle formats that are lightweight, portable, and easily stored while meeting sustainability regulations.
- For instance, The Indian Railway Catering and Tourism Corporation Limited introduced a PET bottled water brand, "Rail Neer," primarily sold on trains and at railway stations. The corporation is increasing production with the increase

in bottled water consumption and expansion of the railway industry. In 2021, 75.30 million bottles were produced, which rose to 357.70 million in 2023.

- Southeast Asian countries are experiencing increased demand for PET bottles in various industries. This growth is particularly notable in the food and beverage industry, where PET bottles are widely used for packaging beverages and liquid food products.
- In the pharmaceutical industry, PET bottles are preferred for their durability and resistance to chemical interactions.
- The cosmetics and personal care industries also contribute to this demand, utilizing PET bottles for products such as shampoos, lotions, and other personal care items.
- This widespread adoption across multiple sectors has been a significant factor in driving market growth in Asia-Pacific.
- The PET bottles market is fragmented, with several global and regional players, vying for attention in a contested market space. This market is characterized by low product differentiation, growing levels of product penetration, and high levels of competition.

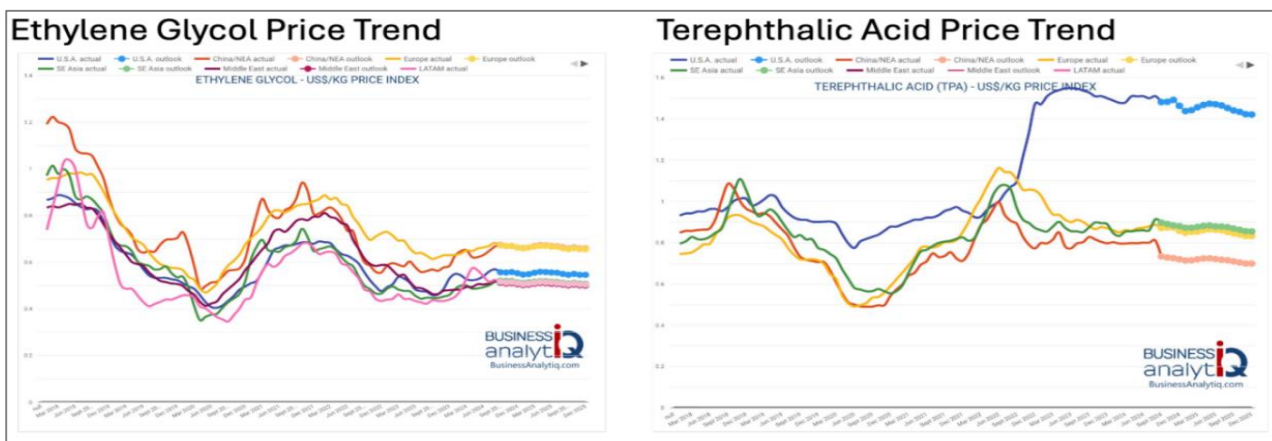
**[Source:**

1. <https://www.mordorintelligence.com/industry-reports/pet-bottles-market>
2. <https://ganeshacosphere.com/admin/UploadedFiles/ContentImages/AnnualReport/AnnualReport2023-24.pdf>

**The Supply Side – Market Dynamics**

The supply side of the PET and rPET bottle market is primarily influenced by the availability and cost of raw materials, particularly ethylene glycol and terephthalic acid. These two chemicals are the primary components used in the production of PET resin, which is then used to make PET and rPET bottles. As ethylene glycol and terephthalic acid are derived from petroleum, fluctuations in crude oil prices can significantly impact the costs.





For the rPET bottles, the raw material is indeed the old recyclable PET bottles and the rate of such scraps depends on the quality and the quantity of purchase.

[Source: <https://businessanalytiq.com/procurementanalytics/index/ethylene-glycol-price-index/>  
<https://businessanalytiq.com/procurementanalytics/index/terephthalic-acid-price-index/>]

September 18, 2024

City	State	Rate per Kg
AHMEDABAD	Gujarat	36.5
DELHI	Delhi	37.3
BENGALURU	Karnataka	32.5
COIMBATORE	Tamil Nadu	32.5
LUCKNOW	Uttar Pradesh	37.5
CHENNAI	Tamil Nadu	32.1
COCHIN	Kerala	31.7
MUMBAI	Maharashtra	34.5
HYDERABAD	Telangana	33.3
KOLKATA	West Bengal	34.5
INDORE	Madhya Pradesh	37.5
JAMMU	Jammu and Kashmir	37.5
WEST BENGAL	West Bengal	35.3

[Source: <https://scrapc.com/news/pet-bottle-price/>]

### Government Initiatives/ Targets

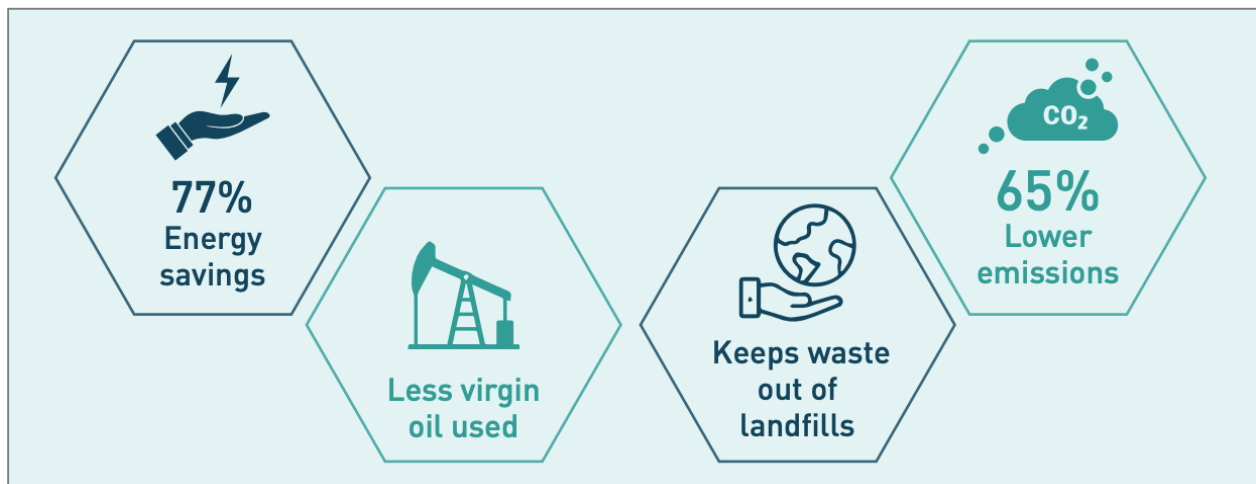
- The Ministry of Environment, Forest and Climate Change has notified the Guidelines on Extended Producer Responsibility for plastic packaging on 16th February 2022.
- The Guidelines stipulates mandatory targets on producers, importers and brand owners for reuse of rigid plastic packaging, minimum level of recycling of plastic packaging waste and minimum use of recycled plastic content in plastic packaging.
- Govt. intends to take the target to 80% by 2027.

Year	Target (% of Extended Producer Responsibility)
2024-25	30-50
2025-26	40-60
2026-27	50-70
2027-28 onwards	60-80

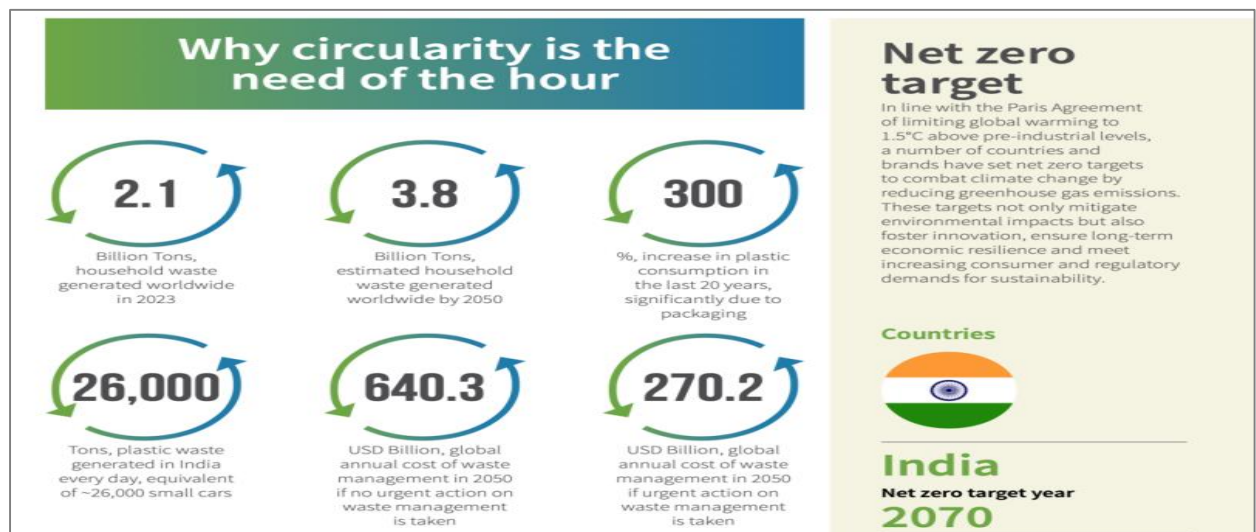


[Source: <https://pib.gov.in/PressReleaseIframePage.aspx?PRID=1881760>]

**Why rPET is the Future of Plastic Bottles:**









[Source: <https://www.indiaplasticspact.org/uploads/1703752807document.pdf>]



[Source: <https://www.indiaplasticspact.org/uploads/1703752807document.pdf>]

## rPET in News

<p> The Economic Times</p> <p><b>Coca-Cola India launches ASSP with 100% rPET bottles; 66% less carbon emissions compared to non-ASSP virgi</b></p> <p>Compared to the conventional virgin PET packaging, in the ASSP, emissions will be reduced by 36% because of the light-weighting of the PET...</p> <p>19 Jun 2024</p>	
<p> Packaging Gateway</p> <p><b>SLMG, Dalmia Packaging partner on PET bottle recycling plant in India</b></p> <p>SLMG Beverages, Coca-Cola India's independent bottler, is collaborating with Dalmia Packaging, to establish a PET bottle recycling plant in India.</p> <p>6 May 2024</p>	
<p> Hindustan Times</p> <p><b>Coca-Cola India joins forces with Reliance Retail for "Bhool Na Jana, Plastic Bottle Lautana" PET collection, recycling initiative</b></p> <p>The initiative is set to expand to 200 Reliance Retail stores nationwide by 2025, with a goal of collecting 5,00000 PET bottles annually...</p> <p>16 Jan 2024</p>	

## BUSINESS OVERVIEW

*The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in the Draft Red Herring Prospectus, including the information contained in the section titled “Risk Factors” on page no. 20 of the Draft Red Herring Prospectus. In this chapter, unless the context requires otherwise, any reference to the terms “We”, “Us” “BCL” and “Our” refers to Our Company. Unless stated otherwise, the financial data in this section is as per our Restated financial statements prepared in accordance with Accounting Standard set forth in the Draft Red Herring Prospectus.*

### OVERVIEW

Our Company was originally incorporated as ‘Badri Cotsyn Private Limited’, on December 18<sup>th</sup>, 2018 under the provisions of the Companies Act, 2013 vide Certificate of Incorporation issued by the Registrar of Companies, Central Processing Centre. Subsequently, our Company was converted into a public limited company and the name of our Company was changed from “Badri Cotsyn Private Limited” to “Badri Cotsyn Limited” vide Special Resolution dated October 17<sup>th</sup>, 2024. The status of the Company was changed to public limited and the fresh certificate of incorporation consequent to conversion was issued on November 28<sup>th</sup>, 2024 by the Registrar of Companies, Central Processing Centre Manesar. As on date of this Draft Red Herring Prospectus the Corporate Identification Number of our Company is U17309MP2018PLC047301.

Our company specializes in manufacturing High-Tenacity Recycled Polyester Staple Fibre (R-PSF) from post-consumer Polyethylene Terephthalate (PET) bottles. Our product portfolio are renowned for its excellent resilience properties. Finished products are supplied to over 100 esteemed customers across India, Europe, and the Middle East. Our commitment to quality and customer satisfaction has enabled us to establish a strong market presence.

Our manufacturing facility is located at Plot No. 33, New Industrial Area-II, Ward No. 14, Tehsil Goharganj, Mandideep, Bhopal, Huzur, Madhya Pradesh, India, 462046. Spread over 4,35,000 square ft., our facility boasts a combined installed capacity of 61,200 MT per annum including our group company. We source raw materials (post-consumer PET bottles) from junk collectors across 12 states, ensuring a consistent supply chain.

Our R-PSF products cater to diverse industries, including textiles (spinning units), non-woven geotextiles, filtration fabrics, and automotive fabrics. We take pride in our quality management system, backed by esteemed certifications such as ISO 9001:2015, ISO 14001:2015, Bureau of Indian Standards (BIS), OEKO-TEX, and Global Recycled Standard (GRS).

In line with our commitment to environmental sustainability, we have installed a 712.69 KWp/Sanctioned capacity 1000 KWp rooftop solar facility. This initiative underscores our dedication to reducing our carbon footprint and promoting eco-friendly practices.

For more details about the services we offered kindly referred Section titled “Our Management”, “Business Overview” and “Industry Overview” beginning on page nos. 170, 134 and 114 respectively of this Draft Red Herring Prospectus.

We have a strong track record of revenue growth and profitability.

### Certifications

Our Company has the acquired the following certifications:

- ISO 9001:2015;
- ISO 14001:2015;
- Certificate of BIS 8200157822;
- OEKO-TEX Standard 100;
- Global Recycled Standard (4.0);
- Certificate of IEMS (Industrial Entrepreneurs Memorandum Section).

### KEY PERFORMANCE INDICATORS OF OUR COMPANY

The following table below sets forth certain Key Financial Indicators for the years indicated:

(₹ in Lakhs)

Particulars	For the period ended December 31 <sup>st</sup> 2024	For the year ended		
		March 31, 2024	March 31, 2023	March 31, 2022
Revenue from operations <sup>(1)</sup>	28,029.94	20,039.86	22,516.91	17,776.94
Growth in Revenue from Operations (%) <sup>(2)*</sup>	86.50	-11.00	26.66	6976.53

EBITDA <sup>(3)</sup>	2,640.66	1,819.19	1,413.29	775.14
EBITDA (%) Margin <sup>(4)</sup>	9.42	9.08	6.28	4.36
PAT <sup>(5)</sup>	1,443.66	353.53	(388.13)	(208.69)
PAT Margin (%) <sup>(6)</sup>	5.15	1.76	-1.72	-1.17
Net Debt <sup>(7)</sup>	11,793.29	8,337.61	8,130.64	8,201.00
Total Share Holder's Fund <sup>(8)</sup>	1,712.67	294.31	(558.21)	(170.08)
Average Share Holder's Fund <sup>(9)</sup>	1,003.49	(131.95)	(364.15)	(87.62)
ROE(%) <sup>(10)</sup>	143.86	(267.92)	(106.59)	(238.17)
Capital employed <sup>(11)</sup>	13,654.87	8,706.28	7,406.63	7,362.14
Average Capital Employed <sup>(12)</sup>	11,180.57	8,056.46	7,384.39	3,681.11
ROCE(%) <sup>(13)</sup>	18.64	6.24	7.05	10.07
EPS <sup>(14)</sup>	10.50	3.39	(3.88)	(2.08)
NAV <sup>(15)</sup>	12.46	69.09	(5,582.13)	(1,700.81)

**Note:**

- (1) Revenue from operation means revenue from sales;
  - (2) Growth in Revenue from Operations (%) is calculated as Revenue from Operations of the relevant period minus Revenue from Operations of the preceding period, divided by Revenue from Operations of the preceding period;
  - (3) EBITDA is calculated as Profit before tax + Depreciation + Finance Cost;
  - (4) EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations;
  - (5) PAT is calculated as Profit before tax – Taxes;
  - (6) PAT Margin is calculated as PAT for the period/year divided by revenue from operations.
  - (7) Net debt = Non-current borrowing + current borrowing - Cash and cash equivalent, Bank balance.
  - (8) Total shareholder's Fund = Equity share capital + Reserves & Surplus +/- Minority Interest.
  - (9) Average Share Holder's Fund: Opening Total Share Holder's Fund + Closing Total Share Holder's Fund / 2.
  - (10) ROE = Net profit after tax / Average Share Holder's Fund.
  - (11) Capital Employed = Total Equity + Non-current borrowing + Current Borrowing + Deferred Tax liabilities - Deferred Tax Assets – Intangible Assets.
  - (12) Average Capital Employed = Opening Capital Employed + Closing Capital Employed / 2.
  - (13) ROCE = Profit before tax and finance cost / Average Capital Employed.
  - (14) EPS = Net Profit after tax, as restated, attributable to equity shareholders / weighted average number of equity shares outstanding during the year after considering bonus shares.
  - (15) NAV = Total shareholder's Fund / weighted average number of equity shares outstanding during the year.
  - (16) The above has been computed on the basis of the Restated Consolidated Financial Statements of the Company.
- \*The growth rate is calculated based on the annualized turnover.

## OUR PRODUCTS AND SERVICES

### PRODUCTS:

**High Tenacity Recycled Polyester Staple Fiber (R-PSF):** High Tenacity Polyester Staple Fiber (R-PSF) is a versatile yarn widely used in the textile industry. It plays a crucial role in the production of textiles, carpets and various industrial fabrics. R-PSF is also employed in the manufacturing of non-woven carpets, wadding, and geotextiles. Notably, it produced from recycled PET plastics, including plastic bottles and packaging materials, making it an environmentally sustainable choice.

R-PSF is available in various formulations, Colour, like: White, Off White, Raw Black, Raw White and each designed to meet specific performance requirements. One of the key advantages of high-tenacity recycled polyester staple fiber (R-PSF) is its enhanced durability, ensuring greater longevity and consistent quality across applications.

Size of R-PSF can be measured, the unit of measurement is “Denier”.

**Type of High Tenacity Polyester Staple Fiber are:**

Photos of Various type of R-PSF	Specifications
	<p><b><u>Name:</u></b> High Tenacity Recycled Polyester Staple Fiber</p> <p><b><u>Quality Grade:</u></b> Grade A</p> <p><b><u>Denier:</u></b> 1.2D &amp; 1.5D</p> <p><b><u>Colour:</u></b> White</p> <p><b><u>Usage:</u></b> Spinning yarns, open end or ring spun.</p>
	<p><b><u>Name:</u></b> Recycled Polyester Staple Fiber</p> <p><b><u>Quality Grade:</u></b> Grade A</p> <p><b><u>Denier:</u></b> 1.5D &amp; 2.0D</p> <p><b><u>Colour:</u></b> Off White</p> <p><b><u>Usage:</u></b> Spinning yarns, open end or ring spun, Non-woven, needle punching.</p>
	<p><b><u>Name:</u></b> Recycled Polyester Staple Fiber</p> <p><b><u>Quality Grade:</u></b> Grade A</p> <p><b><u>Denier:</u></b> 1.5D &amp; 2.0D</p> <p><b><u>Colour:</u></b> Raw Black</p> <p><b><u>Usage:</u></b> Spinning yarns, open end or ring spun,</p>
	<p><b><u>Name:</u></b> Recycled Polyester Staple Fiber, Triangle (TBL)</p> <p><b><u>Quality Grade:</u></b> Grade A</p> <p><b><u>Denier:</u></b> 2.5D</p> <p><b><u>Colour:</u></b> Raw White</p> <p><b><u>Usage:</u></b> Suitable for making Spun Yarns which needs a good shiny luster.</p>
	<p><b><u>Name:</u></b> Recycled Polyester Staple Fiber, Solid Super White</p> <p><b><u>Quality Grade:</u></b> Grade A</p> <p><b><u>Denier:</u></b> 3D, 6D</p> <p><b><u>Colour:</u></b> Off White</p> <p><b><u>Usage:</u></b> Suitable for making Geo-Textiles, Waddings, Padding, Filter Clothes, Needle Punch Fabrics</p>

**SERVICES:**



## 1. EPR (Extended Producer Responsibility) Credits Services:

The Plastic Waste Management Rules mandate Extended Producer Responsibility (EPR) compliance for plastic waste generated from plastic packaging products and sheets. Producers, importers, and brand owners must recycle plastic waste according to their annual EPR targets.

However, some producers exceed their targets, while others struggle to meet them. To address this imbalance, a provision allows for the trading of EPR Credits for Plastic Waste. These credits can be transferred from one producer to another.

This mechanism ensures that the total recycled waste is distributed among producers based on the availability of EPR Certificates, promoting a more efficient and equitable plastic waste management system.

Since we are a recycling facility, we are eligible to generate the EPR certificates required by brand owners. Badri Cotsyn Limited is a CPCB approved Category -1 Plastic Waste Processor. Along with EPR credit transfer on the CPCB portal we share all necessary traceability documents for complete compliance and satisfaction of our customers.

## 2. Job Work Services:

Job Work Services refer to services provided by one party (the job worker) to another party (the principal manufacturer) where the job worker processes or transforms raw materials or semi-finished goods owned by the principal manufacturer.

As part of our job work services, Badri Cotsyn Limited has processed PET bottles for our group company, Badri Eco Fibres, producing high-quality PET flakes.

## PROCESS FLOW CHARTS

**Step 1 – Collection of PET Bottles:** The very first step in making Recycled Polyester Staple Fiber (R-PSF) is to collect all the waste PET bottles. These PET bottles are the raw material which is used in making solid or hollow fiber or recycled pellets or resins. We source them from junk collectors, waste collectors or waste management enterprise.



**Step-2 Segregation of PET Bottles:** Once these bottles reach at manufacturing facility, they are sorted either manually or by automated machinery based on colour and polymer and all the dispensable part like label, bottle cap and other non-recyclable items are removed.

### Step 3 – Cleaning of PET Bottles:

The waste PET bottles are decontaminated and washed using caustic and detergent water to remove all the dirt, dust, bacteria or residual liquids. This is done in a fully automated wash line where they are washed multiple times in different ways like



pre-washing, hot washing, friction washing and rinsed and dried using air blowers or dryers to remove any moisture which is essential so as to maintain the quality of the plastic.



***Step 4 – Shredding of PET Bottles:***

The next step is to put the cleaned PET bottles into a high intensity grinder or shredder which converts these bottles into small pieces called flakes. These flakes are again washed and dried. These flakes are of different sizes and measurements as per the requirement.



***Step 5 – Melting of flakes:***

These clean and dried flakes are first melted at very high temperature to form melted polymer or viscous liquid keeping in mind they don't get overheated or degraded. The flakes are melted at very specific temperatures.



***Step 6 – Extrusion:***

The shredded plastic flakes are melted and extruded to form molten plastic. This is typically done in an extruder, where the plastic flakes are heated at specific temperature as per the requirement to form continuous strands or pellets.

***Step 7 – Spinning & Drawing:***

This viscous liquid is passed through series of spinnerets or small holes of spinnerets at controlled rate and pressure to produce filaments. The size and shape of the spinneret holes determine the diameter and cross-sectional shape of the filaments. The size and shape of the spinneret holes determine the diameter and cross-sectional shape of the filaments. Once these filaments exit the spinnerets, they are cooled down using air or water to solidify them into solid strands. Then these strands are collected and fed into drawing line where the strands are stretched, crimped and dried.





Once these filaments exit the spinnerets, they are cooled down using air or water to solidify them into solid strands. Then these strands are collected and fed into drawing line where the strands are stretched, crimped and dried.



***Step 8 – Cutting and Baling:***

Finally, these thread or yarn are cut into the desired staple length, making recycled staple fiber ready for further processing by our customers. To help in transportation, big, rectangular blocks known as bales are made which are packed and secured with wire and traps.

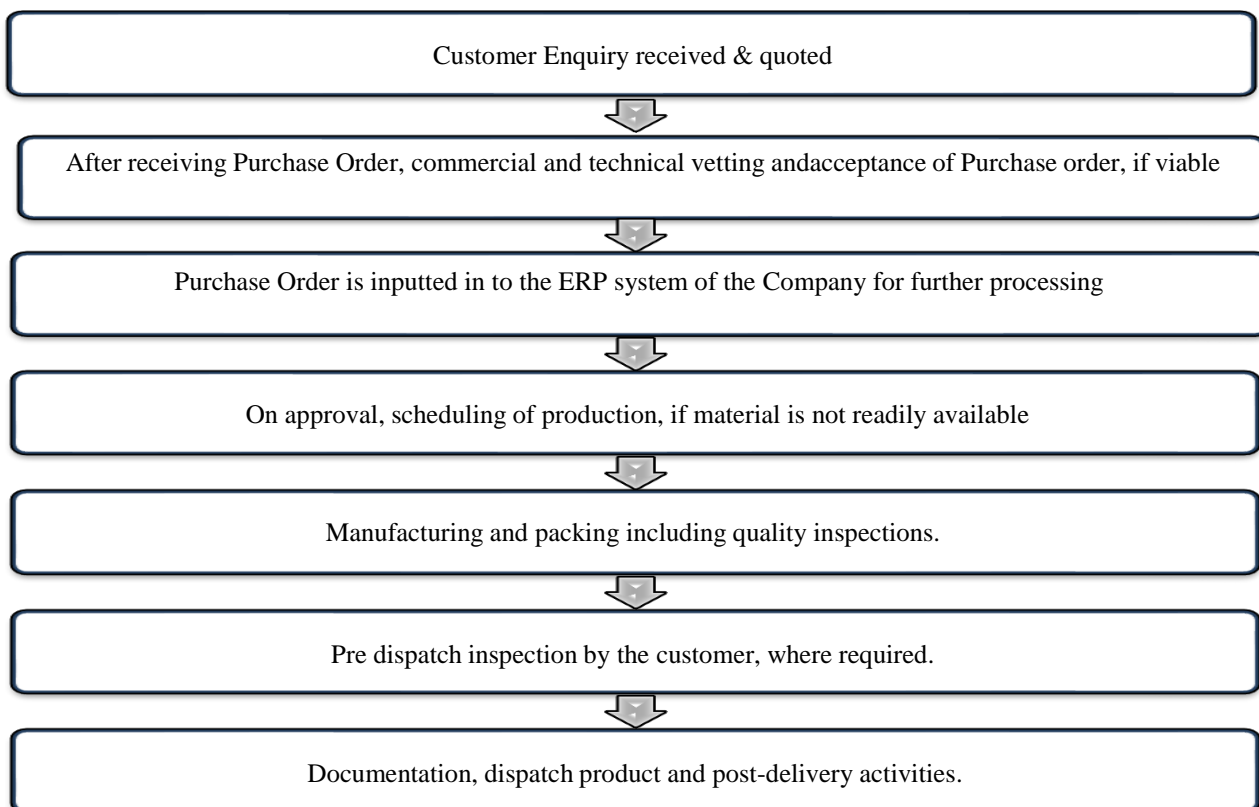


**Step-9 Dispatch of Finished Products:**

Upon completion of all processes, the finished products are dispatched to various textile industries.



**KEY BUSINESS PROCESS**



**RAW MATERIALS**

We procure raw material from the different whole sellers of post-consumer PET bottles across the country, this includes states like Andhra Pradesh, Madhya Pradesh, Delhi, Uttar Pradesh, Gujarat, Dadra and Nagar Haveli, Maharashtra, Karnataka, Tamil Nadu, Telangana, Chhattisgarh etc. These bottles come in the form of bales which are stored in our facility. Our raw material includes the following:

- PET (Polyethylene Terephthalate) Bottles;
- Textile Industrial polyester waste in the form of lumps, popcorn, sheet, chips, etc.

#### STATE WISE RAW MATERIAL PURCHASE BREAK-UP

(₹ in Lakhs)

STATE NAME	For the period ended on 31 <sup>st</sup> December 2024		For the Financials year ended March 31 <sup>st</sup> , 2024		For the Financials year ended March 31 <sup>st</sup> , 2023		For the Financials year ended March 31 <sup>st</sup> , 2022	
	%	Amount	%	Amount	%	Amount	%	Amount
Himachal Pradesh	0.12	17.89	0.04	7.07	0.15	26.22	0.13	19.56
Punjab	0.07	11.36	0.14	22.50	0.78	135.76	1.35	197.76
Uttarakhand	0.46	70.28	2.66	438.81	3.56	620.22	0.25	36.07
Haryana	0.83	127.05	0.67	109.80	0.00	0.00	0.35	51.95
Delhi	6.82	1,039.75	11.42	1885.18	14.78	2577.88	15.27	2244.90
Rajasthan	0.31	46.57	0.70	115.35	0.95	165.71	0.53	77.32
Uttar Pradesh	13.17	2,007.23	12.58	2075.77	1.92	334.21	2.44	358.89
Bihar	0.14	20.68	0.00	0.00	0.00	0.00	0.00	0.07
West Bengal	3.35	510.91	1.14	188.02	0.27	47.66	0.00	0.00
Jharkhand	2.43	369.86	0.00	0.00	0.00	0.00	0.02	3.32
Odisha	0.93	141.05	0.61	101.10	0.00	0.00	0.02	3.64
Chattisgarh	4.32	658.16	6.46	1066.32	1.31	228.07	3.42	503.26
Madhya Pradesh	14.48	2,206.90	14.97	2470.10	11.16	1946.27	21.53	3165.63
Goa	0.00	-	0.01	1.50	0.00	0.00	0.01	2.16
Jammu Kashmir	0.00	-	0.00	0.21	0.60	105.40	0.00	0.00
Chandigarh	0.00	-	0.00	0.00	0.00	0.00	0.10	14.50
Assam	0.00	-	0.04	6.68	0.00	0.00	0.00	0.00
Gujarat	10.40	1,584.54	13.37	2207.09	17.23	3004.83	17.39	2557.15
Dadra and Nagar Haveli	4.13	629.60	1.55	255.10	4.04	705.43	0.46	67.37
Maharashtra	10.34	1,575.15	10.62	1753.57	6.16	1073.69	8.93	1313.64
Karnataka	6.18	941.88	1.74	287.07	5.76	1004.20	3.51	515.46
Kerala	0.90	136.45	1.37	226.16	0.24	41.93	0.00	0.00
Tamil Nadu	0.63	96.06	1.67	276.31	5.30	923.70	4.62	679.94
Telangana	10.23	1,558.50	5.52	910.52	4.11	717.39	7.24	1064.20
Andhra Pradesh	9.78	1,490.05	12.72	2099.99	21.70	3784.80	12.42	1826.46
<b>Total</b>	<b>100.00</b>	<b>15,239.91</b>	<b>100.00</b>	<b>16504.24</b>	<b>100.00</b>	<b>17443.37</b>	<b>100.00</b>	<b>14703.24</b>

#### IMPORT OF RAW MATERIAL COUNTRY WISE BREAK-UP

Country Name	For the period ended on 31 <sup>st</sup> December 2024		For the Financials year ended March 31 <sup>st</sup> , 2024		For the Financials year ended March 31 <sup>st</sup> , 2023		For the Financials year ended March 31 <sup>st</sup> , 2022	
	%	Amount	%	Amount	%	Amount	%	Amount
Italy	0.00	-	0.00	-	0.00	-	42.17	12.68
Dubai	0.00	-	0.00	-	0.00	-	57.83	17.39
China	0.00	-	100.00	3.78	100.00	8.81	0.00	-
Sharjah UAE	42.49	37.74	0.00	-	0.00	-	0.00	-
Turkey	20.41	18.13	0.00	-	0.00	-	0.00	-
AJman UAE	37.10	32.95	0.00	-	0.00	-	0.00	-
<b>Total</b>	<b>100.00</b>	<b>88.81</b>	<b>100.00</b>	<b>3.78</b>	<b>100.00</b>	<b>8.81</b>	<b>100.00</b>	<b>30.07</b>

## BRIEF FINANCIALS OF OUR COMPANY

(₹ In Lakhs)

Particulars	For the period ended December 2024	For the Financials year ended March 31 <sup>st</sup> ,		
		2024	2023	2022
Revenue from Operations	28,029.94	20,039.86	22,516.91	17,776.94
Other Income	54.22	37.66	58.09	14.82
<b>Total Income</b>	<b>28,084.16</b>	<b>20,077.50</b>	<b>22,575.00</b>	<b>17,791.76</b>
Finance Cost	455.86	453.74	398.52	323.98
Depreciation and Amortization Expenses	556.35	879.88	892.96	1062.48
Profit Before Interest, Depreciation and amortization expenses and Tax	2,640.66	1,819.19	1,413.29	775.14
<b>Profit After Tax</b>	<b>1,443.66</b>	<b>353.53</b>	<b>(388.13)</b>	<b>(208.69)</b>

Note:

- (1) Revenue from operation means revenue from sales;
- (2) EBITDA is calculated as Profit before tax + Depreciation + Finance Cost.

## GEOGRAPHICAL WISE REVENUE BREAK-UP

(₹ In Lakhs)

Particulars	For the period ended on 31 <sup>st</sup> December 2024		For the Financials year ended March 31 <sup>st</sup> ,					
	%	Amount	2024		2023		2022	
			%	Amount	%	Amount	%	Amount
Export Revenue	2.39	670.12	1.16	231.55	0.43	97.19	0.66	116.80
Domestic Revenue	97.61	27359.84	98.84	19808.31	99.57	22419.72	99.34	17660.14
<b>Total Revenue</b>	<b>100</b>	<b>28029.96</b>	<b>100.00</b>	<b>20039.86</b>	<b>100.00</b>	<b>22516.91</b>	<b>100.00</b>	<b>17776.94</b>

## COUNTRY WISE REVENUE BREAK-UP

(₹ in Lakhs)

Particulars	For the period ended on 31 <sup>st</sup> December 2024		For the Financials year ended March 31 <sup>st</sup> , 2024		For the Financials year ended March 31 <sup>st</sup> , 2023		For the Financials year ended March 31 <sup>st</sup> , 2022	
	%	Amount	%	Amount	%	Amount	%	Amount
Spain	79.90	535.44	100.00	231.55	100.00	97.19	80.30	93.80
Nepal	-	-	-	-	-	-	19.70	23.01
Bangladesh	20.10	134.68	-	-	-	-	-	-
<b>Total Export Revenue</b>	<b>100.00</b>	<b>670.12</b>	<b>100.00</b>	<b>231.55</b>	<b>100.00</b>	<b>97.19</b>	<b>100.00</b>	<b>116.81</b>

## STATE WISE REVENUE BREAK-UP

(₹ in Lakhs)

Particulars	For the period ended on 31 <sup>st</sup> December 2024		For the Financials year ended March 31 <sup>st</sup> , 2024		For the Financials year ended March 31 <sup>st</sup> , 2023		For the Financials year ended March 31 <sup>st</sup> , 2022	
	%	Amount	%	Amount	%	Amount	%	Amount
Madhya Pradesh	0.21	5,736.91	0.18	3,595.69	0.20	4,570.44	0.19	3,411.85
Andhra Pradesh	0.00	130.78	-	-	-	-	-	-
Maharashtra	0.18	5,049.66	0.14	2,818.59	0.13	2,958.30	0.10	1,812.93
Punjab	0.18	4,795.64	0.26	5,199.40	0.24	5,343.07	0.25	4,379.58
Rajasthan	0.10	2,725.20	0.08	1,505.37	0.07	1,580.20	0.06	1,020.77



Dadra and Nagar Haveli and Daman & Diu	0.08	2,109.81	0.10	1,920.29	0.08	1,796.11	0.09	1,662.99
Gujarat	0.08	2,083.83	0.07	1,316.64	0.09	2,026.31	0.08	1,383.19
Tamil Nadu	0.03	718.93	0.02	491.34	0.01	243.04	0.01	220.06
Haryana	0.05	1,304.82	0.08	1,660.32	0.10	2,158.76	0.09	1,621.45
Himachal Pradesh	0.03	772.02	0.02	339.31	0.06	1,297.17	0.09	1,614.15
Telangana	0.03	909.03	0.03	634.90	0.00	81.51	0.00	17.23
Chhattisgarh	0.02	519.67	0.00	91.59	0.00	6.91	0.00	19.59
Uttar Pradesh	0.01	344.85	0.00	74.93	0.01	183.60	0.02	316.28
Jammu and Kashmir	0.00	34.52	0.00	49.80	-	-	-	-
Delhi	0.00	14.64	0.00	71.02	0.01	137.39	0.01	130.55
Karnataka	0.00	100.09	-	-	0.00	3.98	-	-
Uttarakhand	0.00	9.43	0.00	7.92	0.00	32.93	0.00	26.78
West Bengal	-	-	0.00	17.90	-	-	0.00	22.74
Odisha	-	-	0.00	13.32	-	-	-	-
<b>Total</b>	<b>100</b>	<b>27,359.84</b>	<b>100</b>	<b>19,808.31</b>	<b>100</b>	<b>22,419.72</b>	<b>100</b>	<b>17,660.14</b>

### PRODUCT WISE REVENUE BREAK-UP

(₹ in Lakhs)

Particulars	For the period ended on 31 <sup>st</sup> December 2024		For the Financials year ended March 31 <sup>st</sup> , 2024		For the Financials year ended March 31 <sup>st</sup> , 2023		For the Financials year ended March 31 <sup>st</sup> , 2022	
	%	Amount	%	Amount	%	Amount	%	Amount
Recycle - Polyester Fibre Staple	94.82	26578.51	95.61	19160.98	96.24	21670.21	94.54	16806.31
Scrap	3.26	914.50	3.43	687.35	2.27	511.87	2.69	477.87
Job Work	0.00	0.00	0.25	49.62	0.32	71.7	2.30	408.36
EPR Services	1.92	536.93	0.71	141.91	1.17	263.13	0.47	84.4
<b>Total</b>	<b>100.00</b>	<b>28029.94</b>	<b>100.00</b>	<b>20039.86</b>	<b>100.00</b>	<b>22516.91</b>	<b>100.00</b>	<b>17776.94</b>

### SALES AND SALES RETURN

(₹ in Lakhs)

Description	For the period ended on 31 <sup>st</sup> December 2024	For the Financials year ended March 31 <sup>st</sup> ,		
		2024	2023	2022
Sale of Recycle - Polyester Fibre Staple	26578.51	19160.98	21670.21	16806.31
Sale Return	19.41	17.74	28.04	75.49
Sales Return as Percentage of Sales (%)	0.07	0.09	0.13	0.45

### OUR COMPETITIVE STRENGTHS

#### 1. Well qualified promoters with strong management team having domain knowledge.

Our Promoters have played a key role in guiding, developing, and growing our business. Under the leadership and experience of our Promoters, our company has seen significant growth in the overall business. Our Promoters, have a proven background and experience in the Industry. Our Company is managed by a team of personnel having experience in domestic and international markets. The team comprises of personnel having technical, operational, and business development experience in Forging Industry. We believe that our management team's experience and their understanding of the industry, regulatory affairs, manufacturing, quality control, sales, marketing, and finance will enable us to continue to take advantage of both current and future market opportunities within India and Abroad. We believe our Promoters and Management's overall experience and vision will enable us to manage and grow our business in the existing markets and to enter new geographies with our competitive advantage.

#### 2. Centrally located in Madhya Pradesh, offering proximity to key customers and attractive financial incentives

Our company's has manufacturing facility in Mandideep, Bhopal, Madhya Pradesh, offers a competitive edge. Our major customers are situated in close proximity within the state, facilitating efficient logistics and customer service. Centrally located in India, we source raw materials from over 12 states, minimizing transit time and costs. This advantageous location enables us to optimize our supply chain and maintain cost competitiveness. Furthermore, the state of Madhya Pradesh provides attractive financial incentives, including a 40% capital subsidy on investments for capital creation. Our company is eligible to receive five tranches of capital subsidy against previous capital investments, supporting our growth and expansion plans.

### **3. Proven track record of good financial performance**

Our company has consistently delivered good financial performance, driven by our focus on operational excellence. We have achieved sustained revenue and EBITDA growth, while maintaining profitable margins, without relying on external funding or high leverage. Our ability to fund capital expenditures through internal accruals, efficient asset utilization, and prudent working capital management demonstrates our commitment to financial discipline. Strong operating cash flows enable us to meet customer needs, while our solid balance sheet and financial performance inspire confidence.

### **4. Quality Assurance and Standards**

Our Company is committed to achieve excellence at all levels of activities, leading to continual improvements of products, process and systems, cost effectiveness and productivity for achieving Total Customer Satisfaction. To this end, we follow stringent process control and monitoring to ensure consistency, uniformity and conformance to specifications. Before the release of each batch, a review is made of all process control documents and records to ensure conformance to in-process control and operator inspection during manufacture.

### **5. Long Standing Relation with Customers**

We have build long-term relationships with our major customers by delivering consistent, high-quality products. Our customers have unique requirements, which we diligently meet through prompt assistance and proactive issue resolution. By actively listening to customer feedback and addressing concerns, we have built trust and loyalty over the years, therefore strengthening our relationships.

## **BUSINESS STRATEGIES**

### **1. Augmenting growth in export markets**

Presently, more than 90% of our revenue is from the domestic market and export business is almost negligible. Going forward, our focus would be to grow our export business. We believe that there lies a huge business opportunity for our products in the markets of Australia, Europe and Canada.

We believe that the recycled fibre and pellets sector will grow rapidly in the upcoming years, due to changing lifestyle, government policies across the world for environment protection, and consumer demand. We intend to capitalise on such opportunities and believe that we are well positioned to cater the growing demand with our offerings.

### **2. Focus on brand awareness**

Going forward, we seek to allocate a portion of our resources to increase the brand awareness of our Company amongst our customers. We believe that the ability to differentiate our products from our competitors through our branding and marketing efforts will be an important factor in gaining market share. To this end, we plan to actively participate in trade fairs and exhibitions across the world and in India and intend to undertake appropriate marketing initiatives such as social media marketing in order to increase our visibility and market share as well as to create public awareness for our products and our Company as a top PET bottle recycler in the country.

### **3. Retain and attract the best talent and develop a performance focused culture**

Our employees are critical to our business. We believe that the key to our success will be our ability to continue to maintain and grow a team of talented and experienced professionals. We intend to place special emphasis on attracting, training and retaining our employees. We also internally assess our employees to periodically identify competency gaps and use development inputs (such as training and job rotation) to address these gaps. We intend to continuously enhance our employees' skills and productivity and will continue to help our employees develop understanding of our customer-oriented corporate culture and quality standards to enable them to continue to meet our customers' changing needs and preferences. We will continue to regularly review and update our employee compensation plans and bonuses based on their individual performance so that our employees are suitably incentivised.

#### 4. Continue to strive for cost efficiency

We aim to continue to maintain our cost management focus, including in-house integrated manufacturing capabilities, across our business to deliver growth as well as to achieve economies of scale. To this end, we will continue to seek to manage our procurement costs through optimal inventory levels, economic orders and other measures. We also plan to set up a network of procurement specialists throughout the country to be able to procure waste PET bottles at the lowest cost while offering assurance on continuous availability to keep our manufacturing facility running.

#### 5. Enter and expand into the recycled pellets segment

We seek to capitalize on the growth opportunities in the packaging and bottling industry by supplying Recycled Pellets from our new proposed facility. To this end, we intend to expand our operations by setting up a new manufacturing facility in Bhopal, Madhya Pradesh, through the purchase of new machinery. For further details, please refer to the chapter “*Object to the issue*” on page no.78 of Draft Red Herring Prospectus.

### SWOT ANALYSIS

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> <li>Centrally located in Madhya Pradesh with close proximity to customers and availability of abundant and cheap resources.</li> <li>State of Madhya Pradesh provides substantial subsidy of 40% which brings down the cost of project.</li> <li>Well qualified promoters with strong management team having domain knowledge capable of capturing the opportunity in the Food grade r-PET segment.</li> </ul>	<ul style="list-style-type: none"> <li>Volatility in raw material prices and challenges in procurement.</li> <li>Capital intensive business.</li> <li>Given the size of the opportunity in the Food grade r-PET segment, several players are setting up plants which can lead to high level of competition.</li> </ul>
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> <li>Large opportunity of Food grade r-PET segment opening up due to governmental policies.</li> <li>Substantial growth / opportunities for growth in export markets.</li> <li>Changing consumer preferences towards eco-friendly products provides a strong tail wind to the sector</li> </ul>	<ul style="list-style-type: none"> <li>High reliance on governmental policies and ability of the government to implement the policies on the ground.</li> <li>Buy in of the large brands to adopt recycled products in their supply chain.</li> </ul>

### INFRASTRUCTURE AND UTILITY

#### POWER

Our manufacturing facility has adequate power supply from Madhya Pradesh Madhya Kshetra Vidyut Vitaran Co. Ltd., Bhopal with a sanctioned and connected load of 2,800 KVA.

#### WATER

Our Company has adequate supply of water from MP Industrial Development Corporation Ltd.

### OUR LOCATIONS

Particulars	Address
Registered Office and Manufacturing Unit	Plot No. 33, New Industrial Area-II Ward No 14, Tehsil Goharganj, Mandideep, Huzur, Bhopal, Madhya Pradesh, India, 462046.

**Our Registered Office and Manufacturing Unit:**





## HUMAN RESOURCE

As on November 30<sup>th</sup>, 2024, our Company had a total workforce of:

- 333 permanent employees on the Company's payroll, working at various levels within the Organization.
- 150 contractual Laborers.

Total workforce: 483 employees.

Department	Total
Accounts & Legal	7
Admin	8
Baler	7
Boiler	13
Burn Out	16
Charging	1
Coal Lab	4
Continuous Dryer	6
Crimper	5
Cutter	6
DCS	2
Dency Fire	3
Dispatch	1
Draw Line	6
Electrical	14
EPR	1
ETP	4
Exim	2
Fork Lift	37
HR	3
Mechanical	26
MIS	5
Operation	1
Production	1
Project	1
PSF Mechanical	16
Purchase	12
Quality	18
Sales	1
Scrap	1
Secretary	1
Spinning	9
Store	4
Take-up	8
Time Office	2
Utility	5
Utility ETP	1
Wash Line	75
<b>Total</b>	<b>333</b>

The attrition rate of the company is as follows:

Particulars	Till November, 2024	March 31 <sup>st</sup> ,		
		2024	2023	2022
Opening Employees	330	261	257	26
Addition	223	212	113	231
Attrition	220	143	109	0
Closing Employees	333	330	261	257
Average Employees <sup>(1)</sup>	332	296	259	142
<b>Attrition Rate (%)<sup>(2)</sup></b>	66	48	42	0

1. Average Employees= (Opening employees+ Closing Employees)/2;

2. Attrition rate is calculated as Attrition/Average Employees\*100.

## PLANT AND MACHINERY



We have following Plant and Machinery at our Manufacturing facility:

Plant & Machine Description	Quantity	Purpose	Ownership
Bag Filter	1	For releasing air quality control	Owned
Boiler	1	Steam generation	Owned
Cooling Tower	1	Cooling of processed water	Owned
Effluent Treatment Plant	1	Waste Water Treatment	Owned
Wash Line	1	Sorting of Raw Material	Owned
Spinning	1	Spinning, extrusion and Fila mentation	Owned
Drawline	1	Drawing of filament as desired	Owned
Steam Boiler	2	Steam Generation	Owned
Thermo Pack	1	Heating through fluid oil	Owned
Power Station	1	Power Supply	Owned

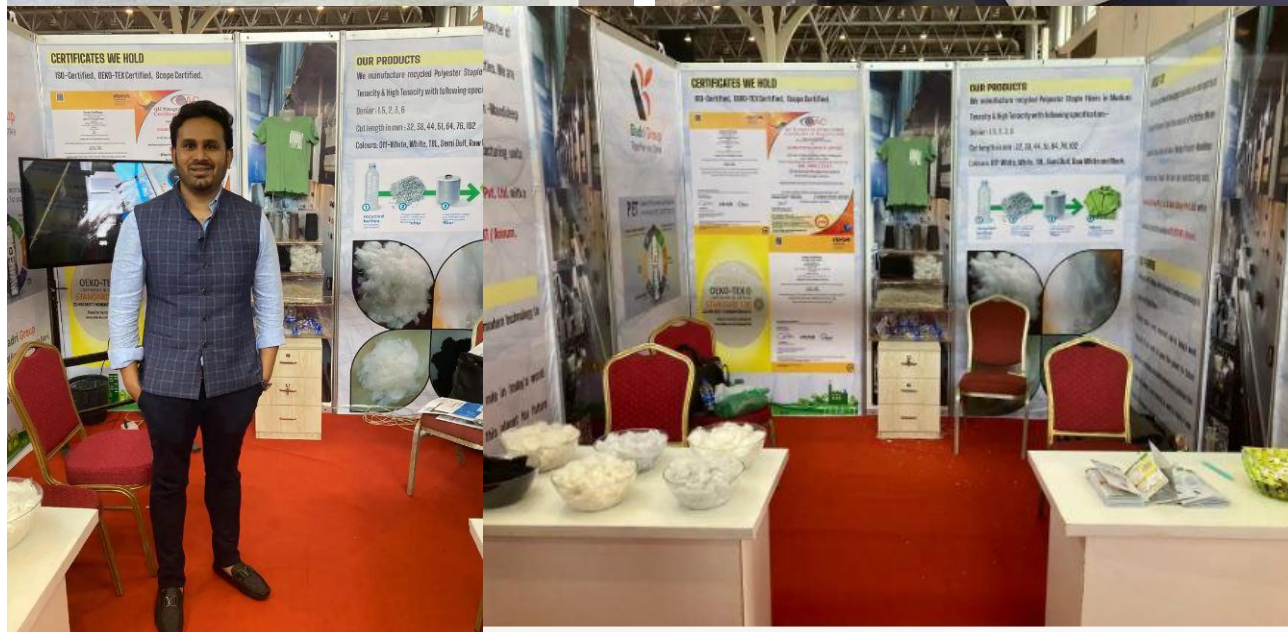
## MARKETING ARRANGEMENT

Marketing is an important function of our organisation. Annually, our Company prepares and implements a comprehensive sales and marketing plan. Our sales and marketing teams along with our management regularly attend trade fairs, exhibitions to promote our products and understand our customer’s needs. We avail both direct and indirect channels of sales for selling and marketing our products. We maintain a data base consisting of our existing customers and undertake direct sales efforts through either centrally from our head office or through our business representatives.

**Photos of some of our participation in Trade Fairs:**







**DETAILS OF OWN MANUFACTURING AND THIRD PARTY MANUFACTURING**

Our Company has entered into non-competing job work agreement with one of our group company i.e. Badri Ecofibers Private Limited agreement dated 01<sup>st</sup> July, 2024 to supply 95% percent of its total production to our company, the remaining 5% is left for the company to meet its export obligation under EPCG scheme.

OWNED CAPACITY				
Product Category	Capacity	FY 2023-24	FY 2022-23	FY 2021-22
Recycle - Polyester Fibre Staple	Installed (MT)	28800	28800	28800
	Actual (MT)	26724	25562	21514
	%	92.79	88.75	74.70
THIRD PARTY MANUFACTURING				
Product Category	Capacity	FY 2023-24	FY 2022-23	FY 2021-22
Recycle - Polyester Fibre Staple	Installed (MT)	-	-	-
	Actual (MT)	-	-	-

	%	-	-	-
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\*We have taken certificate from M/s. Key Tech Engineer, Chartered Engineer, Approved valuer on Capacity and Capacity utilization dated December 31<sup>st</sup>, 2024.

### JUSTIFICATION FOR THIRD PARTY MANUFACTURING

Due to increasing in demand for our product and our factory being operated at its maximum operational efficiency, Company has entered into agreement with Badri Ecofibers Private Limited agreement dated 01<sup>st</sup> July, 2024 to supply 95% percent of its total production to our company, the remaining 5% is left for the company to meet its export obligation under EPCG scheme.

### EXPORT AND EXPORT OBLIGATIONS

(₹ in Lakhs)

Particulars	For the period ended December 31 <sup>st</sup> , 2024	For the year ended on		
		March 31 <sup>st</sup> , 2024	March 31 <sup>st</sup> , 2023	March 31 <sup>st</sup> , 2022
Export Sales	670.12	231.55	97.19	116.81
Export Obligations*	4746.06	4970.64	5059.48	5170.04

\*Above obligation arises under the EPCG Scheme that allows company to import capital Goods without paying Custom duties. This obligation is required to be fulfilled within a period of 8 years from the date of availing the benefit.

### COLLABORATIONS / TIE-UPS/ JOINT VENTURES

As on the date of this Draft Red Herring Prospectus our company does not have any collaborations and joint ventures except a tie-up in the form of a non-competing job work agreement with one of our group company i.e. Badri Ecofibers Private Limited agreement dated 01<sup>st</sup> July, 2024 to supply 95% percent of its total production to our company, the remaining 5% is left for the company to meet its export obligation under EPCG scheme.


### COMPETITION

The recycling industry is emerging as a critical sector, driven by growing concerns about sustainability and environmental impact. However, we operate in a competitive landscape, facing challenges from domestic companies, new entrants, and financially stronger companies with established brand recognition and reputation. Despite the significant investment required in plant and machinery, the availability of raw materials is relatively accessible, making it easier for new players to enter the market. Our competitive position depends on various factors, including product quality, demand for recycled products, government regulations, and consumer preferences.

### DETAILS OF PROPERTIES

#### INTELLECTUAL PROPERTIES

The details of intellectual property are as under:

S. No.	Brand Name/Logo Trademark	Classes	Trademark/ Patent with respect of	Registration No.	Owner	Current Status
1.	 REIMAGINE. RECYCLE. REINVENT.	22	Recycling Industry	32685	Badri Cotsyn Private Limited	Formalities Chk pass*

\*Our Company has made applications to authority for updating the aforesaid certificates to reflect its current name pursuant to conversion into a public limited company, but is yet to receive the formal approval.

#### IMMOVABLE PROPERTIES

Details of our immovable properties are as below:

S. No.	Details of Property	Licensor/Lessor/ Vendor	Owned/ Leased/	Cost / Lease Rental / License Fees (in ₹)	Usage
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			License		
1.	Plot No. 33, New Industrial Area-II Ward No 14, Tehsil Goharganj, Mandideep, Huzur, Bhopal, Madhya Pradesh, India, 462046.	Mandideep Madhya Pradesh Industrial Development Corporation Limited	Leased	<b>Type of Instrument:</b> Lease Deed; <b>Date of Agreement:</b> March 29 <sup>th</sup> , 2019; <b>Parties:</b> Mandideep Madhya Pradesh Industrial Development Corporation Limited through Authorise Sign Mr. Satwant Singh Sandhu, and M/s. Badri Cotsyn Pvt. Ltd. Through Authorise person Mr. Sumit Gupta. <b>Consideration:</b> INR 12,03,785/- p.a. (Rupees Twelve lakh three thousand seven hundred eighty five). <b>Size of the Property:</b> 4,35,000 Square ft.	Registered Office and Manufacturing Unit

### COLLABORATIONS, ANY PERFORMANCE GUARANTEE OR ASSISTANCE IN MARKETING BY THE COLLABORATORS

As on the date of this Draft Red Herring Prospectus our company does not have any collaborations except a tie-up in the form of a non-competing job work agreement with one of our group company i.e. Badri Ecofibers Private Limited agreement dated 01<sup>st</sup> July, 2024 to supply 95% percent of its total production to our company, the remaining 5% is left for the company to meet its export obligation under EPCG scheme. Further, our Company has not entered into any Performance Guarantee or assistance for marketing with any Company.

### INSURANCE

We have obtained insurance coverage in respect of certain risks. While we believe that we maintain insurance coverage in adequate amounts consistent with size of our business, our insurance policies do not cover all risks, specifically risks like product defect/liability risk, loss of profits, losses due to terrorism, etc.

Our Company has taken following insurance policies against any damage or loss:

(₹ in in Lakhs)

S. No.	Name of the Insurance Company	Validity Period	Policy No.	Sum Insured (₹ in Lakhs)	Description of Cover under the policy
1.	The Oriental Insurance Company Limited	19/01/2025 To 18/01/2026	221100/11/2025/318	1916.00 for each of the categories mentioned in the description.	Building, Plant and Machinery, Stock, Electronic Equipments: Rs. 175 Lacs, Solar Panel: Rs. 225 Lacs, Furniture, Fixtures & Fittings are covered against the risk of the following: <ul style="list-style-type: none"> <li>• Fire Basic Cover</li> <li>• Storm, Tempest, Flood,(STFI) and Inundation</li> <li>• Earthquake Cover</li> </ul>
2.	The Oriental Insurance Company Limited	20/01/2022 to Midnight of 19/01/2027	152894/11/2022/58	221.00 for each of the categories mentioned in the description	Building including Boundary wall <ul style="list-style-type: none"> <li>• Fire Insurance</li> <li>• Storm, Tempest, Flood, and Inundation(STFI)</li> <li>• Earthquake Cover</li> <li>• Terrorism Cover</li> </ul>

S. No.	Name of the Insurance Company	Validity Period	Policy No.	Sum Insured (₹ in Lakhs)	Description of Cover under the policy
3.	The Oriental Insurance Company Limited	20/10/2024 To Midnight of 19/10/2025	152805/31/2025/6579	0.309	Two Wheeler Motor Insurance

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## KEY INDUSTRY REGULATIONS

*The following description is a summary of the relevant regulations and policies as prescribed by the GOI and other regulatory bodies that are applicable to our business. The information detailed below has been obtained from various legislations, including rules and regulations promulgated by regulatory bodies, and the bye laws of the respective local authorities that are available in the public domain. The regulations set out below may not be exhaustive and are merely intended to provide general information to the shareholders and neither designed, nor intended to substitute for professional legal advice. For details of government approvals obtained by us, see the section titled “Government and other Approvals” on page no. 212 of this Draft Red Herring Prospectus.*

### APPLICABLE LAWS AND REGULATIONS

#### THE COMPANIES ACT

The consolidation and amendment in the law relating to the Companies Act, 1956 made way to the enactment of the Companies Act, 2013 and rules made thereunder.

The Companies Act primarily regulates the formation, financing, functioning and restructuring of Companies as separate legal entities. The Act provides regulatory and compliance mechanism regarding all relevant aspects including organizational, financial and managerial aspects of companies. The provisions of the Act state the eligibility, procedure and execution for various functions of the company, the relation and action of the management and that of the shareholders. The law laid down transparency, corporate governance and protection of shareholders & creditors. The Companies Act plays the balancing role between these two competing factors, namely, management autonomy and investor protection.

#### SEBI REGULATIONS

Securities and Exchange Board of India is the regulatory body for securities market transactions including regulation of listing and delisting of securities. It forms various rules and regulations for the regulation of listed entities, transactions of securities, exchange platforms, securities market and intermediaries thereto. Apart from other rules and regulations, listed entities are mainly regulated by SEBI Act, 1992, Securities Contract Regulation Act, 1956, Securities Contracts (Regulation) Rules, 1957, SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 and SEBI (Prohibition of Insider Trading) Regulations, 2015.

### TAX RELATED REGULATIONS

#### Income Tax Act, 1961

Income Tax Act, 1961 is applicable to every Domestic / Foreign Company whose income is taxable under the provisions of this Act or Rules made under it depending upon its “Residential Status” and “Type of Income” involved. U/s 139(1) every Company is required to file its Income tax return for every Previous Year by 30<sup>th</sup> September of the Assessment Year. Other compliances like those relating to Tax Deduction at Source, Advance Tax, Minimum Alternative Tax and like are also required to be complied by every Company.

#### Goods and Service Tax Act, 2017

The Central Goods and Services Tax Act, 2017 is an Act to make a provision for levy and collection of tax on intra-State supply of goods or services or both by the Central Government and for matters connected therewith or incidental thereto. In line with CGST Act, each state Governments has enacted State Goods and Service Tax Act for respective states.

Goods and Services Tax (GST) is a comprehensive indirect tax on manufacture, sale and consumption of goods and services throughout India to replace taxes levied by the Central and State Governments. This method allows GST-registered businesses to claim tax credit to the value of GST they paid on purchase of goods or services or both as part of their normal commercial activity. The mechanism provides for two level taxation of interstate and intra state transactions. When the supply of goods or services happens within a state called as intra-state transactions, then both the CGST and SGST will be collected. Whereas if the supply of goods or services happens between the states called as inter-state transactions and IGST will be collected. Exports are considered as zero-rated supply and imports are levied the same taxes as domestic goods and services adhering to the destination principle in addition to the Customs Duty which has not been subsumed in the GST.

### INDUSTRY RELATED

### **Sale of Goods Act, 1930 (the “Sale of Goods Act”)**

The Sale of Goods Act governs contracts relating to sale of goods in India. The contracts for sale of goods are subject to the general principles of the law relating to contracts. A contract of sale may be an absolute one or based on certain conditions. The Sale of Goods Act contains provisions in relation to the essential aspects of such contracts, including the transfer of ownership of the goods, delivery of goods, rights and duties of the buyer and seller, remedies for breach of contract and the conditions and warranties implied under a contract for sale of goods.

### **The Contract Labour (Regulation and Abolition) Act, 1970 (“CLRA Act”)**

The CLRA Act was enacted to regulate the employment of contract labour in certain establishments and to provide for its abolition in certain circumstances. The CLRA Act is applicable to every establishment in which 20 or more workmen are or were employed in the preceding 12 months as contract labour and to every contractor who employs or employed on any day during the preceding 12 months, 20 or more workmen. Every principal employer of an establishment to which the CLRA Act applies, shall apply for registration of the establishment with the appropriate registering office and get registered. Under the CLRA Act, the principal employer has to provide essential amenities like canteens, rest rooms, drinking water facilities and first aid facilities if the same is not provided by the contractor. Every contractor to whom the CLRA Act applies, is also required to obtain a license and not to undertake or execute any work through contract labour, except under and in accordance with such license. Further under the CLRA Act, the principal employer has to ensure through a nominated representative that the Contractor distributes wages within the prescribed time, failing which the principal employer shall be liable to make payment of wages in full or the unpaid balance and recover the amount so paid from the Contractor. Contravention of the provisions of the CLRA Act and the rules and regulations thereunder is punishable with imprisonment of up to three months and a fine of up to ₹1,000, or both and an additional fine of ₹100 for every day during which such contravention continues after conviction for the first such contravention.

As per the Ministry of Environment and Forests, a draft notification has been published in 2006 under sub-rule (3) of Rule 5 of the Environment (Protection) Rules, 1986. It imposes certain restrictions and prohibitions on new projects or activities, or on the expansion or modernization of existing projects or activities based on their potential environmental impacts as indicated in the Schedule to the notification, being undertaken in any part of India. This notification emphasizes the need for taking prior environmental clearance in case of new projects or activities or expansion of already existing activities in accordance with the objectives of National Environment Policy that has approved by the Union Cabinet on 18<sup>th</sup> May, 2006 and the procedure specified in the notification, by the Central Government or the State or Union territory Level.

### **The Micro, Small and Medium Enterprises Development Act, 2006 (“MSME Act”)**

MSME Act was enacted to provide for facilitating the promotion and development and enhancing the competitiveness of micro, small and medium enterprises. Any person who intends to establish (a) a micro or small enterprise, at its discretion; (b) a medium enterprise engaged in providing or rendering of services may, at its discretion; or (c) a medium enterprise engaged in manufacture or production of goods pertaining to any industry specified in the First Schedule to the Industries (Development and Regulation) Act, 1951 is required to file a memorandum before such authority as specified by the State Government or the Central Government. The form of the memorandum, the procedure of its filing and other matters incidental thereto shall be such as may be specified by the Central Government, based on the recommendations of the advisory committee. Accordingly, in exercise of this power under the MSME Act, the Ministry of Micro, Small and Medium Enterprises notification dated September 18, 2015 specified that every micro, small and medium enterprises is required to file a Udyog Adhaar Memorandum in the form and manner specified in the notification.

### **The Industrial Relations Code, 2020**

The new Code passed by the Parliament replaces and Consolidates three labour legislations, being The Industrial Disputes Act, 1947, The Trade Unions Act, 1926, and The Industrial Employment (Standing Orders) Act, 1946. It aims at consolidating and amending the laws relating to trade unions, conditions of employment in industrial establishments, investigation and settlement of industrial disputes. While it retains several provisions from the existing legal framework regarding retrenchment, lay-off closure, industrial disputes, trade union recognition, etc., new requirements have been introduced to simplify as well as add more structure to the existing regulations.

### **The Code on Wages, 2019**

The new Code replaces the following four laws: (i) the Payment of Wages Act, 1936, (ii) the Minimum Wages Act, 1948, (iii) the Payment of Bonus Act, 1965, and (iv) the Equal Remuneration Act, 1976. Under the Act, the Central Government shall determine wage-related provisions in railways, mines, oil fields, etc., while the State Government is empowered to



take such decisions in relation to other employments.

### **The Code on Social Security, 2020**

The Code on Social Security, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume certain existing legislations including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Building and Other Construction Workers' Welfare Cess Act, 1996 and the Unorganized Workers' Social Security Act, 2008. The provisions of this code will be brought into force on a date to be notified by the Central Government. The Central Government has issued the draft rules under the Code on Social Security, 2020. The draft rules provide for operationalization of provisions in the Code on Social Security, 2020 relating to employees' provident fund, employees' state insurance corporation, gratuity, maternity benefit, social security and cess in respect of building and other construction workers, social security for unorganized workers, gig workers and platform workers. In addition to above, we are subject to wide variety of generally applicable labour laws concerning condition of working, benefit and welfare of our laborers and employees such as the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal ) Act, 2013 and the Employees (Provident Fund and Miscellaneous Provision) Act, 1952.

### **The Occupational Safety, Health and Working Conditions Code, 2020**

The Occupational Safety, Health and Working Conditions Code, 2020 received the assent of the President of India on September 28, 2020 and proposes to subsume certain existing legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation 104 of Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. The provisions of this code will be brought into force on a date to be notified by the Central Government. The Central Government has issued the draft rules under the Occupational Safety, Health and Working Conditions Code, 2020. The draft rules provide for operationalization of provisions in the Occupational Safety, Health and Working Conditions Code, 2020 relating to safety, health and working conditions of the dock workers, building or other construction workers, mines workers, inter-state migrant workers, contract labour, journalists, audio-visual workers and sales promotion employees.

### **Public Liability Insurance Act, 1991 ("PLI Act")**

The Public Liability Insurance (PLI) Act, 1991 was enacted with the objective of providing relief to the victims of accidents that might occur while handling hazardous substances. The owner who has control over handling hazardous substances is required under the Act to pay specified amounts to the victim as interim relief based on no fault liability. Hence, it was made mandatory for every owner handling hazardous substances to take insurance policies for the purpose.

The above referred act has not been amended since 1992 in spite of sea changes in the chemical protocols, business scenario and inflation. Some of the provisions have become redundant in course of time. This act needs to be revisited and made consistent with current policies of Governance. Further, concern was also raised with regard to the decriminalization of existing provisions of the PLI Act in order to reduce compliance to achieve real independence by weeding out fear of imprisonment for simple violations under existing law.

### **Workmen Compensation Act, 1923 ("WCA")**

Employees are prized assets for any organization, and ensuring their welfare is key to long-term success. This includes ensuring workers and their dependents are cared for in the event of a fatal accident at the workplace that results in a loss of income. The Workmen's Compensation Act 1923, led to the creation of a special type of insurance for frontline workers. It ensures that workers are adequately compensated for injuries sustained in the line of duty.

The policy is important for businesses as well, as it protects them from the threat of a high compensation amount and further lawsuits. This is particularly true for organizations with employees who are exposed to extreme health and life hazards.

### **Industrial Disputes Act, 1947 ("ID Act")**

The Industrial Dispute Act of 1947, came into force on the first day of April, 1947. Its aim is to protect the workmen against victimization by the employers and to ensure social justice to both employers and employees. The unique object of the Act is to promote collective bargaining and to maintain a peaceful atmosphere in industries by avoiding illegal strikes and lock outs. The Act also provides for regulation of lay off and retrenchment. The objective of the Industrial Disputes Act is to secure industrial peace and harmony by providing machinery and procedure for the investigation and settlement of industrial disputes by negotiations.

### **Industrial (Development and Regulation) Act, 1951 (“IDRA”)**

The Industries (Development and Regulation) Act, (IDRA), came into force from 8<sup>th</sup> May, 1952 under a notification of the Central Government published in the Gazette of India. The Act extends to whole of India including the state of Jammu & Kashmir with a view to being under Central and regulation of a number of important industries, the activities of which affect the country as a whole and the development of which must be governed by economic factors of all India importance.

The Act brings under the control of the Central Government the development and regulation of a number of important industries listed in the first schedule attached to the Act as the activities of such industries will affect the country as a whole and, therefore, the development of such important industries must be governed by the economic factors of all India importance.

### **Industrial Employment Standing Orders Act, 1946**

The Industrial Employment (Standing orders) Act, was introduced for the employers in industrial establishments to ensure the employment conditions under the establishments. Standing Orders states the laws which govern the relationship between the employer and a workman in an industrial establishment with includes the elements such as classification of workers, working hours, attendance, suspension, termination etc. In this article, we look at the various aspects of the Industrial Employment (Standing Orders) Act in detail.

The Act applies to all industrial establishments involving 100 or more workers under Section 1(3). Under section 2(i) Industrial Establishment are the following entities are listed, an industrial establishment as specified in section 2(i) of Payment of Wages Act, factory as explained in section 2(m) of Factories Act, railway Industry Establishment of contractor who employs workers for fulfilling the contract with the owner of an industrial establishment under section 2(e), workman as specified under section 2(s) of Industrial Disputes Act. Under Section 2(i) workman covers skilled, unskilled, manual or clerical work. However, workman does not include employees engaged in a managerial or administrative capacity or supervisory capacity and also it does not include workers subject to Army Act, Navy Act or Air Force Act or police or prison services.

### **The Employees’ State Insurance Act, 1948 (“ESI Act”)**

The ESI Act was enacted to provide for certain benefits to employees in case of sickness, maternity and ‘employment injury’ and to make provisions for certain other matters in relation thereto. Employment injury means a personal injury to an employee caused by accident or an occupational disease arising out of and in the course of his employment, being an insurable employment. The ESI Act applies to all factories that are non- seasonal in nature and establishments that are notified by the appropriate state government in consultation with the Government of India from time to time. All employees in establishments covered by the ESI Act are required to be insured and the employer is also required to register himself under the ESI Act and maintain prescribed records and registers in addition to filing of forms with the concerned authorities. The ESI Act provides for a need based social insurance scheme under which the employer and employee must contribute certain percentage of the monthly wage of the employees as prescribed by the Government of India from time to time to the Employee State Insurance Corporation established under the ESI Act.

If any contribution payable under this Act is not paid by the principal employer, he shall be liable to pay simple interest at the rate of 12% p.a. or at such higher rate as may be specified in the regulations till the date of its actual payment under the ESI Act.

### **Minimum Wages Act, 1948 (“MWA”) and the rules framed thereunder**

The Minimum Wages Act, 1948 was enacted by the Indian Legislature to deal with matters relating to providing the minimum wage to the workers so that they can afford their basic needs and maintain a decent standard of livelihood. The Act further ensures a secure and adequate living wage for all labourers and it also guarantees that an employee earns enough to provide for his family. The Act authorizes both Central and state governments in fixing the rate of minimum wage. The Minimum Wages Act, 1948 has also laid down a provision for revision of minimum wages in order to cope with the changing prices of basic commodities

### **The Payment of Bonus Act, 1965 (“POB Act”)**

The POB Act, as amended was enacted to provide for the payment of bonus to persons employed in certain establishments where 20 (twenty) or more persons are employed on the basis of profits or on the basis of production or productivity and for matters connected therewith. Under the POB Act, every employer is bound to pay to every employee, in respect of the accounting year, a minimum bonus which is 8.33% of the salary or wage earned by the employee during the accounting year or ₹100 (Rupees one hundred only), whichever is higher, provided the employee has worked in the establishment for

not less than 30 (thirty) working days in that year. The maximum bonus including productivity linked bonus that can be paid in any accounting year shall not exceed 20% of the salary/wage of an employee under the POB Act.

Contravention of the provisions of the POB Act by a company is punishable with imprisonment for a term of up to 6 (six) months or a fine of up to ₹1,000 (Rupees one thousand only) or both, against persons in charge of, and responsible to the company for the conduct of the business of the company at the time of contravention, as well as the company.

### **The Employees' Provident Fund and Miscellaneous Provisions Act, 1952 ("EPF Act")**

The EPF Act, was enacted to provide for the institution of provident funds, pension fund and deposit-linked insurance fund for employees in factories and other establishments mandating registration of such establishments employing twenty or more persons or class of such establishments which the Central Government may, by notification in the Official Gazette, specify in this behalf. An establishment with less than 20 (twenty) employees can voluntarily opt for PF registration to protect employee's benefits. Under the EPF Act, every employee whose wages are under ₹15,000 (Rupees Fifteen Thousand only) has to mandatorily contribute towards EPF and Employee Pension Scheme ("EPS") if his/her wages (Basic + Dearness Allowance). If an employee is drawing wages over ₹15,000 per month, then he can ask for PF deductions from his salary. Both the employees and employers contribute 12% of the basic wages and dearness allowance to the provident fund (PF) account. The EPF Act also requires the employer to maintain registers and submit a monthly return to the State Provident Fund Commissioner.

Any person who contravenes the provisions of the EPF Act would be punishable with imprisonment that can extend up to 1 (one) year and fine which may extend up to ₹ 10,000 (Rupees Ten Thousand only), according to the respective sections of POW Act violated. Repeated conviction under the same provision is punishable with imprisonment for a term which shall not be less than 1 (one) month, but which may extend to 5 (five) years and fine which may extend to ₹25,000 (Rupees Twenty-Five Thousand only) under the POW Act.

### **The Payment of Gratuity Act, 1972 ("Gratuity Act")**

The Gratuity Act was enacted to provide for a scheme for the payment of gratuity to employees engaged in factories, mines, oilfields, plantations, ports, railway companies, shops or other establishments and for matters connected therewith or incidental thereto at the time of termination of services. The Gratuity Act applies to employees engaged in establishments in which 10 (ten) or more persons are employed or were employed on any day of the preceding 12 (twelve) months; and as the Government of India may, by notification, specify, provided the employee has rendered his services for a period not less than 5 (five) years: (a) on his /her superannuation; (b) on his / her retirement or resignation; or (c) on his / her death or disablement due to accident or disease (in this case the minimum requirement of five years does not apply). The maximum gratuity exemption as per IT Act is ₹ 20,000 (Rupees Twenty Thousand only).

Any person who contravenes the provisions of the Gratuity Act would be punishable with imprisonment that can extend up to 2 (two) years and fine which may extend up to ₹ 20,000 (Rupees Twenty Thousand only), according to the respective sections of the Gratuity Act violated.

### **The Equal Remuneration Act, 1976 ("ER Act")**

The ER Act was enacted to provide for the payment of equal remuneration to men and women workers and for the prevention of discrimination, on the ground of sex, against women in the matter of employment and for matters connected therewith or incidental thereto. The ER Act provides for setting up of Advisory committees to promote employment opportunities for women. Every Advisory Committee shall consist of not less than ten persons, to be nominated by the appropriate Government, of which one-half shall be women. Every employer should maintain such registers and other documents in relation to the workers employed by the employer in the prescribed manner given under the ER Act. Under the ER Act, no discrimination is permissible in recruitment and service conditions, except where employment of women is prohibited or restricted by law.

Any person who contravenes the provisions of the ER Act would be punishable with imprisonment that can extend up to 1 (one) year and fine which may extend up to ₹10,000 (Rupees Ten Thousand only), according to the respective sections of the ER Act violated.

### **The Employees Compensation Act, 1923 ("EC Act")**

The EC Act was enacted to provide for the payment by certain classes of employers to their employees of compensation for injury by accident. The term "employer" under the EC Act includes anybody of persons whether incorporated or not and any managing agent of an employer and the legal representative of a deceased employer, and, when the services of an employee are temporarily lent or let on hire to another person by the person with whom the employee has entered into a contract of service or apprenticeship, means such other person while the employee is working for him. The employer is required to

submit to the Commissioner for Employees' Compensation a report regarding any fatal or serious bodily injury suffered by an employee within 7 (seven) days of receiving a notice. Under the EC Act, the amount of compensation to be paid depends on the nature and severity of the injury.

### **Employees Deposit Linked Insurance Scheme, 1976**

The scheme shall be administered by the Central Board constituted under section 5A of the EPF Act. The provisions relating to recovery of damages for default in payment of contribution with the percentage of damages are laid down under Section 8A of the act. The employer falling under the scheme shall send to the Commissioner within fifteen days of the close of each month a return in the prescribed form. The register and other records shall be produced by every employer to Commissioner or other officer so authorized shall be produced for inspection from time to time. The amount received as the employer's contribution and also Central Government's contribution to the insurance fund shall be credited to an account called as "Deposit-Linked Insurance Fund Account."

### **The Employees' Pension Scheme, 1995**

Family pension in relation to this act means the regular monthly amount payable to a person belonging to the family of the member of the Family Pension Fund in the event of his death during the period of reckonable service. The scheme shall apply to all the employees who become a member of the EPF or PF of the factories provided that the age of the employee should not be more than 59 years in order to be eligible for membership under this act. Every employee who is member of EPF or PF has an option of the joining scheme. The employer shall prepare a Family Pension Fund contribution card in respect of the entire employee who is member of the fund.

### **Sexual Harassment at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH Act")**

The POSH Act was enacted to provide protection against sexual harassment of women at workplace and for the prevention and redressal of complaints of sexual harassment and for matters connected therewith or incidental thereto. The POSH Act mandates every employer to provide a safe working environment at the workplace which shall include safety from the persons coming into contact at the workplace. The POSH Act provides that employers must formulate a policy against sexual harassment at workplace and that policy needs to be disseminated. The POSH Act defines 'sexual harassment' to include any unwelcome acts or a sexually determined behavior (whether directly or by implication). 'Workplace' under the POSH Act has been defined very broadly to include government bodies, private and public sector organizations, non-governmental organizations, organizations carrying on commercial, vocational, educational, entertainment, industrial, financial activities, hospitals and nursing homes, educational institutes, sports institutions and any place visited by the employee arising out of or during the course of employment.

The POSH Act mandates for constitution of an Internal Complaints Committee by every employer of a workplace along with constitution of Local Complaints Committee" to receive complaints of sexual harassment from establishments where the Internal Committee has not been constituted due to having less than ten workers or if the complaint is against the employer himself. Where the employer contravenes the provisions of the POSH Act, he would be punishable with fine which may extend up to ₹50,000 (Rupees Fifty Thousand only).

### **Shops and commercial establishment's legislations**

Under the provisions of local shops and establishments legislations applicable in the states in which establishments are set up, establishments are required to be registered. Such legislations regulate the working and employment conditions of the workers employed in shops and establishments including commercial establishments and provide for fixation of working hours, rest intervals, overtime, holidays, leave, termination of service, maintenance of shops and establishments and other rights and obligations of the employers and employees. All establishments must be registered under the shops and establishments legislations of the state where they are located. There are penalties prescribed in the form of monetary fine or imprisonment for violation of the legislations, as well as the procedures for appeal in relation to such contravention of the provisions.

### **The Maternity Benefit Act, 1961 ("Maternity Benefit Act")**

The Maternity Benefit Act was enacted to regulate the employment of women in certain establishment for certain period before and after childbirth and to provide for maternity benefit and certain other benefits and is applicable to establishments in which 10 (ten) or more persons are employed. The Maternity Benefit Act provides that a woman will be paid maternity benefit at the rate of her average daily wage in the 3 (three) months preceding her maternity leave, provided the woman has worked for the employer for at least 80 (eighty) days in the 12 (twelve) months preceding the date of her expected delivery. The maximum period for which any woman shall be entitled to maternity benefit shall be 26 weeks, of which not more than eight weeks shall precede the date of her expected delivery. Entitlement of six weeks of paid leave is also applicable in case of miscarriage or medical termination of pregnancy.

In case of any contravention of the provisions of the Maternity Benefit Act or the rules made thereunder by the employer, he shall be punishable with imprisonment which may extend up to 1 (one) year, or with fine which may extend to ₹ 5,000/ (Rupees Five Thousand only), or with both.

### **Inter State Migrant Workmen (Regulation of Employment & Conditions of Service) Act, 1979 (“ISMW Act”)**

The ISMW Act was enacted to regulate the employment of inter-State migrant workmen and to provide for their conditions of service and for matters connected therewith. The ISMW Act applies to every principal employer and/or every contractor who employs or employed, 5 (five) or more inter-state migrant workmen (whether or not in addition to other workmen) on any day of the preceding twelve months. The ISMW Act also requires the principal employers and contractors to maintain registers with such details of the migrant workmen as may be prescribed.

Any violation of the provisions of the ISMW Act and Rules prescribed thereunder is imprisonment which may extend to one year or with fine which may extend to ₹1,000 (Rupees One Thousand only) or with both.

### **Child and Adolescent Labour (Prohibition and Regulation) Act, 1986 (“Child Labour Act”)**

The Child Labour Act was enacted to prohibit the engagement of children in all occupations and to prohibit the engagement of adolescents in hazardous occupations and processes and the matters connected therewith or incidental thereto. “Child” under the Child Labour Act means a person who has not completed his fourteenth year of age or such age as may be specified in the Right of Children to Free and Compulsory Education Act. Specifies that the employer has to mandatorily furnish certain information regarding employment of child labour to the inspector and maintain a register which would contain details regarding the child labourers. The Child Labour Act also provides for health and safety measures to be complied with by the employer.

### **The Apprentices Act, 1961 (“Apprentices Act”)**

The Apprentices Act was enacted to provide for the regulation and control of training of apprentices and for matters connected therewith. "Apprentice" under the Apprentices Act means a person who is undergoing a course of training in any industry or establishment undergone in pursuance of a contract of apprenticeship and under prescribed terms and conditions which may be different for different categories of apprentices. Every person engaging as an apprentice is required to enter into a contract of apprenticeship with the employer which is reviewed and registered by the apprenticeship advisor.

### **Relevant Labour Welfare Fund Legislations (“LWF Acts”)**

In order to look after the welfare of the workers by providing financial assistance to the workers in case of need, the relevant state legislatures have enacted LWF acts exclusively focusing on welfare of the workers. LWF Acts usually provide for the constitution of a Labour Welfare Fund and for the establishment of a Labour Welfare Board for the financing of activities to promote welfare of labour in the relevant state and for conducting activities and for matters connected therewith.

### **National Apprenticeship Promotion Scheme (“NAPS”)**

NAPS was launched in August 2016 by Government of India to promote apprenticeship in the country by providing financial incentives, technology and advocacy support. The Regional Directorates of Skill Development and Entrepreneurship under Directorate General of Training are the implementing agencies in their regions in respect of all “Designated Trades” under the Act for all establishments falling under the Central Government jurisdiction. National Skill Development Corporation (NSDC) and CEOs of the Sector Skill Councils are the implementing agencies in their sectors in respect of “Optional Trades” for the establishment under the Central Government jurisdiction. The respective State Governments are the appropriate authorities in respect of any establishments other than those falling under the Central Govt. jurisdiction. State Apprenticeship Advisers (SAA) are implementing agencies in their regions in respect of all “designated trades” a well as “optional trades” for State Public Sector Units and private establishment falling under their jurisdiction as per the Apprentices Act 1961.

## **LAWS RELATING TO INTELLECTUAL PROPERTY**

In-general the Intellectual Property Rights includes but is not limited to the following enactments:

- The Patents Act, 1970;
- Indian Copyright Act, 1957;
- The Trademarks Act, 1999

### **Indian Patents Act, 1970**



A patent is an intellectual property right relating to inventions and is the grant of exclusive right, for limited period, provided by the Government to the patentee, in exchange of full disclosure of his invention, for excluding others from making, using, selling, importing the patented product or process producing that product. The term invention means a new product or process involving an inventive step capable of industrial application.

### **Copyright Act, 1957 (“Copyright Act”)**

The Copyright Act grants protection to the authors of literary, artistic, dramatic, musical, photographic, cinematographic or sound recording works from unauthorized uses. Various rights including ownership and economic rights are conferred on the author. These include the right to reproduce the work in any form, issue copies to the public, perform it, and offer for sale and hire.

### **Trademarks Act, 1999**

Under the Trademarks Act, 1999 (“Trademarks Act”), a trademark is a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others used in relation to goods and services to indicate a connection in the course of trade between the goods and some person having the right as proprietor to use the mark. A ‘mark’ may consist of a device, brand, heading, label, ticket, name signature, word, letter, numeral, shape of goods, packaging or combination of colors or any combination thereof.

## **ENVIRONMENTAL LAWS**

In India Waste Management is governed by multiple sub-ordinate Regulations and the Ministry of Environment, Forest and Climate Change, Government of India (MOEF) with Central Pollution Control Board (CPCB) and State Pollution Control Boards of different states (SPCB). For disposal of cases, enforcement of any legal right or giving relief and compensation for damages to persons and property relating to the environment, the National Green Tribunal (NGT) was established in 2010. The Environment Protection Act and various Rules govern compliance and issues of waste Management in India.

### **Plastic Waste Management Rules, 2016**

The Plastic Waste Management Rules, 2016, mandate the generators of plastic waste to take steps to minimize generation of plastic waste, not to litter the plastic waste, ensure segregated storage of waste at source & hand over segregated waste in accordance with rules. The rules mandate the responsibilities of local bodies, gram panchayats, waste generators, retailers and street vendors to manage plastic waste. The PWM Rules, 2016 cast Extended Producer Responsibility (EPR) on Producer, Importer, and Brand Owner and EPR shall be applicable to both pre-consumer and post-consumer plastic packaging waste. Since our company is actively engaged in the waste management sector, we need to comply with these rules, relating to recycling or use of recycled plastic for our waste management initiatives.

### **Water (Prevention) & Control of Pollution) Act, 1974**

An Act to provide for the prevention and control of water pollution and the maintaining or restoring of wholesomeness of water, for the establishment, with a view to carrying out the purposes aforesaid, of Boards for the prevention and control of water pollution, for conferring on and assigning to such Boards powers and functions relating thereto and for matters connected therewith. The said act applies to our company since our company is also engaged in providing waste water management solutions.

### **The Environment (Protection) Act, 1986 (“EPA”)**

The EPA has been enacted for the protection and improvement of the environment. It stipulates that no person carrying on any industry, operation or process shall discharge or emit or permit to be discharged or emitted any environmental pollutant in excess of such standards as may be prescribed. Further, no person shall handle or cause to be handled any hazardous substance except in accordance with such procedure and after complying with such safeguards as may be prescribed. The EPA empowers the Central Government to take all measures necessary to protect and improve the environment such as laying down standards for emission or discharge of pollutants, providing for restrictions regarding areas where industries may operate and generally to curb environmental pollution. Penalties for violation of the EPA include fines up to ₹ 1,00,000 or imprisonment of up to five years, or both.

### **Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016**

Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, requires that every occupier of a facility who is engaged in handling of ‘hazardous waste’ and other wastes to obtain an authorization from the respective pollution control board. It places an obligation on the occupier to prevent, minimize, reuse, recycle, recover, utilize including co-processing, and safe disposal of the waste. It also makes the occupier responsible for safe and environmentally sound management of hazardous and other wastes. It makes the occupier liable for damages

caused to environment or third parties. It also prescribes financial penalties for violation of provisions of the rules.

## **OTHER GENERAL REGULATIONS**

### **The Indian Contract Act, 1872**

The Contract Act is the legislation which lays down the general principles relating to formation, performance and enforceability of contracts. The rights and duties of parties and the specific terms of agreement are decided by the contracting parties themselves, under the general principles set forth in the Contract Act. The Contract Act also provides for circumstances under which contracts will be considered as ‘void’ or ‘voidable’. The Contract Act contains provisions governing certain special contracts, including indemnity, guarantee, bailment, pledge, and agency.

### **The Foreign Trade (Development & Regulation) Act, 1992**

The Foreign Trade (Development and Regulation) Act, 1992 read along with relevant rules inter-alia provides for the development and regulation of foreign trade by facilitating imports into, and augmenting exports from, India and for matters connected therewith or incidental thereto. As per the provisions of the FTA, the Government: (i) may make provisions for facilitating and controlling foreign trade; (ii) may prohibit, restrict and regulate exports and imports, in all or specified cases as well as subject them to exemptions; (iii) is authorized to formulate and announce an export and import policy and also amend the same from time to time, by notification in the Official Gazette; (iv) is also authorized to appoint a “Director General of Foreign Trade” for the purpose of the Act, including formulation and implementation of the Export-Import Policy. FTA read with the Indian Foreign Trade Policy inter-alia provides that no export or import can be made by a company without an Importer-Exporter Code number unless such company is specifically exempt. An application for an Importer-Exporter Code number has to be made to the office of the Joint Director General of Foreign Trade, Ministry of Commerce.

### **Foreign Exchange Management Act, 1999 (“FEMA”) and Regulations framed there under**

Foreign investment in India is governed primarily by the provisions of the FEMA which relates to regulation primarily by the RBI and the rules, regulations and notifications there under, and the policy prescribed by the Department of Industrial Policy and Promotion, Ministry of Commerce & Industry, Government of India. As laid down by the FEMA Regulations no prior consents and approvals are required from the Reserve Bank of India, for Foreign Direct Investment under the ‘automatic route’ within the specified sectoral caps. In respect of all industries not specified as FDI under the automatic route, and in respect of investment in excess of the specified sectoral limits under the automatic route, approval may be required from the FIPB and/or the RBI. The RBI, in exercise of its power under the FEMA, has notified the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 (“FEMA Regulations”) to prohibit, restrict or regulate, transfer by or issue security to a person resident outside India and Foreign Exchange Management (Export of Goods and Services) Regulations, 2000 for regulation on exports of goods and services.

### **Competition Act, 2002**

The Competition Act, 2002 prohibits anti-competitive agreements, abuse of dominant positions by enterprises and regulates “combinations” in India. The Competition Act also established the Competition Commission of India (the “CCI”) as the authority mandated to implement the Competition Act, 2002. The provisions of the Competition Act relating to combinations were notified on March 4, 2011 and came into effect on June 1, 2011. Combinations which are likely to cause an appreciable adverse effect on competition in a relevant market in India are void under the Competition Act.

### **Negotiable Instruments Act, 1881 (“NI Act”)**

The Act provides effective legal provision to restrain people from issuing cheques without having sufficient funds in their account or any stringent provision to punish them in the event of such cheque not being honored by their bankers and returned unpaid.

### **The Arbitration and Conciliation Act, 1996**

This Act was enacted by Parliament in the Forty-seventh Year of the Republic of India to consolidate and amend the law relating to domestic arbitration, international commercial arbitration and enforcement of foreign arbitral awards as also to define the law relating to conciliation and for matters connected therewith or incidental thereto. The main objectives of the Act is to comprehensively cover international and commercial arbitration and conciliation as also domestic arbitration and conciliation, to make provision for an arbitral procedure which is fair, efficient and capable of meeting the needs of the specific arbitration, to provide that the arbitral tribunal gives reasons for its arbitral award,

to ensure that the arbitral tribunal remains within the limits of its jurisdiction, to minimize the supervisory role of courts in the arbitral process, to permit an arbitral tribunal to be mediation, conciliation or other procedures during the arbitral proceedings to encourage settlement of disputes, to provide that every final arbitral award is enforced in the same manner as if it were a decree of the court, to provide that a settlement agreement reached by the parties as a result of conciliation proceedings will have the same status and effect as an arbitral award on agreed terms on the substance of the dispute rendered by an arbitral tribunal and to provide that, for purposes of enforcement of foreign awards, every arbitral award made in a country to which one of the two International Conventions relating to foreign arbitral awards to which India is a party applies, will be treated as a foreign award.

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## HISTORY AND CERTAIN CORPORATE MATTERS

### COMPANY'S BACKGROUND

Our Company was originally incorporated as 'Badri Cotsyn Private Limited', on December 18<sup>th</sup>, 2018 under the provisions of the Companies Act, 2013 vide Certificate of Incorporation issued by the Registrar of Companies, Central Processing Centre. Subsequently, our Company was converted into a public limited company and the name of our Company was changed from "Badri Cotsyn Private Limited" to "Badri Cotsyn Limited" vide Special Resolution dated October 17<sup>th</sup>, 2024. The status of the Company was changed to public limited and the fresh certificate of incorporation consequent to conversion was issued on November 28<sup>th</sup>, 2024 by the Registrar of Companies, Central Processing Centre Manesar. As on date of this Draft Red Herring Prospectus the Corporate Identification Number of our Company is U17309MP2018PLC047301.

Our company specializes in manufacturing High-Tenacity Recycled Polyester Staple Fibre (R-PSF) from post-consumer Polyethylene Terephthalate (PET) bottles. Our product portfolio are renowned for its excellent resilience properties. Finished products are supplied to over 100 esteemed customers across India, Europe, and the Middle East. Our commitment to quality and customer satisfaction has enabled us to establish a strong market presence.

Our manufacturing facility is located at Plot No. 33, New Industrial Area-II, Ward No. 14, Tehsil Goharganj, Mandideep, Bhopal, Huzur, Madhya Pradesh, India, 462046. Spread over 4,35,000 square ft., our facility boasts a combined installed capacity of 61,200 MT per annum including our group company. We source raw materials (post-consumer PET bottles) from junk collectors across 12 states, ensuring a consistent supply chain.

Our R-PSF products cater to diverse industries, including textiles (spinning units), non-woven geotextiles, filtration fabrics, and automotive fabrics. We take pride in our robust quality management system, backed by esteemed certifications such as ISO 9001:2015, ISO 14001:2015, Bureau of Indian Standards (BIS), OEKO-TEX, and Global Recycled Standard (GRS).

In line with our commitment to environmental sustainability, we have installed a 712.69 KWp/Sanctioned capacity 1000 KWp rooftop solar facility. This initiative underscores our dedication to reducing our carbon footprint and promoting eco-friendly practices.

For more details about the services we offered kindly referred Section titled "Our Management", "Business Overview" and "Industry Overview" beginning on page nos.170, 134 and 114 respectively of this Draft Red Herring Prospectus.

We have a strong track record of revenue growth and profitability. The following table below sets forth certain Key Financial Indicators for the years indicated:

(₹ in Lakhs)

Particulars	For the period ended December 31 <sup>st</sup> , 2024	For the year ended		
		March 31, 2024	March 31, 2023	March 31, 2022
Revenue from operations <sup>(1)</sup>	28,029.94	20,039.86	22,516.91	17,776.94
Growth in Revenue from Operations (%) <sup>(2)*</sup>	86.50	-11.00	26.66	6976.53
EBITDA <sup>(3)</sup>	2,640.66	1,819.19	1,413.29	775.14
EBITDA (%) Margin <sup>(4)</sup>	9.42%	9.08%	6.28%	4.36%
PAT <sup>(5)</sup>	1,443.66	353.53	(388.13)	(208.69)
PAT Margin (%) <sup>(6)</sup>	5.15	1.76	-1.72	-1.17
Net Debt <sup>(7)</sup>	11,793.29	8,337.61	8,130.64	8,201.00
Total Share Holder's Fund <sup>(8)</sup>	1,712.67	294.31	(558.21)	(170.08)
Average Share Holder's Fund <sup>(9)</sup>	1,003.49	(131.95)	(364.15)	(87.62)
ROE(%) <sup>(10)</sup>	143.86	(267.92)	(106.59)	(238.17)
Capital employed <sup>(11)</sup>	13,654.87	8,706.28	7,406.63	7,362.14
Average Capital Employed <sup>(12)</sup>	11,180.57	8,056.46	7,384.39	3,681.11
ROCE(%) <sup>(13)</sup>	18.64	6.24	7.05	10.07
EPS <sup>(14)</sup>	10.50	3.39	(3.88)	(2.08)
NAV <sup>(15)</sup>	12.46	69.09	(5,582.13)	(1,700.81)

**Note:**

- (1) Revenue from operation means revenue from sales;
- (2) Growth in Revenue from Operations (%) is calculated as Revenue from Operations of the relevant period minus Revenue from Operations of the preceding period, divided by Revenue from Operations of the preceding period;
- (3) EBITDA is calculated as Profit before tax + Depreciation + Finance Cost;

- (4) EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations;
- (5) PAT is calculated as Profit before tax – Taxes;
- (6) PAT Margin is calculated as PAT for the period/year divided by revenue from operations.
- (7) Net debt = Non-current borrowing + current borrowing - Cash and cash equivalent, Bank balance.
- (8) Total shareholder's Fund = Equity share capital + Reserves & Surplus +/- Minority Interest.
- (9) Average Share Holder's Fund: Opening Total Share Holder's Fund + Closing Total Share Holder's Fund / 2.
- (10) ROE = Net profit after tax / Average Share Holder's Fund.
- (11) Capital Employed = Total Equity + Non-current borrowing + Current Borrowing + Deferred Tax liabilities - Deferred Tax Assets – Intangible Assets.
- (12) Average Capital Employed = Opening Capital Employed + Closing Capital Employed / 2.
- (13) ROCE = Profit before tax and finance cost / Average Capital Employed.
- (14) EPS = Net Profit after tax, as restated, attributable to equity shareholders / weighted average number of equity shares outstanding during the year after considering bonus shares.
- (15) NAV = Total shareholder's Fund / weighted average number of equity shares outstanding during the year after considering bonus shares.
- (16) The above has been computed on the basis of the Restated Consolidated Financial Statements of the Company.
- \*The growth rate is calculated based on the annualised turnover.

## REGISTERED OFFICE

Registered Office of the Company is presently situated at Plot No. 33, New Industrial Area-II, Ward No. 14, Tehsil Goharganj, Mandideep, Huzur, Bhopal, Madhya Pradesh, India, 462046. Our company has changed registered office of the company as per below details:

Date of Change	Changed From	Change To	Reason for Change
12 <sup>th</sup> December, 2023	Plot-102-105 and 122-125, New Industrial Area-II, Mandideep Raisen- 462046 Madhya Pradesh.	Plot No. 33, New Industrial Area-II, Ward No. 14, Tehsilgoharganj, Mandideep, Bhopal, Huzur, Madhya Pradesh, India, 462046	Administrative Reasons

## AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION

### NAME CLAUSE

The following changes have been made in the Name of our Company since its inception:

Date of Amendment	Name From	Name To
October 17 <sup>th</sup> , 2024	Badri Cotsyn Private Limited	Badri Cotsyn Limited

### AUTHORISED CAPITAL CLAUSE

The following changes have been made in the Authorised Capital of our Company since its inception:

Date of Amendment	Nature of Amendment
On Incorporation	Authorized capital as ₹ 1.00 Lakhs.
February 28 <sup>th</sup> , 2024	Increased in authorized capital from ₹ 1.00 Lakhs to ₹ 500.00 Lakhs.
December 12 <sup>th</sup> , 2024	Increased in authorized capital from ₹ 500.00 Lakhs to ₹ 2,200.00 Lakhs.

### OBJECT CLAUSE

The following changes have been made in the Object of our Company since its inception:

Date of Amendment	Object From	Object To
26 <sup>th</sup> March 2019	Inserted Para 27 in Sub clause (B) in addition to existing para's.	Alteration in clause III of the Memorandum of Association by insertion of Para 27 in Sub clause (B) which grants authorization to the company to "advance any loan including any loan represented by book debt, or give any guarantee or provide any security in connection with any loan taken by any person in whom any of the director of the company is



Date of Amendment	Object From	Object To
		interested” approved by special resolution passed at the extraordinary general meeting of the members of company held on 26 <sup>th</sup> March 2019.
21 <sup>st</sup> December, 2024		<p>The existing main object clause 3(a) is altered by adding clause 3(a)(2)(3)(4) as Follows:</p> <p>To establish, operate and maintain the recycling plants for the collection, processing, and conversion of post-consumer PET bottles, PET Packaging and other PET waste materials into Recycled PET (R-PRT) Products. To manufacture and produce Recycled PET (R-PET) products including polyester fibers, films, sheets, containers, packaging material, and other products made from Recycled PET (R-PET). To carry out the manufacturing, processing and sale of Recycled PET materials including the production and marketing of R-PET granules, flakes, and other products derived from recycled PET.</p> <p>To carry on the business of manufacturing, producing, processing, recycling and selling recycled staple fiber (RSF) derived from used PET (Polyethylene Terephthalate) bottles and other related products. To promote, manufacture and to engage in activities that reduce plastic waste and contribute to environmental sustainability through the use of recycled materials. To enter into joint ventures, collaborations, partnerships and agreements with other entities for the manufacturing and distribution of recycled PET products. To carry out all ancillary activities related to the recycling of PET, including transportation, storage, sorting, cleaning and marketing of Post- consumer PET materials.</p> <p>To do all such other things as may be deemed necessary, incidental or conducive to the attainment of the above objects.</p>

## MAJOR EVENTS

Year	Key Events/Milestone/ Achievement
2018	Incorporated in 2018, with team of 30 individuals.
2019	Received Certificate of Importer –Exporter Code.
2020	Commencement of construction of Building and erection and commissioning of plant and machinery.
2021	Commercial production commenced.
2022	Our Company has Crossed 100 Cr turnover.
2022	Started export to different countries around the world.
2023	Crossed 100 Cr to 200 Cr Turnover.
2023	Participated in Dhaka International Yarn & Fabric Show 2023 in Bangladesh for Brand promotion.
2024	Solar Plant with Installed capacity of 712.69 KWp/Sanctioned capacity with 1000Kwp

Year	Key Events/Milestone/ Achievement
2024	Received ISO 14001:2015 & ISO 9001:2015 Certificates.
2024	Construction of New Office.
2024	Participated in Barcelona Textile Expo in Spain & Istanbul Yarn Fair in Turkey.
2024	Participated in Tech textile 2024 in Frankfurt, Germany.
2024	Participated in Filo 62 <sup>nd</sup> Edition in Milan, Italy.
2024	Received Certificate of OEKO-TEX Standard 100.
2024	Conversion of Company from Private to Public Limited.

#### OTHER DETAILS REGARDING OUR COMPANY

For information on our activities, services, growth, technology, marketing strategy, our standing with reference to our prominent competitors and customers, please refer to sections titled “*Business Overview*”, “*Industry Overview*” and “*Management’s Discussion and Analysis Of Financial Conditions and Results Of Operations*” beginning on page no. 134, 114 and 195 respectively of this Draft Red Herring Prospectus. For details of our management and managerial competence and for details of shareholding of our Promoter, please refer to sections titled “*Our Management*” and “*Capital Structure*” beginning on page nos. 170 and 56 respectively of this Draft Red Herring Prospectus.

#### RAISING OF CAPITAL IN FORM OF EQUITY OR DEBT

For details regarding our capital raising activities through equity and debt, please see the section entitled “*Capital Structure*” and “*Restated Financial Statements*” on page nos. 56 and 191 respectively of this Draft Red Herring Prospectus.

#### DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS/BANKS AND CONVERSION OF LOAN INTO EQUITY

There have been no defaults or rescheduling of borrowings with financial institutions/banks in respect of our current borrowings from lenders. None of our outstanding loans have been converted into equity shares except as provided in the section entitled “*Capital Structure*” on page no. 56 of this Draft Red Herring Prospectus.

#### SUBSIDIARIES/HOLDINGS OF THE COMPANY

As on the date of this Draft Red Herring Prospectus, our Company does not have any Subsidiary/Holding Company.

#### INJUNCTION OR RESTRAINING ORDERS

There are no material injunctions/restraining orders that have been passed against the company.

#### MANAGERIAL COMPETENCE

For managerial competence, please refer to the section “*Our Management*” on page no. 170 of this Draft Red Herring Prospectus.

#### MATERIAL ACQUISITIONS/AMALGAMATIONS/MERGERS/REVALUATION OF ASSETS/DIVESTMENT OF BUSINESS/UNDERTAKING IN LAST TEN YEARS

Our Company has not made any material acquisitions or divestments of any business or undertaking, and has not undertaken any mergers, amalgamation or revaluation of assets in the last ten years except as provided in this Draft Red Herring Prospectus.

#### MAIN OBJECTS AS SET OUT IN THE MEMORANDUM OF ASSOCIATION OF THE COMPANY

1. To carry on the business of spinners, weavers, manufacturers, giners, balers and pressers of yarn, Cotton waste, Yarn waste, Hemp, Jute and any other fibrous material (synthetic and natural) and the cultivation thereof, and the business of buyers, sellers and dealers of Yarn, Cotton waste, Yarn waste, Hemp, Jute, and any other fibrous material, oil seeds, and any other seeds and produce and of any goods or merchandise whatsoever and to transact all manufacturing or treating and preparing processes and mercantile business that may be necessary or expedient and to purchase and vend the raw material and manufactured articles, and to carry on or be interested in the business of ginning and pressing factory proprietors.
2. To carry on the business of manufacturing, buying, selling, exchange, importing, exporting, converting, altering, processing, or otherwise handling or dealing in cotton yarn, silk yarn, worsted or shoddy woolen yarn, rayon yarn,

- namely viscose, filament, rayon, continuous filament rayon, or artificial silk yarn, acrylic fibres, polyvinyl, alcohol fibre, cotton fabrics, all synthetic fabrics or fibres whatsoever for textile use, staple fibre, yarn, spun, rayon and any other fibrous or textile material whether an agricultural or animal or natural or chemical or synthetic product or its by-products or substances or substitutes for all or any of them of yarn or yarns for textile or other uses and to treat and utilise any waste arising from any manufacture, production or process.
3. To carry on the business of manufacturers, processors, jobbers, including doing the job work for others and getting the job work done from others, importers, exporters, buyers, sellers of and dealers in all kind of fabrics and textiles, industrial fabrics, tapes, ropes, cord, twines, canvas, Terri towels, durries, newars, parachutes, carpets, rugs, blankets, tarpaulin, linens worsted stuff and other products as are prepared or manufactured from nylon, polyester, acrylic, rayon, silk, artificial silk, linen, cotton, wool, jute and any other synthetic, artificial and natural fibers including fiber glass and to treat and utilize any waste arising from any such manufacture, production or process.
  4. To carry on all or any of the trades or business of preparing, spinning, doubling, weaving, scouring, sizing, bleaching, colouring, dyeing, printing, finishing and processing, working or manufacturing in any way whatever, cotton, linen, wool, silk, flex, hemp jute, artificial silk, rayon cloth, manmade and other fibrous, artificial chemicals or synthetic or textile substance and to treat and utilize and deal in any waste arising from any such operations and the buying and selling of and dealing in all or any of the aforementioned substances.
  5. To carry on the business as manufacturer, drapders and dealers of furnishing fabrics in all its branches as costumiers, readymade dressers and mantle maker, silk mercer, makers and supplier of clothing, lingerie and trimmings of every kind, furrics, drapers, haberdashers, milliners, hosiery makers, lace makers, rope makers, felt and tarpaulin makers, and feather resers.
  6. To carry on the business of manufacturing, producing, processing, buying, selling, supplying, exporting all kind of fabrics and other fibrous material, clothes, dressing materials, uniform, readymade garments, apparels, carpets, blankets, woven bags, hosiery, knitted goods, home textiles, waterproof fabrics, floor clothes & tent clothes.
  7. To carry on the business of spinners, weavers, manufacturers, producers, ginners, precers, pakers, ballers, liners, cleaners, processors, doublers, combers, wool combers: worsted and woollen spinners, knitters, dyers, bleachers, calenders, sellers, buyers, importers exporters, mercerisers, distributors, barters, shippers and dealers in all kinds of waste threads, yarn, fibres, suiting, shirtings, sarees, dress materials, ready made garments all fabrics including waste cotton, linen, hemp, jute, wool, polyester, acrylics, silk, artificial silk, rayon, manmade synthetic fibres, staple synthetic yarn and any other fibrous material, allied products, by-products, and to treat and utilise any waste arising from any such manufacturing production or process.
  8. To purchase or contract, for immediate or future delivery, kapas, raw cotton, wool, silk, hemp, jute, rags, yarns, cloths of various fibres, articles, irons and other metals and all stores and material, chemicals and things necessary or useful for ginning, spinning, weaving, manufacturing, dyeing, printing and bleaching purposes, also all machinery, plant, stores, material and things necessary or useful for the purposes of the company and if deemed expedient by the Directors to sell back, re-sell or to send for sale to any part of India or elsewhere all or any of the above mentioned machinery, plant, materials, produce, metals, articles and things. To sell or dispose of for cash or on credit, or to contract for the sale and future delivery of, or to send for sale to any part of India or elsewhere, all the articles, fabrics and things mentioned above and other produce whatsoever of the company.
  9. To extend the business of the Company from time to time by purchasing or taking on lease or otherwise acquiring any lands (whether free hold, lease-hold or otherwise) with or without buildings and machinery standing there on; by erecting Mills or other building on such lands, by purchasing or taking on lease or otherwise acquiring the business, goodwill and property of any private Spinning or Weaving Mill or of any manufactory, situate anywhere in India; and by amalgamating with, or purchasing or otherwise acquiring the business, goodwill, property and assets of anyone or more joint Stock Company or Companies carrying on any textile business anywhere in India.
  10. To extend the business of the Company by adding to, altering or enlarging from time to time all or any of the building, premises any machinery for the time being the property of the Company; also by erecting new or additional buildings, on all or any of the lands and premises for the time being the property of the Company; and also by expending from time to time such sums of money as may, in the opinion of the Directors, be necessary or expedient for the purposes of improving, adding to, altering, repairing and maintaining the building, machinery and properties of the Company.

## SHAREHOLDERS' AGREEMENT

Our Company has not entered into any Shareholders Agreement as on the date of this Draft Red Herring Prospectus.

## OTHER AGREEMENTS

As on the date of this Draft Red Herring Prospectus our company does not have any Other Agreement except a tie-up in the form of a non-competing job work agreement with one of our group company i.e. Badri Ecofibers Private Limited agreement dated 01<sup>st</sup> July, 2024 to supply 95% percent of its total production to our company, the remaining 5% is left for the company to meet its export obligation under EPCG scheme.

## JOINT VENTURE AGREEMENTS

Our Company has not entered into any Joint Venture Agreement as on the date of this Draft Red Herring Prospectus. For more details, please see the section entitled “*Information with Respect To Group Companies/Entities*” on page no. 216 of this Draft Red Herring Prospectus.

#### **COLLABORATION AGREEMENTS**

As on the date of this Draft Red Herring Prospectus our company does not have any Collaboration Agreement except a tie-up in the form of a non-competing job work agreement with one of our group company i.e. Badri Ecofibers Private Limited agreement dated 01<sup>st</sup> July, 2024 to supply 95% percent of its total production to our company, the remaining 5% is left for the company to meet its export obligation under EPCG scheme.

#### **STRATEGIC PARTNERS**

Our Company is not having any strategic partner as on the date of filing this Draft Red Herring Prospectus.

#### **FINANCIAL PARTENRS**

Our Company has not entered into any financial partnerships with any entity as on the date of filing of this Draft Red Herring Prospectus.

## OUR MANAGEMENT

In accordance with our Articles of Association, unless otherwise determined in a general meeting of the Company and subject to the provisions of the Companies Act, 2013 and other applicable rules, the number of Directors of the Company shall not be less than 3 and not more than 15. Our Company currently has 6 (Six) Directors on our Board, out of which 3 (Three) are Executive Directors, 3 (Three) are Non-Executive Directors including 2 (Two) are Independent Directors.

S. No.	Name of the Director	Designation
1.	Mr. Amit Gupta	Chairman and Managing Director
2.	Mr. Sumit Gupta	Whole Time Director
3.	Mrs. Deepika Gupta	Executive Director
4.	Mrs. Nainsi Gupta	Non-Executive Director
5.	Mr. Nikhil Kaushik	Independent Director
6.	Mr. Rakesh Agrawal	Independent Director

The Following table sets forth details regarding the Board of Directors as on the date of this Draft Red Herring Prospectus.

MR. AMIT GUPTA	
<b>Father's Name</b>	Mr. Lakhan Lal Gupta.
<b>DIN</b>	06617576.
<b>Date of Birth</b>	19 <sup>th</sup> , January 1989.
<b>Age</b>	35 Years.
<b>Designation</b>	Chairman and Managing Director.
<b>Status</b>	Executive Director.
<b>Qualification</b>	Bachelor of Technology & Master of Technology in Chemical Engineering.
<b>No. of Years of Experience</b>	10 years of experience in Recycling and Infrastructure Sector.
<b>Address</b>	New 40, Ward No 53, Shri Golden City, Near Bhabha Institute Jatkhedhi, Huzur, Bhopal Madhya Pradesh, 462026.
<b>Occupation</b>	Business.
<b>Nationality</b>	Indian.
<b>Date of Appointment</b>	Initially appointed as an Executive Director on 28 <sup>th</sup> , February, 2020. Presently re-designated as a Chairman and Managing Director w.e.f 12 <sup>th</sup> December, 2024.
<b>Term of Appointment and date of expiration of current term of office.</b>	He will hold the office for a period For the period of 5 years with the effect from 12 <sup>th</sup> December, 2024.
<b>Other Directorships</b>	<ol style="list-style-type: none"> <li>1. Badri Ecopet Private Limited;</li> <li>2. Badri Eco Industries Private Limited;</li> <li>3. Shri Badri Infratech Private Limited;</li> <li>4. Badri Infra Developers Private Limited;</li> <li>5. Badri Ecofibres Private Limited;</li> <li>6. A.N. Ecoproducts Private Limited.</li> </ol>

MR. SUMIT GUPTA	
<b>Father's Name</b>	Mr. Lakhan Lal Gupta.
<b>DIN</b>	02887007.
<b>Date of Birth</b>	20 <sup>th</sup> March, 1985.
<b>Age</b>	38 Years.
<b>Designation</b>	Whole Time Director.
<b>Status</b>	Executive.
<b>Qualification</b>	Secondary Examination.
<b>No. of years of Experience</b>	10 years of expertise in procurement and sales operations in Recycling Sector.
<b>Address</b>	46, Shri Golden City, Phase-1, Ward No. 53, Village- Jatkhedhi, Huzur, Bhopal, Madhya Pradesh, 462026.
<b>Occupation</b>	Business.
<b>Nationality</b>	Indian.
<b>Date of Appointment</b>	Initially appointed as an Executive Director on 12 <sup>th</sup> , December, 2018. Presently re-designated as a Chairman and Managing Director w.e.f 12 <sup>th</sup> December, 2024.
<b>Term of Appointment and date of</b>	He will hold the office for a period For the period of 5 years with the effect from



<b>MR. SUMIT GUPTA</b>	
<b>expiration of current term of office.</b>	12 <sup>th</sup> December 2024.
<b>Other Directorships</b>	<ol style="list-style-type: none"> <li>1. Badri Ecopet Private Limited;</li> <li>2. Badri Eco Industries Private Limited;</li> <li>3. Shri Badri Infratech Private Limited;</li> <li>4. Badri Infra Developers Private Limited;</li> <li>5. Badri Ecofibres Private Limited.</li> </ol>

<b>MRS. DEEPIKA GUPTA</b>	
<b>Father's Name</b>	Late Ram Krishna Gupta.
<b>DIN</b>	08302423.
<b>Date of Birth</b>	11 <sup>th</sup> July 1986.
<b>Age</b>	38 Years.
<b>Designation</b>	Director.
<b>Status</b>	Executive.
<b>Qualification</b>	Master In Business in Economics and Finance.
<b>No. of years of Experience</b>	2 years of Experience in Recycling Sector.
<b>Address</b>	1529, Janki Puram, S.S.P Banglow, Civil Line, Jhansi, Khas, Khushipur, UP, 284002.
<b>Occupation</b>	Business.
<b>Nationality</b>	Indian.
<b>Date of Appointment</b>	Initially appointed as an Executive Director on 18 <sup>th</sup> , December, 2018 till 28 <sup>th</sup> , Feb 2020, then re-appointed as an Executive Director w.e.f. 15 <sup>th</sup> , October, 2024.
<b>Term of Appointment and date of expiration of current term of office.</b>	Re-appointed as an Executive Director with effect from 15 <sup>th</sup> , October 2024.
<b>Other Directorships</b>	Nil

<b>MRS. NAINSI GUPTA</b>	
<b>Father's Name</b>	Mr. Rajkumar Barsaiya.
<b>DIN</b>	09186299.
<b>Date of Birth</b>	19 <sup>th</sup> March, 1992.
<b>Age</b>	32 Years.
<b>Designation</b>	Director.
<b>Status</b>	Non-Executive.
<b>Qualification</b>	Bachelor of Technology in Computer Science and Engineering.
<b>No. of Years of Experience</b>	3 years of Experience in Cosmetic Health care Sector.
<b>Address</b>	New 40, Ward No. 53, Shri Golden City, Near Bhabha Institute Jatkhedi, Huzur, Bhopal, Madhya Pradesh, 462026.
<b>Occupation</b>	Business.
<b>Nationality</b>	Indian.
<b>Date of Appointment</b>	Appointed as Non- Executive Director w.e.f. 12 <sup>th</sup> , December, 2024.
<b>Term of Appointment and date of expiration of current term of office.</b>	She Holds office as a Non-Executive Director of the company w.e.f. 12 <sup>th</sup> , December 2024.
<b>Other Directorships</b>	A.N. Ecoproducts Private Limited.

<b>MR. NIKHIL KAUSHIK</b>	
<b>Father's Name</b>	Hassan Cheluvaiyengar Parthasarathy.
<b>DIN</b>	00040403.
<b>Date of Birth</b>	10 <sup>th</sup> February, 1979.
<b>Age</b>	46 Years.
<b>Designation</b>	Independent Director.
<b>Status</b>	Non-Executive.
<b>Qualification</b>	Bachelor of Engineering in Mechanical and Master of Science.
<b>No. of Years of Experience</b>	20 Years of experience in Finance, Investment Advisory, Pharmaceuticals and Engineering.

<b>Address</b>	3/21, Street 3, Shanti Niketan, South Moti Bagh, South West Delhi 110021.
<b>Occupation</b>	Business.
<b>Nationality</b>	Indian.
<b>Date of Appointment</b>	Appointed as an Independent Director w.e.f. 12 <sup>th</sup> , December, 2024.
<b>Term of Appointment and date of expiration of current term of office.</b>	He is appointed as Independent Director and will hold office for the period of 5 years w.e.f. 12 <sup>th</sup> , December 2024.
<b>Other Directorships</b>	<ol style="list-style-type: none"> <li>1. Waa Solar Limited;</li> <li>2. Govindpura Audyogik Kshetra Pradushan Nivaran Kendra;</li> <li>3. Fortune Exports Private Limited;</li> <li>4. Fortcaps Laboratories Private Limited.</li> </ol>

MR. RAKESH AGRAWAL	
<b>Father's Name</b>	Kamal Kishore Agrawal.
<b>DIN</b>	08930154.
<b>Date of Birth</b>	17 <sup>th</sup> September, 1986.
<b>Age</b>	38 Years.
<b>Designation</b>	Independent Director.
<b>Status</b>	Non-Executive.
<b>Qualification*</b>	B.E. Computer Science & Engineering and Master of Business Administration (Competitive Intelligence and Corporate Warfare).
<b>No. of Years of Experience</b>	Overall 13 Years in Infrastructure and Real Estate Sector.
<b>Address</b>	HN. 64, Shri Golden City Jatkhedi, Hoshangabad Road, Jhatkhedi, Huzur, Bhopal Road, 462026.
<b>Occupation</b>	Business.
<b>Nationality</b>	Indian.
<b>Date of Appointment</b>	21 <sup>st</sup> December, 2024.
<b>Term of Appointment and date of expiration of current term of office.</b>	He is appointed as Independent Director and will hold office for the period of 5 years w.e.f. 21 <sup>st</sup> , December 2024.
<b>Other Directorships</b>	NIL

*\*Mr. Rakesh Agrawal holds a provisional degree in B.E. Computer Science & Engineering, as the original degree has been misplaced.*

#### **As on the date of the Draft Red Herring Prospectus:**

- A. None of the above-mentioned Directors are on the RBI List of willful defaulters or Fraudulent Borrowers;
- B. None of the Promoters, persons forming part of our Promoter Group, our directors or persons in control of our Company or our Company are debarred from accessing the capital market by SEBI;
- C. None of the Promoters, Directors or persons in control of our Company, has been or is involved as a promoter, director or person in control of any other company, which is debarred from accessing the capital market under any order or directions made by SEBI or any other regulatory authority;
- D. None of our Directors are/were director of any company whose shares were delisted from any stock exchange(s) up to the date of filling of this Draft Red Herring Prospectus;
- E. None of Promoters or Directors of our Company are a fugitive economic offender;
- F. None of our Directors are/were director of any company whose shares were suspended from trading by stock exchange(s) or under any order or directions issued by the stock exchange(s)/ SEBI/ other regulatory authority in the last five years;
- G. In respect of the track record of the directors, there have been no criminal cases filed or investigations being undertaken with regard to alleged commission of any offence by any of our directors and none of our directors have been charge-sheeted with serious crimes like murder, rape, forgery, economic offence.

#### **RELATIONSHIP BETWEEN THE DIRECTORS**

Relationship between any of the Directors of our Company as on date of filling of Draft Red Herring Prospectus are:

S. No.	Name of the Director	Designation	Relationship
1.	Mr. Amit Gupta	Chairman and Managing Director	Brother of Mr. Sumit Gupta, Whole Time Director and Husband of Mrs. Nainsi Gupta, Non-Executive Director of our Company.
2.	Mr. Sumit Gupta	Whole Time Director	Brother of Mr. Amit Gupta, Chairman and Managing Director and Husband of Mrs. Deepika Gupta, Executive Director of our Company.
3.	Mrs. Deepika Gupta	Executive Director	Wife of Mr. Sumit Gupta, Whole time Director of our Company.
4.	Mrs. Nainsi Gupta	Non-Executive Director	Wife of Mr. Amit Gupta, Chairman and Managing Director of our Company.

### ARRANGEMENT AND UNDERSTANDING WITH MAJOR SHAREHOLDERS, CUSTOMERS, SUPPLIERS AND OTHERS

There is no arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any of the above-mentioned Directors was selected as director or member of senior management.

### SERVICE CONTRACTS

None of our directors have entered into any service contracts with our company and no benefits are granted upon their termination from employment other than the statutory benefits provided by our company. However, Executive Directors of our Company are appointed for specific terms and conditions for which no formal agreements are executed, however their terms and conditions of appointment and remuneration are specified and approved by the Board of Directors and Shareholders of the Company.

Except statutory benefits upon termination of their employment in our Company or retirement, no officer of our Company, including the directors and key Managerial personnel, are entitled to any benefits upon termination of employment.

### BORROWING POWERS OF THE BOARD OF DIRECTORS

Pursuant to a special resolution passed at an Extra Ordinary General Meeting of our Company held on 21<sup>st</sup> December, 2024 and pursuant to provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder, the Board of Directors of the Company be and are hereby authorized to borrow monies from time to time, any sum or sums of money on such security and on such terms and conditions as the Board may deem fit, notwithstanding that the money to be borrowed together with the money already borrowed by our Company may exceed in the aggregate, its paid up capital and free reserves and security premium (apart from temporary loans obtained / to be obtained from bankers in the ordinary course of business), provided that the outstanding principal amount of such borrowing at any point of time shall not exceed in the aggregate of Rs. 500 crores.(Rupee Five Hundred Crores).

### BRIEF PROFILE OF OUR DIRECTORS

NAME OF THE DIRECTOR	PROFILE
<b>MR. AMIT GUPTA</b>	Mr. Amit Gupta, aged 35 years, serve as Chairman and Managing Director of Badri Cotsyn Limited. He is a visionary leader with a strong educational background, holding Bachelor of Technology & Master of Technology in Chemical Engineering from IIT Delhi. With over 10 years of experience in recycling and infrastructure, he has driven innovation and growth, leading Badri Cotsyn Limited to emerge as a pioneering force in sustainable recycling, specializing in high-tenacity polyester fiber production.
<b>MR. SUMIT GUPTA</b>	Mr. Sumit Gupta, aged 38 years, serve as the Whole Time Director of Badri Cotsyn Limited, possess 10 years of expertise in procurement and sales operations. His strategic approach to raw material sourcing, supply chain management, and relationship building has driven the company's growth. With a focus on sustainable sourcing, Mr. Sumit has established reliable, cost-effective supply chains, ensuring consistent production quality. He continues to secure top-quality materials. His industry

NAME OF THE DIRECTOR	PROFILE
	network have significantly contributed to the company's success, including a three-fold increase in export revenue.
<b>MRS. DEEPIKA GUPTA</b>	Mrs. Deepika Gupta, aged 38 years, serve as an Executive Director of the Badri Cotsyn Limited. She holds Masters of Business in Economics and Finance Degree, She has 2 Years of experience in Recycling sector.
<b>MRS. NAINSI GUPTA</b>	Mrs. Nainsi Gupta, aged 32 years, holds Bachelor of Technology in Computer Science. She serves as a Non-Executive Director at Badri Cotsyn Limited, Holds Directorship in other company also.
<b>MR. NIKHIL KAUSHIK</b>	Mr. Nikhil Kaushik holds a Bachelor of Engineering from Banglore University and Master of Science from Texas A&M University, USA, and Graduate Programme from Indian School of Business (I.S.B.) Hyderabad. Mr. Nikhil brings extensive finance and operational expertise to diverse businesses in India. He is having 20 years of experience across finance, Investment Advisory, Pharmaceuticals, and Engineering. He has worked with multinational corporations like Citibank and GE India Technology Centre. Currently, He serves as an Independent Director on the boards of Badri Cotsyn Limited.
<b>MR. RAKESH AGRAWAL</b>	Mr. Rakesh Agrawal aged 38 years, serve as an Independent Director of Badri Cotsyn Limited. Having Overall 13 years of experience in infrastructure and Real Estate. Mr. Rakesh holds degree in Master of Business Administration from Amity University UP, and B.E. Computer Science & Engineering from Bansal Institute of Science and Technology. This combination of technical and managerial education enabled him to successfully navigate the challenges of the real estate and healthcare industries.

#### COMPENSATION AND BENEFITS TO THE CHAIRMAN AND MANAGING DIRECTOR, WHOLE TIME DIRECTOR AND EXECUTIVE DIRECTORS ARE AS FOLLOWS:

Name	MR. AMIT GUPTA	MR. SUMIT GUPTA
Designation	Chairman and Managing Director	Whole Time Director
Date of Appointment	12 <sup>th</sup> , December, 2024	12 <sup>th</sup> , December, 2024
Period	He will hold the office for a period of five years with effect from 12 <sup>th</sup> December 2024.	He will hold the office for a period of five years with effect from 12 <sup>th</sup> December 2024.
Salary	Monthly Remuneration of Rs. 4,00,000/-	Monthly Remuneration of Rs. 4,00,000/-
Bonus	-	-
Perquisite/Benefits	-	-
Compensation/remuneration paid during the F.Y. 2023-24	Rs. 14.00 Lakhs	Rs. 18.00 Lakhs.

#### SITTING FEES PAYABLE TO NON-EXECUTIVE DIRECTORS

Till date, our Company has not paid any sitting fees to any of the Non-Executive Directors for attending any of the Board or Committee Meetings. Further, The Board of Directors is into discussion to approve and pay sitting fees to Non-Executive Directors for attending any of the Board or Committee Meetings.

#### SHAREHOLDING OF DIRECTORS

The shareholding of our directors as on the date of this Draft Red Herring Prospectus is as follows:

S. No.	Name of Directors	No. Equity Shares held	Category/ Status
1.	Mr. Amit Gupta	74,99,996	Chairman and Managing Director
2.	Mr. Sumit Gupta	74,99,991	Whole Time Director
3.	Mrs. Deepika Gupta	3	Executive Director
4.	Mrs. Nainsi Gupta	3	Non-Executive Director

#### INTEREST OF DIRECTORS

All of our Directors may be deemed to be interested to the extent of fees payable to them (if any) for attending meetings

of the Board or a committee thereof as well as to the extent of remuneration payable to them for their services as Directors of our Company and reimbursement of expenses as well as to the extent of commission and other remuneration, if any, payable to them under our Articles of Association.

Some of the Directors may be deemed to be interested to the extent of consideration received/paid or any loans or advances provided to any, body corporate including companies and firms, and trusts, in which they are interested as directors, members, partners or trustees. All our Directors may also be deemed to be interested to the extent of Equity Shares, if any, already held by them or their relatives in our Company, or that may be subscribed for and allotted to our non-promoter Directors, out of the present Issue and also to the extent of any dividend payable to them and other distribution in respect of the said Equity Shares.

The Directors may also be regarded as interested in the Equity Shares, if any, held or that may be subscribed by and allocated to the companies, firms and trusts, if any, in which they are interested as directors, members, partners, and/or trustees.

Our Directors may also be regarded interested to the extent of dividend payable to them and other distribution in respect of the Equity Shares, if any, held by them or by the companies/firms/ventures promoted by them or that may be subscribed by or allotted to them and the companies, firms, in which they are interested as Directors, members, partners and promoters, pursuant to this Issue.

All our Directors may be deemed to be interested in the contracts, agreements/ arrangements entered into or to be entered into by the Company with either the Directors himself, other company in which they hold directorship or any partnership firm in which they are partners, as declared in their respective declarations. Interest in promotion of our Company except promoters.

Our Directors have no interest in any property acquired by our Company neither in the preceding two years from the date of this Draft Red Herring Prospectus nor in the property proposed to be acquired by our Company as on the date of filing of this Draft Red Herring Prospectus. Our Directors also do not have any interest in any transaction regarding the acquisition of land, construction of buildings and supply of machinery, etc. with respect to our Company.

Interest in the business of our Company same and except as stated otherwise in Related Party Transaction in the chapter titled “*Restated Financial Statements*” beginning on page no. 191 of this Draft Red Herring Prospectus.

Our directors are not interested in the appointment of Underwriters, Registrar and Bankers to the Issue or any such intermediaries registered with SEBI.

None of our directors have entered into any service contracts with our company except for acting in their individual capacity as director and no benefits are granted upon their termination from employment other than the statutory benefits provided by our company. Except statutory benefits upon termination of their employment in our Company or retirement, no officer of our Company, including the directors and Key Managerial Personnel, are entitled to any benefits upon termination of or retirement from employment.

#### CHANGES IN THE BOARD OF DIRECTORS DURING THE LAST THREE YEARS

Name of Director	Date of Event	Nature of Event	Reason for the changes in the board
Mr. Rakesh Agrawal	21 <sup>st</sup> December, 2024	Appointment	Appointed as an Independent Director of the Company on December 21 <sup>st</sup> , 2024.
Mr. Amit Gupta	12 <sup>th</sup> December, 2024	Change in Designation	Re-designated as Chairman and Managing Director of the Company with effect from December 12 <sup>th</sup> , 2024.
Mr. Sumit Gupta	12 <sup>th</sup> December, 2024	Change in Designation	Re-designated as Whole Time Director of the Company with effect from December 12 <sup>th</sup> , 2024.
Mr. Nikhil Kaushik	12 <sup>th</sup> December, 2024	Appointment	Appointed as an Independent Director of the Company on December 12 <sup>th</sup> , 2024.
Mrs. Naini Gupta	12 <sup>th</sup> December, 2024	Appointment	Appointed as Non-Executive Director of the Company on December 12 <sup>th</sup> , 2024.
Mrs. Deepika Gupta	15 <sup>th</sup> , October 2024	Appointment	Re-Appointed as an Executive Director of the Company on October 15 <sup>th</sup> , 2024.
Mr. Rajeev Kaurav	15 <sup>th</sup> October 2024	Cessation	Resignation as Director of the Company.
Mr. Lakhanlal Gupta	08 <sup>th</sup> March 2024	Resignation	Resigned as Director of the Company.



Name of Director	Date of Event	Nature of Event	Reason for the changes in the board
Mr. Rajeev Kaurav	09 <sup>th</sup> October 2023	Appointment	Appointed as an Additional Director of the Company on October 09, 2023 and will hold office till the ensuing AGM.

## CORPORATE GOVERNANCE

In additions to the applicable provisions of the Companies Act, 2013 with respect to the Corporate Governance, provisions of the SEBI Listing Regulations will be applicable to our company immediately up on the listing of Equity Shares on the Stock Exchanges.

As on date of this Draft Red Herring Prospectus, as our Company is coming with an issue in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, the requirements specified in regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015 are not applicable to our Company, although we require to comply with requirement of the Companies Act, 2013 wherever applicable. In spite of certain regulations and schedules of SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015 is not applicable to our Company, our Company endeavors to comply with the good corporate governance and accordingly certain exempted regulations have been compiled by our Company.

Our Company has complied with the corporate governance requirement, particularly in relation to appointment of independent directors including woman director on our Board, constitution of an Audit Committee, Stakeholders Relationship Committee and Nomination and Remuneration Committee. Our Board functions either on its own or through committees constituted thereof, to oversee specific operational areas.

## COMPOSITION OF BOARD OF DIRECTORS

Our Company currently has 6 (Six) directors out of which 3 (Three) are Executive Directors. 1 (One) is Non-Executive Director and 2(Two) are Independent Directors.

Composition of Board of Directors is set forth in the below mentioned table:

S. No.	Name of Directors	Designation	Status	DIN
1.	Mr. Amit Gupta	Chairman and Managing Director	Executive	06617576
2.	Mr. Sumit Gupta	Whole Time Director	Executive	02887007
3.	Mrs. Deepika Gupta	Director	Executive	08302423
4.	Mrs. Nainsi Gupta	Director	Non-Executive	09186299
5.	Mr. Nikhil Kaushik	Independent Director	Non-Executive	00040403
6.	Mr. Rakesh Agrawal	Independent Director	Non-Executive	08930154

## CONSTITUTION OF COMMITTEES

**Our company has constituted the following Committees of the Board:**

1. Audit Committee;
2. Stakeholders Relationship Committee;
3. Nomination and Remuneration Committee;
4. Corporate Social Responsibility Committee.

**Details of composition, terms of reference etc. of each of the above committees are provided hereunder:**

### 1. Audit Committee:

The Board of Directors of our Company has, in pursuance of the provisions of Section 177 of the Companies Act, 2013, or any subsequent modification(s) or amendment(s) thereof in its Meeting held on December 19<sup>th</sup>, 2024 constituted Audit Committee.

**The constitution of the Audit Committee is as follows:**

Name of the Directors	Designation in Committee	Nature of Directorship
Mr. Nikhil Kaushik	Chairman	Independent Director
Mrs. Nainsi Gupta	Member	Non-Executive Director

Mr. Rakesh Agrawal	Member	Independent Director
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Our Company Secretary and Compliance officer will act as the secretary of the Committee.

### Terms of Reference

#### The Role of Audit Committee not limited to but includes:

- i. The recommendation for the appointment, re-appointment and, if required, the replacement or removal of the auditor, their remuneration and fixation of terms of appointment of the Auditors of the Company;
- ii. Review and monitor the auditors independence and performance, and effectiveness of audit process;
- iii. Examination of financial statement and auditors' report thereon including interim financial result before submission to the Board of Directors for approval; Changes, if any, in accounting policies and practices and reasons for the same;
  - a. Major accounting entries involving estimates based on the exercise of judgment by management;
  - b. Significant adjustments made in the financial statements arising out of audit findings;
  - c. Compliance with listing and other legal requirements relating to financial statements;
  - d. Disclosure of any related party transactions.
  - e. Qualifications in the draft audit report.

- iv. Approval or any subsequent modification of transactions of the Company with related party;

Provided that the Audit Committee may make omnibus approval for related party transactions proposed to be entered into by the company subject to such conditions as may be prescribed under the Companies Act, 2013 or any subsequent modification(s) or amendment(s) thereof;

Provided further that in case of transaction, other than transactions referred to in section 188 of Companies Act 2013 or any subsequent modification(s) or amendment(s) thereof, and where Audit Committee does not approve the transaction, it shall make its recommendations to the Board;

Provided also that in case any transaction involving any amount not exceeding one crore rupees is entered into by a director or officer of the company without obtaining the approval of the Audit Committee and it is not ratified by the Audit Committee within three months from the date of the transaction, such transaction shall be voidable at the option of the Audit Committee;

- v. Reviewing, with the management, and monitoring 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 / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- vi. Scrutiny of Inter-corporate loans and investments;
- vii. Reviewing and discussing 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;
- viii. To review the functioning of the Whistle Blower mechanism, in case the same is existing;
- ix. Valuation of undertakings or assets of the company, where ever it is necessary;
- x. Evaluation of internal financial controls and risk management systems and reviewing, with the management, performance of internal auditors, and adequacy of the internal control systems; and
- xi. 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;
- xii. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate; and
- xiii. Carrying out any other function as assigned by the Board of Directors from time to time.

#### Review of Information

- i. Management discussion and analysis of financial condition and results of operations;
- ii. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- iii. Management letters / letters of internal control weaknesses issued by the statutory auditors;
- iv. Internal audit reports relating to internal control weaknesses; and
- v. The appointment, removal and terms of remuneration of the Internal Auditor.

## Powers of Committee

- i. To investigate any activity within its terms of reference;
- ii. To seek information from any employees;
- iii. To obtain outside legal or other professional advice; and
- iv. To secure attendance of outsiders with relevant expertise, if it considers necessary.
- v. To have full access to information contained in the records of Company.

## Quorum and Meetings

The audit committee shall meet as and when required to discuss and approve the items included in its role. The quorum of the meeting of the Audit Committee shall be one third of total members of the Audit Committee or 2, whichever is higher, subject to minimum two Independent Director shall present at the Meeting.

### 2. Stakeholders Relationship Committee:

The Board of Directors of our Company has, in pursuance to provisions of Section 178 of the Companies Act, 2013, or any subsequent modification(s) or amendment(s) thereof in its Meeting held on December 19<sup>th</sup>, 2024, constituted Stakeholders Relationship Committee.

The constitution of the Stakeholders Relationship Committee is as follows:

Name of the Directors	Designation in Committee	Nature of Directorship
Mr. Nikhil Kaushik	Chairman	Independent Director
Mr. Amit Gupta	Member	Chairman and Managing Director
Mr. Sumit Gupta	Member	Whole Time Director

Our Company Secretary and Compliance officer will act as the secretary of the Committee.

## Terms of Reference

The Role of Stakeholders Relationship Committee not limited to but includes:

- i. Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipts of annual reports, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.;
- ii. Review of measures taken for effective exercise of voting rights of by shareholders;
- iii. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar and Share Transfer Agent;
- iv. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipts of dividend warrants/ annual reports/ statutory notices by the shareholders of the Company; and
- v. Carrying out any other function as prescribed under the SEBI Listing Regulations as and when amended from time to time. Such other matters as may be required by any statutory, contractual or other regulatory requirements to be attended to by such committee from time to time.

### 3. Nomination and Remuneration Committee:

The Board of Directors of our Company has, in pursuance to provisions of Section 178 of the Companies Act, 2013, or any subsequent modification(s) or amendment(s) thereof in its Meeting held on December 19<sup>th</sup>, 2024 constituted Nomination and Remuneration Committee.

The constitution of the Nomination and Remuneration Committee is as follows:

Name of the Directors	Designation in Committee	Nature of Directorship
Mr. Nikhil Kaushik	Chairman	Independent Director
Mr. Rakesh Agrawal	Member	Independent Director
Mrs. Nainsi Gupta	Member	Non- Executive Director

Our Company Secretary and Compliance officer will act as the secretary of the Committee.

## Terms of reference

The Role of Nomination and Remuneration Committee not limited to but includes:

- i. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- ii. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - a. use the services of an external agencies, if required;
  - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c. Consider the time commitments of the candidates.
- iii. Formulation of criteria for evaluation of Independent Directors and the Board;
- iv. devising a policy on diversity of board of directors;
- v. identifying 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 of directors their appointment and removal;
- vi. 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;
- vii. recommend to the board, all remuneration, in whatever form, payable to senior management;
- viii. framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
  - the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 or the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 to the extent each is applicable; or
  - the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003;
- ix. evaluating the performance of the independent directors and on the basis of their performance evaluation recommending the Board of Directors and the members of the Company to extend or continue the term of appointment of the independent director; and
- x. Performing such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee.

#### **Quorum and Meetings**

The Nomination and Remuneration Committee is required to meet at least once a year. The quorum necessary for a meeting of the Nomination and Remuneration Committee is one third of total members of the Nomination and Remuneration Committee or 2 members, whichever is higher.

#### **4. Corporate Social Responsibility Committee.**

The Corporate Social Responsibility Committee is constituted pursuant to a resolution passed by our Board at its meeting held on December 19<sup>th</sup>, 2024. The composition and terms of reference of the Corporate Social Responsibility Committee are in compliance with Section 135 and other applicable provisions of the Companies Act, 2013. The Corporate Social Responsibility Committee currently comprises:

<b>Name of the Directors</b>	<b>Nature of Directorship</b>	<b>Designation in Committee</b>
Mr. Nikhil Kaushik	Chairman	Independent Director
Mr. Amit Gupta	Member	Chairman and Managing Director
Mrs. Nainsi Gupta	Member	Non- Executive Director

#### **Terms of Reference**

##### **The Role of Corporate Social Responsibility Committee not limited to but includes:**

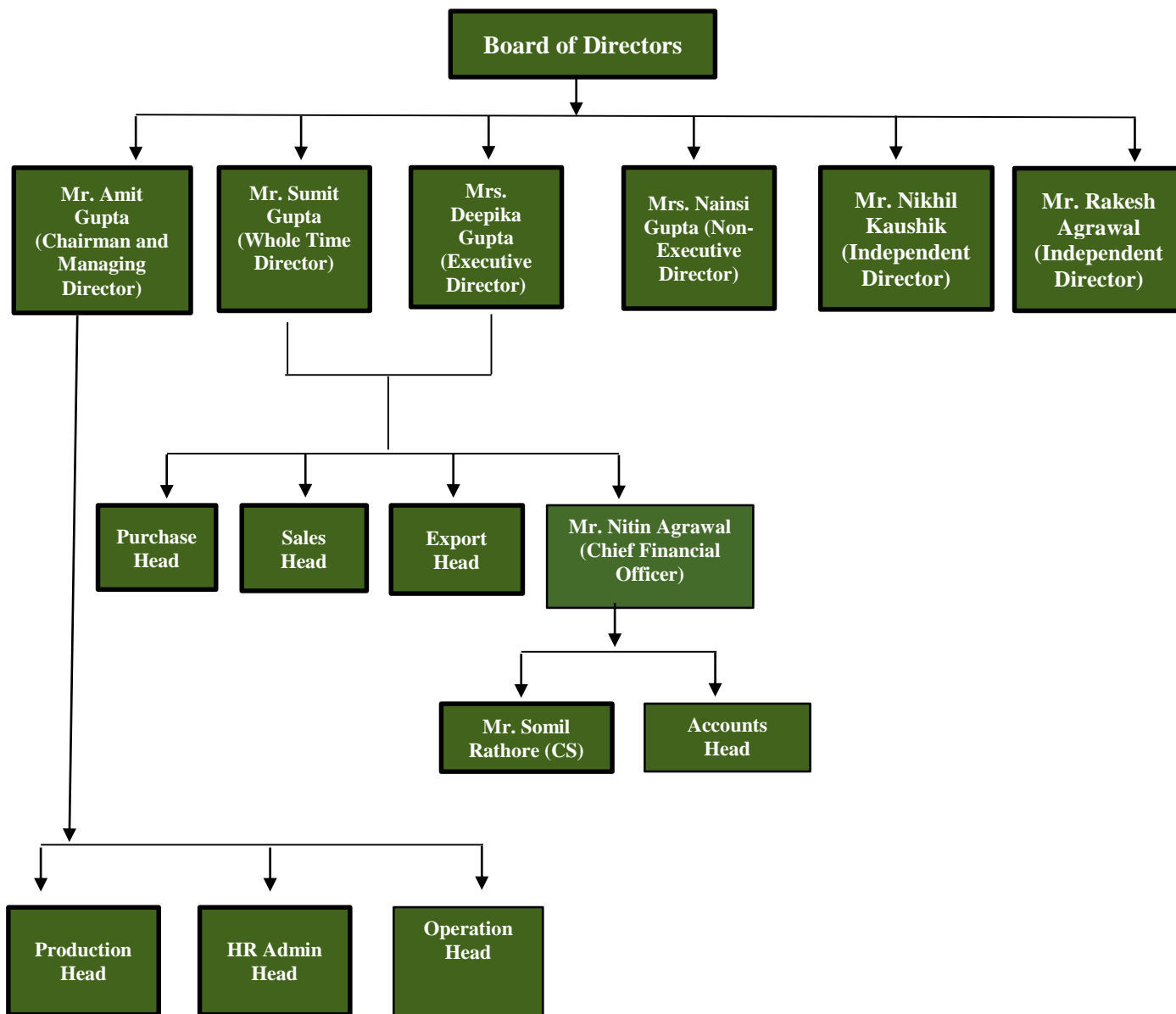
- i. Formulate and recommend to the Board, a “Corporate Social Responsibility Policy” which shall indicate the activities to be undertaken by our Company as specified in Schedule VII of the Companies Act;
- ii. Review and recommend the amount of expenditure to be incurred on the activities to be undertaken by our Company;
- iii. Monitor the corporate social responsibility policy of our Company from time to time; and
- iv. Any other matter as the Corporate Social Responsibility Committee may deem appropriate after approval of the Board or as may be directed by the Board from time to time.

#### **Quorum and Meetings**

The Corporate Social Responsibility Committee at least once a year. The quorum necessary for a meeting of the Corporate Social Responsibility Committee is one third of total members of the Corporate Social Responsibility Committee or 2 members, whichever is higher.

### MANAGEMENT ORGANIZATION STRUCTURE

The Management Organization Structure of the company is depicted from the following chart:





## OUR KEY MANAGEMENT PERSONNEL

The Key Managerial Personnel of our Company other than our Executive Directors are as follows:

Name, Designation and Date of Joining		Qualification	Previous Employment	Remuneration paid in F.Y. 2023-24) (₹ in Lakhs)
<b>Name</b>	Mr. Nitin Agrawal	Chartered Accountant	Arceus Infotech Private Limited. And Madhya Bharat Phosphate Private Limited.	NIL
<b>Designation</b>	Chief Financial Officer			
<b>Date of Appointment</b>	December 08 <sup>th</sup> , 2024			
<b>Overall Experience</b>	Mr. Nitin Agrawal has Overall 17 years of experience in Banking, GST Returns Filings, Income Tax scrutiny cases and filings, Stock Audits, Agricultural chemicals and materials industries,			
<b>Name</b>	Mr. Somil Rathore	Bachelors of Commerce, Member of ICSI	Agrawal Kanhere Associates	NIL
<b>Designation</b>	Company Secretary and Compliance Officer			
<b>Date of Appointment</b>	December 08 <sup>th</sup> , 2024			
<b>Overall Experience</b>	He is having 4 months of experience.			

## BONUS OR PROFIT SHARING PLAN FOR THE KEY MANAGEMENT PERSONNEL

Currently, Our Company does not have any bonus or profit-sharing plan for our Key Managerial personnel. In future, Discretionary bonus may be paid as may be decided by Nomination and Remuneration Committee/Board of Directors, depending upon the performance of the Key Managerial Personnel, working of the Company and other relevant factors subject to Maximum of annual salary within the limits laid down under Para A of Section II of Part II of Schedule V of the Companies Act, 2013.

## CHANGES IN THE KEY MANAGEMENT PERSONNEL

The following are the changes in the Key Management Personnel in the last three years preceding the date of filing this Draft Red Herring Prospectus, otherwise than by way of retirement in due course.

Name of Key Managerial Personnel	Date of Event	Nature of Event	Reason for the changes
Mr. Amit Gupta	December 12 <sup>th</sup> , 2024	Re-designated	Re-Designated as Chairman and Managing Director of the Company.
Mr. Sumit Gupta	December 12 <sup>th</sup> , 2024	Re-designated	Re-Designated as Whole Time Director of the Company
Mr. Nitin Agrawal	December 08 <sup>th</sup> , 2024	Appointment	Appointed as Chief Financial Officer of the Company.
Mr. Somil Rathore	December 08 <sup>th</sup> , 2024	Appointment	Appointed as Company Secretary and Compliance Officer of the Company.

### Details of Senior Management Personnel's (SMPs):

#### 1. Pankaj Thakur, Chief Technical Officer

Mr. Pankaj Thakur serves as the Chief Technical Officer, holding a B.Tech degree in Electronics and Communication. With over 15 years of experience in the recycling industry, he leads the fiber division, overseeing daily operations, product development, and strategic initiatives.

#### 2. Praween Kumar Singh, Deputy General Manager

Mr. Praween Kumar Singh serves as Deputy General Manager at Badri Cotsyn Limited, holding a Bachelor's degree in Computer Science. With 12 years of experience in the Fiber, Polyester, and Synthetic sectors, he manages key responsibilities and also holds directorship positions in other companies.

### 3. Varun Malviya, Purchase Manager

Mr. Varun Malviya serves as Raw Material Purchase Manager, bringing an MBA in Human Resources to his role. He has accumulated 6 years of experience within the Badri Group.

### 4. Aashish Kaushik, Export Head

Mr. Aashish Kaushik leads the company's international business as Export Head/Manager. He holds a Master's degree in International Business. A highly motivated and commercially driven professional, Mr. Kaushik excels in multicultural environments. With 5+ years of experience, he has successfully managed international trade operations independently.

### 5. Atul Kumar Chaudhary, Unit Head

Mr. Atul Kumar Chaudhary serves as the Unit Head of the R PET Plant, holds a B.Tech in Chemical Engineering With over 15 years of experience in rPET, including expertise in continuous polymerization, he leads the plant's operations with exceptional technical acumen.

## EMPLOYEE STOCK OPTION SCHEME

As on the date of filing of Draft Red Herring Prospectus, our company does not have any ESOP Scheme for its employees.

## RELATIONSHIP BETWEEN KEY MANAGEMENT PERSONNEL

There is no any existing relationship between Key Management Personnel as on date of filing Draft Red Herring Prospectus except:

Name of Key Management Personnel	Relationship
Mr. Amit Gupta	Brother of Mr. Sumit Gupta, Whole Time Director of the Company.
Mr. Sumit Gupta	Brother of Mr. Amit Gupta Chairman and Managing Director of the Company.

## PAYMENT OF BENEFIT TO OFFICERS OF OUR COMPANY (NON-SALARY RELATED)

Except the statutory payments made by our Company, in the last two years, our company has not paid any sum to its employees in connection with superannuation payments and ex-gratia/ rewards and has not paid any non-salary amount or benefit to any of its officers.

### Notes:

- All the key managerial personnel mentioned above are on the payrolls of our Company as permanent employees;
- There is no arrangement / understanding with major shareholders, customers, suppliers or others pursuant to which any of the above-mentioned personnel have been recruited;
- None of our Key Managerial Personnel has been granted any benefits in kind from our Company, other than their remuneration.

None of our Key Managerial Personnel has entered into any service contracts with our no benefits are granted upon their termination from employment other that statutory benefits provided by our company and Further, our Company has appointed certain Key Managerial Personnel i.e. Chief Financial Officer and Company Secretary and Compliance Officer for which our company has not executed any formal service contracts; although they are abide by their terms of appointments.

Additionally, our Company will pay remuneration and salary to our Directors and Key Managerial Personnel as approved by the Board of Directors and Shareholders of our Company.

In addition to all above transactions proposed to be entered, our Company may also propose to enter new transactions or transactions beyond the present omnibus approval given by the Board of Directors/Audit Committee after obtaining the fresh approval for the new transactions or transactions beyond the omnibus approval specified above.

## SHAREHOLDING OF THE KEY MANAGEMENT PERSONNEL

Except as disclosed below, none of the Key Managerial Personnel hold any Equity Shares of our Company as on the date of this Draft Red Herring Prospectus.

S. No.	Name of Key Management Personnel	No. Equity Sharesheld	Category/ Status
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1.	Mr. Amit Gupta	74,99,994	Chairman and Managing Director
2.	Mr. Sumit Gupta	74,99,991	Whole Time Director
3.	Mr. Nitin Agrawal	3	Chief Financial Officer
4.	Mr. Somil Rathore	Nil	Company Secretary and Compliance Officer

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## OUR PROMOTERS AND PROMOTER GROUP


### PROMOTERS OF OUR COMPANY

1. Mr. Amit Gupta
2. Mr. Sumit Gupta
3. Mrs. Deepika Gupta
4. Mrs. Nainsi Gupta


As on the date of this Draft Red Herring Prospectus, our Promoters hold 1,49,99,991 Equity Shares in aggregate, representing 100 % of the issued, subscribed and paid-up Equity Share capital of our Company. For details of the build-up of our Promoters' shareholding in our Company, please see "*Capital Structure*" beginning on page no. 56 of this Draft Red Herring Prospectus.


**The details of our Promoters are provided below:**

	<b>MR. AMIT GUPTA</b>
	<p>Mr. Amit Gupta, aged 35 years, serve as Chairman and Managing Director of Badri Cotsyn Limited. He is a visionary leader with a strong educational background, holding Bachelor of Technology &amp; Master of Technology in Chemical Engineering from IIT Delhi. With over 10 years of experience in recycling and infrastructure, he has driven innovation and growth, leading Badri Cotsyn Limited to emerge as a pioneering force in sustainable recycling, specializing in high-tenacity polyester fiber production.</p>
<b>Date of Birth</b>	19 <sup>th</sup> January 1989
<b>AGE</b>	35 Years
<b>PAN</b>	BCNPG8198K
<b>Educational Qualification</b>	Bachelor of Technology & Master of Technology in Chemical Engineering.
<b>Present Residential Address</b>	New 40, Ward No. 53, Shri Golden City, Near Bhabha Institute Jatkhedi, Huzur, Bhopal, Madhya Pradesh, 462026.
<b>Directorships Held</b>	<ol style="list-style-type: none"> <li>1. Badri Ecopet Private Limited</li> <li>2. Badri Eco Industries Private Limited</li> <li>3. Shri Badri Infratech Private Limited</li> <li>4. Badri Infra Developers Private Limited</li> <li>5. Badri Ecofibres Private Limited</li> <li>6. A.N. Ecoproducts Private Limited</li> </ol>
<b>Other Ventures</b>	Nil

	<b>MR. SUMIT GUPTA</b>
	<p>Mr. Sumit Gupta, aged 38 years, serve as the Whole Time Director of Badri Cotsyn Limited, possess 10 years of expertise in procurement and sales operations. His strategic approach to raw material sourcing, supply chain management, and relationship building has driven the company's growth. With a focus on sustainable sourcing, Mr. Sumit has established reliable, cost-effective supply chains, ensuring consistent production quality. He continues to secure top-quality materials. His financial acumen and industry network have significantly contributed to the company's success, including a three-fold increase in export revenue.</p>

<b>Date of Birth</b>	20 <sup>th</sup> March 1985.
<b>Age</b>	38 Years
<b>PAN</b>	AKEPG5617K
<b>Educational Qualification</b>	Secondary Examination
<b>Residential Address</b>	46, Shri Golden City, Phase-1, Ward No. 53, Village- Jatkhedi, Huzur, Bhopal, Madhya Pradesh, 462026.
<b>Directorships Held</b>	<ol style="list-style-type: none"> <li>1. Badri Ecopet Private Limited</li> <li>2. Badri Eco Industries Private Limited</li> <li>3. Shri Badri Infratech Private Limited</li> <li>4. Badri Infra Developers Private Limited</li> <li>5. Badri Ecofibres Private Limited</li> </ol>
<b>Other Ventures</b>	Nil

	<b>MRS. DEEPIKA GUPTA</b>
	<p>Mrs. Deepika Gupta, aged 38 years, serve as an Executive Director of the Badri Cotsyn Limited. She holds Masters of Business in Economics and Finance Degree, plays a crucial role in leading the finance and compliance functions at Badri Cotsyn Limited. Leveraging her expertise, she oversees accounting operations, and ensures GST compliance, thereby maintaining financial accuracy and adherence to regulatory requirements.</p>
<b>Date of Birth</b>	11 <sup>th</sup> July 1986
<b>AGE</b>	38 Years
<b>PAN</b>	BWEPG5468B
<b>Educational Qualification</b>	Master In Business in Economics and Finance (MBEF)
<b>Present Residential Address</b>	1529, Janki Puram, S.S.P Banglow, Civil Line, Jhansi, Khas, Khushipur, UP, 284002.
<b>Directorships Held</b>	Nil
<b>Other Ventures</b>	Nil

	<b>MRS. NAINSI GUPTA</b>
	<p>Mrs. Nainsi Gupta, aged 32 years, holds Bachelor of Technology in Computer Science. She serves as a Non-Executive Director at Badri Cotsyn Limited, Holds Directorship in other company also. She has a strong background in technology and a keen understanding of business dynamics.</p>
<b>Date of Birth</b>	19 <sup>th</sup> March 1992
<b>AGE</b>	32 Years
<b>PAN</b>	BFWPB3295J
<b>Educational Qualification</b>	Bachelor of Technology in Computer Science and Engineering.
<b>Present Residential Address</b>	New 40, Ward No. 53, Shri Golden City, Near Bhabha Institute Jatkhedi, Huzur, Bhopal, Madhya Pradesh, 462026.
<b>Directorships Held</b>	A.N. Ecoproducts Private Limited

Other Ventures	Nil
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## DECLARATION

We declare and confirm that the details of the Aadhar Number, Driving License, permanent account numbers, Bank Account numbers and passport numbers of our Promoters are being submitted to the NSE, stock exchange on which the specified securities are proposed to be listed along with filing of this Draft Red Herring Prospectus with the Stock Exchange.

## CHANGE IN THE CONTROL OR MANAGEMENT OF THE ISSUER IN LAST FIVE YEARS

There has not been any change in the control of our Company in the five years immediately preceding the date of this Draft Red Herring Prospectus.

## INTEREST OF OUR PROMOTERS

- None of our Promoters / Directors have any interest in our Company except to the extent of compensation payable / paid, and reimbursement of expenses (if applicable) and to the extent of any equity shares held by them or their relatives and associates or held by the companies, firms and trusts in which they are interested as director, member, partner, and / or trustee, and to the extent of benefits arising out of such shareholding.

For further details please see the chapters titled “*Capital Structure*”, “*Restated Financial Statements*” and “*Our Management*” beginning on page nos. 56, 191 and 170 of this Draft Red Herring Prospectus.

- Except as stated otherwise in this Draft Red Herring Prospectus, we have not entered into any contract, agreements or arrangements in which our Promoters is directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by our Company other than in the normal course of business. For further details, please refer the section titled “*Restated Financial Statements*” on page no. 191 of this Draft Red Herring Prospectus.
- Further, our Promoters may be deemed to be interested to the extent of the payments made by our Company, if any, to the Group entities and payment to be made by our Company to the Group Entities. For the payments that are made by our Company to certain Group entities, please refer “*Restated Financial Statements*” on page no. 191 of this Draft Red Herring Prospectus. For the payments proposed to be made by our Company to certain Group Entities, please refer page no. 191 of this Draft Red Herring Prospectus.

### Interest of Promoters in the Promotion of our Company

Our Company is currently promoted by the promoters in order to carry on its present business. Our Promoters are interested in our Company to the extent of their shareholding and directorship in our Company and the dividend declared, if any, by our Company.

### Interest of Promoters in the Property of our Company

Our Promoters has confirmed that they does not have any interest in any property acquired by our Company within three years preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company as on the date of this Draft Red Herring Prospectus except as mentioned under the section “*Business Overview*” - Properties” and “*Restated Financial Statements*” on page nos. 134 and 191 respectively, of this Draft Red Herring Prospectus.

Further, other than as mentioned in the chapter titled “*Business Overview*” on page no. 134 of this Draft Red Herring Prospectus our Promoters does not have any interest in any transactions in the acquisition of land, construction of any building or supply of any machinery.

## PAYMENT OF AMOUNT OF BENEFIT TO THE PROMOTERS OR PROMOTER GROUP DURING LAST TWO YEARS

Except as stated in the Section titled “*Restated Financial Statements*” on page no. 191 of this Draft Red Herring Prospectus, there has been no payment of benefits to our Promoters or Promoter Group during the two years preceding the date of this Draft Red Herring Prospectus

## CONFIRMATIONS

1. Our Company and Promoters and the members of our Promoter Group have confirmed that they have not been identified as willful defaulters or fraudulent borrowers by the RBI or any other governmental authority and there are no violations



of securities laws committed by them in the past or are currently pending against them or restraining period are continued.

2. Further, our Promoters, Promoters' Group or Directors have not been directly or indirectly, debarred from accessing the capital market or have not been restrained by any regulatory authority, directly or indirectly from acquiring the securities.
3. Additionally, our Promoters, Promoters' Group or Directors do not have direct or indirect relation with the companies, its promoter and whole-time director, which are compulsorily delisted by any recognized stock exchange or the companies which is debarred from accessing the capital market by the Board.
4. Our Promoters has not been declared as fugitive economic offenders under the provisions of Section 12 of the Fugitive Economic Offenders Act, 2018.

**We and Our Promoters, Group Entities and Companies promoted by the Promoters confirm that:**

- No material regulatory or disciplinary action has been taken by a stock exchange or regulatory authority in the past one year against us;
- There are no defaults in respect of payment of interest and/or principal to the debenture/bond/ fixed deposit holders, banks, FIs during the past three years;
- The details of outstanding litigation including its nature and status are disclosed in the section title “*Outstanding Litigation and Material Developments*” appearing on page no. 204 of this Draft Red Herring Prospectus.

**DISASSOCIATION OF PROMOTERS IN THE LAST THREE YEAR**

Our Promoters have not disassociated themselves from any companies, firms or entities during the last three years preceding the date of this Draft Red Herring Prospectus.

**EXPERIENCE OF OUR PROMOTERS IN THE BUSINESS OF OUR COMPANY**

For details in relation to experience of our Promoters in the business of our Company, please refer the chapter “*Our Management*” beginning on page no. 170 of this Draft Red Herring Prospectus.

**BUSINESS INTERESTS**

Our Promoters is not interested as a member of a firm or company, and no sum has been paid or agreed to be paid to our Promoters or to such firm or company in cash or shares or otherwise by any person for services rendered by it or by such firm or company in connection with the promotion or formation of our Company.

Our Company has not entered into any contract, agreements or arrangements during the preceding two years from the date of filing of this Draft Red Herring Prospectus or proposes to enter into any such contract in which our Promoters is directly or indirectly interested and no payments have been made to it in respect of the contracts, agreements or arrangements which are proposed to be made with it.

**MATERIAL GUARANTEES**

Except as stated in the “*Statement of Financial Indebtedness*” and “*Restated Financial Statements*” beginning on page nos. 193 and 191 of this Draft Red Herring Prospectus respectively, our Promoters has not given any material guarantee to any third party with respect to the Equity Shares as on the date of this Draft Red Herring Prospectus.

**RELATIONSHIP OF PROMOTERS WITH EACH OTHER AND WITH OUR DIRECTORS**

There is no relationship between Promoters of our Company with other Directors except as described below:

Name of Promoters	Designation	Relation
Mr. Amit Gupta	Chairman and Managing Director	Mr. Amit Gupta, Chairman is the Brother of Mr. Sumit Gupta, Whole Time Director, and Spouse of Mrs. Nainsi Gupta, Non-Executive Director of the Company.
Mr. Sumit Gupta	Whole Time Director	Mr. Sumit Gupta, is the Brother of Mr. Amit Gupta, Chairman and Managing Director and Spouse of Mrs. Deepika Gupta, Non-Executive Director of the Company.

Mrs. Deepika Gupta	Executive Director	Mrs. Deepika Gupta, is the Spouse of Mr. Sumit Gupta, Whole Time Director of the Company.
Mrs. Nainsi Gupta	Non- Executive Director	Mrs. Nainsi Gupta, is the Spouse of Mr. Amit Gupta, Chairman and Managing Director of the Company.

### OUR PROMOTERS GROUP

Apart from our Promoters, as per Regulation 2(1) (pp) of the SEBI (ICDR) Regulation, 2018, the following individuals and entities shall form part of our Promoter Group:

#### A. Natural Persons who are Part of the Promoter Group:

Name of the Promoters	Relationship with the Promoter	Name of Relatives
Mr. Amit Gupta	Father	Mr. Lakhanlal Gupta
	Mother	Mrs. Sarla Gupta
	Brother	Mr. Sumit Gupta
	Sister	-
	Spouse	Mrs. Nainsi Gupta
	Son	Mr. Ayaan Gupta Mr. Aadir Gupta
	Daughter	-
	Spouse Father	Mr. Rajkumar Barsaiya
	Spouse Mother	Mrs. Manju Gupta
	Spouse Brother	Mr. Aakash Barsaiya Mr. Aman Barsaiya
	Spouse Sister	-
Mrs. Nainsi Gupta	Father	Mr. Rajkumar Barsaiya
	Mother	Mrs. Manju Barsaiya
	Brother	Mr. Aakash Barsaiya Mr. Aman Barsaiya
	Sister	-
	Spouse	Mr. Amit Gupta
	Son	Mr. Ayaan Gupta Mr. Aadir Gupta
	Daughter	-
	Spouse Father	Mr. Lakhanlal Gupta
	Spouse Mother	Mrs. Sarla Gupta
	Spouse Brother	Mr. Sumit Gupta
	Spouse Sister	-
Mr. Sumit Gupta	Father	Mr. Lakhanlal Gupta
	Mother	Mrs. Sarla Gupta
	Brother	Mr. Amit Gupta
	Sister	-
	Spouse	Mrs. Deepika Gupta
	Son	Mr. Vivaan Gupta
	Daughter	Ms. Nysha Gupta
	Spouse Father	Late. Ram Krishna Gupta
	Spouse Mother	Mrs. Leela Gupta
	Spouse Brother	Mr. Abhishek Gupta Mr. Vikas Gupta
	Spouse Sister	Ms. Neha Gupta Ms. Barkha Gupta
Mrs. Deepika Gupta	Father	Late. Ram Krishna Gupta

	Mother	Mrs. Leela Gupta
	Brother	Mr. Abhishek Gupta Mr. Vikas Gupta
	Sister	Ms. Neha Gupta Ms. Barkha Gupta
	Spouse	Mr. Sumit Gupta
	Son	Mr. Vivaan Gupta
	Daughter	Ms. Nysha Gupta
	Spouse Father	Mr. Lakhanlal Gupta
	Spouse Mother	Mrs. Sarla Gupta
	Spouse Brother	Mr. Amit Gupta
	Spouse Sister	-

**B. Companies related to our Promoter Company:**

Nature of Relationship	Name of Entities
Subsidiary or holding company of Promoter Company.	Not Applicable.
Any Body corporate in which promoter (Body Corporate) holds 20% or more of the equity share capital or which holds 20% or more of the equity share capital of the promoter (Body Corporate).	Not Applicable.

**C. Companies, Proprietary concerns, HUF's related to our promoters:**

Nature of Relationship	Name of Entities
Any Body Corporate in which twenty percent or more of the equity share capital is held by promoter or an immediate relative of the promoter or a firm or HUF in which promoter or any one or more of his immediate relative is a member.	1. Badri Eco Industries Private Limited 2. A.N. Ecoproducts Private Limited 3. Badri Ecopet Private Limited 4. Badri EcoFibres Private Limited. 5. Badri Industries Private Limited. 6. Shri Badri Infratech Private Limited.
Any Body corporate in which Body Corporate as provided above holds twenty percent or more of the equity share capital.	Not Applicable.
Any Hindu Undivided Family or Firm in which the aggregate shareholding of the promoter and his immediate relatives is equal to or more than twenty percent.	Not Applicable.

**D. Following persons whose shareholding is aggregated under the heading "Shareholding of the Promoter Group":**

S. No.	Name of Promoter Group Entity/Company
1.	Lakhan Lal Gupta

## DIVIDEND POLICY

Under the Companies Act, 2013 our Company can pay dividends upon a recommendation by our Board of Directors and approval by a majority of the shareholders at the General Meeting and as per provisions of Article of Association of our Company. The shareholders of the Company have the right to decrease but not to increase the amount of dividend recommended by the Board of Directors. The dividends may be paid out of profits of our Company in the year in which the dividend is declared or out of the undistributed profits or reserves of previous fiscal years or out of both. The Articles of Association of our Company also gives the discretion to our Board of Directors to declare and pay interim dividends. All Dividends upon recommendation by our Board of Directors and approved by the shareholders at the General Meeting will be paid to credit of registered shareholders by way of cheque or warrant or in any electronic mode.

Our Company does not have any formal dividend policy for the Equity Shares. The declaration and payment of dividend will be recommended by our Board of Directors and approved by the shareholders of our Company at their discretion and will depend on a number of factors, including the results of operations, earnings, capital requirements and surplus, general financial conditions, applicable Indian legal restrictions and other factors considered relevant by our Board of Directors.

Upon the listing of the Equity Shares of our Company and subject to the SEBI Listing Regulations, we may be required to formulate a dividend distribution policy which shall be required to include, among others, details of circumstances under which the shareholders may or may not expect dividend, the financial parameters that shall be considered while declaring dividend, internal and external factors that shall be considered for declaration of dividend, policy as to how the retained earnings will be utilized and parameters that shall be adopted with regard to various classes of shares, as applicable.

For details of risks in relation to our capability to pay dividend, see *Risk Factors* - Our ability to pay Dividends in the future will depend on our future cash flows, working capital requirements, capital expenditures and financial condition.

Our Company has not paid/ declared any dividend in last three years from date of this Draft Red Herring Prospectus

**SECTION IX – FINANCIAL INFORMATION OF OUR COMPANY**

**RESTATED FINANCIAL STATEMENTS**

<b>Particulars</b>	<b>Page No.</b>
Restated Financial Statement	F-1 to F-44

**Independent Auditor’s Examination report on Restated Financial Information of Badri  
Cotsyn Limited (formerly known as “Badri Cotsyn Private Limited”)**

To,  
The Board of Directors,  
Badri Cotsyn Limited  
Plot No 33, New Industrial Area-II, Mandideep  
Dist. Raisen, Madhya Pradesh, India - 462046

Dear Sir/Madam,

1. We have examined the attached Restated Financial Information of Badri Cotsyn Limited (formerly known as “Badri Cotsyn Private Limited”) (the “Company” or the “Issuer”), comprising the Restated Statement of Assets and Liabilities as at December 31, 2024, March 31, 2024, March 31, 2023 and March 31, 2022 the Restated Statements of Profit and Loss, the Restated Cash Flow Statement for the year ended December 31, 2024, March 31, 2024, March 31, 2023 and March 31, 2022, the Summary Statement of Significant Accounting Policies, and other explanatory information (collectively, the “Restated Financial Information”), as approved by the Board of Directors of the Company at their meeting held on **January 22, 2025** for the purpose of inclusion in the Draft Red Herring Prospectus/ Red Herring Prospectus / Prospectus (Here-in Offer Documents) prepared by the Company in connection with its proposed Initial Public Offer of equity shares (“IPO”).

**2. Basis of Opinion**

We have examined Restated Financial Statements comprising the Restated Statement of Assets and Liabilities as at December 31, 2024, March 31, 2024, March 31, 2023 and March 31, 2022, the Restated Statements of Profit and Loss, the Restated Cash Flow Statement for the years ended on December 31, 2024, March 31, 2024, March 31, 2023 and March 31, 2022 in accordance with the Standards on Auditing (“SA”s) issued by the Institute of Chartered Accountants of India (“ICAI”). We are independent of the Company in accordance with the Code of Ethics issued by the ICAI together with the ethical requirements that are relevant to our examination of Restated Financial Statements under the provisions of the Companies Act, 2013 (the “Act”) and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our opinion on the Restated Financial Statements except for the matters described in the Emphasis of Matter Point no 3(i).

3. The Restated summary Statement have been prepared in terms of the requirements of:



- a. Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act");
  - b. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("ICDR Regulations");
  - c. The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ("ICAI"), as amended from time to time (the "Guidance Note").
4. The Company's Board of Directors is responsible for the preparation of the Restated Financial Information for the purpose of inclusion in the Offer Documents to be filed with Securities and Exchange Board of India, Registrar of Companies, Gwalior and the NSE Emerge Exchange in connection with the proposed IPO. The Restated Financial Information have been prepared by the management of the Company on the basis of preparation stated in Annexure IV to the Restated Financial Information. The Board of Directors' responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The Board of Directors are also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations and the Guidance Note.
5. We have examined such Restated Financial information taking into consideration:
- a. The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated October 11, 2024 in connection with the proposed IPO of equity shares of the Issuer;
  - b. The Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI;
  - c. Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information;
  - d. The requirements of Section 26 of the Act and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act, the ICDR Regulations and the Guidance Note in connection with the IPO.
6. These Restated Financial Information have been compiled by the management from the Audited Financial Statements of the Company for the years ended on December 31, 2024, March 31, 2024, March 31, 2023 and March 31, 2022, which has been approved by the Board of Directors.
- a. We have audited the financial statements of the company for the year ended December 31, 2024, prepared by the company in accordance with Indian Accounting Standard (Indian GAAP) for the limited purpose of complying with the requirement of Restated Audited Financial statements in the offer documents should not be more than six months old from the issue opening date as required by ICDR Regulations in relation to the proposed IPO. We have issued our report dated January 17, 2025 which have been approved by the Board of Directors at their meeting held on January 17, 2025.

- b. We have audited the financial statements of the Company for the year ended March 31, 2024, March 31, 2023 and March 31, 2022 prepared by the Company in accordance with Indian Accounting Standard (Indian GAAP) which have been approved by the Board of Directors at their meeting held on September 5<sup>th</sup>, 2024, September 02<sup>nd</sup>, 2023, and September 02<sup>nd</sup>, 2022 respectively.
7. For the purpose of our examination, we have relied on:
  - a. Auditor’s Report issued by us dated January 17, 2025 for the year ended on December 31, 2024 as referred in paragraph 6 (a) above.
  - b. Auditor’s Report issued by us dated September 5<sup>th</sup>, 2024, September 02<sup>nd</sup>, 2023, and September 02<sup>nd</sup>, 2022 for the year ended on March 31, 2024, 2023 and 2022 respectively as referred in paragraph 6 (b) above.
8. Based on our examination and according to the information and explanations given to us, we report that:
  - a. The **“Restated Statement of Assets and Liabilities”** as set out in **Annexure I** to this report, of the Company as at and for the year ended on December 31, 2024, March 31, 2024, March 31, 2023 and March 31, 2022 are prepared by the Company and approved by the Board of Directors. These Restated Statement of Assets and Liabilities, have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more. These fully described in Significant Accounting Policies and Notes to Accounts as set out in **Annexure IV** to this Report.
  - b. The **“Restated Statement of Profit and Loss”** as set out in **Annexure II** to this report, of the Company as at and for the year ended on December 31, 2024, March 31, 2024, March 31, 2023 and March 31, 2022 are prepared by the Company and approved by the Board of Directors. These Restated Statement of Profit and Loss have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in **Annexure IV** to this Report.
  - c. The **“Restated Statement of Cash Flow”** as set out in **Annexure III** to this report, of the Company as at and for the year ended on December 31, 2024, March 31, 2024, March 31, 2023 and March 31, 2022 are prepared by the Company and approved by the Board of Directors. These Restated Statement of Cash Flow have been arrived at after making such adjustments and regroupings to the individual financial statements of the Company, as in our opinion were appropriate and more fully described in Significant Accounting Policies and Notes to Accounts as set out in **Annexure IV** to this Report.
  - d. The Restated Financial Statements have been prepared in accordance with the Act, ICDR Regulations and the Guidance Note.

- e. The Restated Financial Statements have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial period/years to reflect the same accounting treatment as per the changed accounting policy for all reporting periods, if any;
  - f. The Restated Financial Statements have been made after incorporating adjustments for prior period and other material amounts in the respective financial years/period to which they relate, if any and there are no qualifications which require adjustments;
  - g. Extra-ordinary items that need to be disclosed separately in the accounts has been disclosed wherever required;
  - h. Qualifications in the Audit Reports issued by the statutory auditor as at December 31, 2024, March 31, 2024, March 31, 2023 and March 31, 2022, if any, that would require disclosures in these restated financial statements of the company have been disclosed appropriately.
  - i. Profits and losses have been arrived at after charging all expenses including depreciation and after making such adjustments/restatements and regroupings as in our opinion are appropriate and are to be read in accordance with the Significant Accounting Polices and Notes to Accounts as set out in Annexure IV to this report;
  - j. There are no revaluation reserves, which need to be disclosed separately in the Restated Financial Statements;
  - k. The company has not proposed any dividend in past effective for the said period.
9. We have also examined the following other financial information relating to the Company prepared by the Management and as approved by the Board of Directors of the Company and annexed to this report relating to the Company as at and for the period ended December 31, 2024, March 31, 2024, March 31, 2023 and March 31, 2022 proposed to be included in the Offer Documents.

<b>Annexure No.</b>	<b>Particulars</b>
I	Restated Summary Statement of Assets and Liabilities
II	Restated Summary Statement of Profit and Loss
III	Restated Cash Flow Statement
IV	Policies and Notes to Restated Statements
IV 1	Company Information
IV 2	Restated Statement Significant Accounting Policies
IV 3	Restated Statement of Share Capital
IV 4	Restated Statement of Reserves and Surplus
IV 5	Restated Statement of Long-Term Borrowings

IV 6	Restated Statement of Deferred Tax Liabilities
IV 7	Restated Statement of Other Long-Term Liabilities
IV 8	Restated Statement of Long-Term Provisions
IV 9	Restated Statement of Short-Term Borrowings
IV 10	Restated Statement of Trade Payables
IV 11	Restated Statement of Other Current Liabilities
IV 12	Restated Statement of Short-Term Provisions
IV 13	Restated Statement of Property, Plant and Equipment
IV 14	Restated Statement of Non-Current Investments
IV 15	Restated Statement of Long-Term Loans and Advances
IV 16	Restated Statement of Other Non-Current Assets
IV 17	Restated Statement of Trade Receivable
IV 18	Restated Statement of Cash and Cash Equivalent
IV 19	Restated Statement of Inventories
IV 20	Restated Statement of Short-Term Loans and Advances
IV 21	Restated Statement of Other Current Assets
IV 22	Restated Statement of Revenue from operations
IV 23	Restated Statement of Other Income
IV 24	Restated Statement of Raw Material Consumption
IV 25	Restated Statement of Changes in Inventories
IV 26	Restated Statement of Employees Benefit Expenses
IV 27	Restated Statement of Finance Costs
IV 28	Restated Statement of Depreciation and Amortization Expenses
IV 29	Restated Statement of Other Expenses
IV 31	Restated Statement of Gratuity Expenses
IV 31	Restated Statement of Earnings per Share
IV 32	Restated Statement of Auditor's Remuneration
IV 33	Restated Statement of Director's Remuneration
IV 34	Restated Statement of Foreign Currency Transactions
IV 35	Restated Statement of Ratio Analysis
IV 36	Restated Statement of Related Party Transactions.
IV 37	Restated Statement of Contingent Liabilities.
IV 38	Additional Notes
IV 39	Restated Statement of Tax Shelter
IV 40	Restated Statement of Capitalization
IV (A) (i)	Reconciliation of Restated Profit
IV (A) (ii)	Reconciliation of Restated Equity / Net worth

10. We, **S.L. Chhajed & Co. LLP**, Chartered Accountants have been subjected to the peer review process of the Institute of Chartered Accountants of India (“ICAI”) and hold a valid peer review certificate no. 016389 issued by the “Peer Review Board” of the ICAI which is valid till 31-03-2027.
11. The Restated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited financial statements mentioned in paragraph 7 above.
12. This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
13. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
14. Our Report has been issued by us solely for the limited purpose to comply with Indian [ICDR Regulations]. Our work was not been carried out in accordance with auditing or other standards and practices, and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices. We accept no responsibility and deny any liability to any person who seeks to rely on this report and who may seek to make a claim in connection with any offering of securities on the basis that they had acted in reliance on such information under the protections afforded any other laws other than laws of India.
15. Our report is intended solely for use of the Board of Directors for inclusion in the Offer Documents to be filed with Securities and Exchange Board of India, the stock exchanges and Registrar of Companies, Gwalior in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

**For S.L. Chhajed & Co. LLP**  
Chartered Accountants  
Firm Registration No.: 000709C/ C400277

**Vijit Baidmutha**  
Partner  
Membership No.: 406044  
UDIN: 25406044BMICGG9747

Date: **January 22, 2025**  
Place: **Bhopal**

**BADRI COTSYN LIMITED**  
(formerly known as Badri Cotsyn Private Limited)

CIN U17309MP2018PLC047301

**Restated Statement of Assets and Liabilities**

(Currency: Indian Rupees in lacs)

Particulars	Note	31st December 2024	31st March 2024	31st March 2023	31st March 2022
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholders' funds</b>					
Share capital	3	1,500.00	500.00	1.00	1.00
Reserves and surplus	4	212.67	(205.69)	(559.21)	(171.08)
<b>Total Shareholder's Fund</b>		<b>1,712.67</b>	<b>294.31</b>	<b>(558.21)</b>	<b>(170.08)</b>
<b>Non-current Liabilities</b>					
Long Term Borrowings	5	5,382.09	5,352.80	5,961.26	6,071.71
Long Term Provisions	6	44.45	7.66	2.70	1.32
Deferred Tax Liability (Net)	12	145.74	-	-	-
<b>Total Non-Current Liabilities</b>		<b>5,572.29</b>	<b>5,360.47</b>	<b>5,963.96</b>	<b>6,073.02</b>
<b>Current Liabilities</b>					
Short-term borrowings	7	6,424.05	3,109.24	2,187.28	2,141.61
Trade payables	8				
-Dues to Micro and Small Enterprises		145.68	1,130.98	1.20	1.20
-Dues to Others		5,079.43	2,953.61	3,220.37	3,253.97
Other current liabilities	9	350.83	82.41	312.49	5.96
Short-term provisions	10	291.24	112.95	30.92	71.07
<b>Total Current Liabilities</b>		<b>12,291.24</b>	<b>7,389.19</b>	<b>5,752.25</b>	<b>5,473.82</b>
<b>Total</b>		<b>19,576.21</b>	<b>13,043.97</b>	<b>11,158.00</b>	<b>11,376.76</b>
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment & Intangibles					
Property, plant and equipment	11A	3,808.62	4,928.58	5,085.82	5,602.49
Intangible assets	11B	9.70	11.02	12.60	0.06
Deferred Tax Assets (Net)	12	-	39.05	171.09	681.04
Long-term loans and advances	13	366.11	361.00	319.06	227.55
<b>Total Non-Current Assets</b>		<b>4,184.43</b>	<b>5,339.65</b>	<b>5,588.58</b>	<b>6,511.14</b>
<b>Current assets</b>					
Inventories	14	8,701.04	5,284.68	3,592.65	3,478.98
Trade receivables	15	4,788.17	1,691.50	1,719.98	1,116.64
Cash and Bank Balances	16	12.86	124.44	17.89	12.32
Short-term loans and advances	17	1,067.39	476.72	201.33	240.62
Other current assets	18	822.31	126.98	37.56	17.07
<b>Total Current Assets</b>		<b>15,391.77</b>	<b>7,704.32</b>	<b>5,569.42</b>	<b>4,865.62</b>
<b>Total</b>		<b>19,576.21</b>	<b>13,043.97</b>	<b>11,158.00</b>	<b>11,376.76</b>
Significant accounting policies	2				
Notes to the financial statements	3-51				



**BADRI COTSYN LIMITED**  
(formerly known as Badri Cotsyn Private Limited)

CIN U17309MP2018PLC047301

**Restated Statement of Profit and Loss**

(Currency: Indian Rupees in lacs)

Particulars	Note	31st December 2024	31st March 2024	31st March 2023	31st March 2022
<b>Revenue from operations</b>					
Revenue from operation	19	28,029.94	20,039.86	22,516.91	17,776.94
Other income	20	54.22	37.66	58.09	14.82
<b>Total revenue</b>		<b>28,084.16</b>	<b>20,077.52</b>	<b>22,575.00</b>	<b>17,791.76</b>
<b>Expenses</b>					
Cost of material consumed	21	21,397.08	14,573.14	17,333.45	13,400.85
Operating & Direct Expenses	22	2,522.88	1,754.62	1,845.39	1,677.15
Change in FG & WIP	23	(538.87)	239.07	(3.76)	(122.95)
Employee benefit expenses	24	880.76	1,043.22	810.71	461.78
Finance costs	25	455.86	453.74	398.52	323.98
Depreciation and amortization	11	556.35	879.88	892.96	1,062.49
Selling and Distribution Expenses	26	910.54	833.83	912.40	746.01
Other expenses	27	271.09	251.36	263.53	195.79
<b>Total expenses</b>		<b>26,455.70</b>	<b>20,028.87</b>	<b>22,453.19</b>	<b>17,745.09</b>
<b>Profit/(Loss) before exceptional, extraordinary items and tax</b>		<b>1,628.46</b>	<b>48.65</b>	<b>121.81</b>	<b>46.67</b>
<b>Extraordinary Item</b>					
Insurance Claim on Stock due to fire	27	-	436.91	-	657.99
<b>Profit/(Loss) before tax</b>		<b>1,628.46</b>	<b>485.57</b>	<b>121.81</b>	<b>(611.32)</b>
<b>Income tax expense</b>					
-Current tax		284.52	81.05	11.27	-
- MAT Credit Entitlement		(284.52)	(81.05)	(11.27)	-
-Deferred tax expense/ (income)		184.80	132.04	509.94	(402.63)
<b>Profit/(Loss) from continuing operation</b>		<b>1,443.66</b>	<b>353.53</b>	<b>(388.13)</b>	<b>(208.69)</b>
<b>Basic and diluted earnings per share</b>	32	<b>10.50</b>	<b>3.39</b>	<b>(3.88)</b>	<b>(2.08)</b>
[nominal value per share of Rs.10 (previous year: Rs.10)]					
<b>Significant accounting policies</b>	2				
<b>Notes to the financial statements</b>	3-51				

**BADRI COTSYN LIMITED**  
(formerly known as Badri Cotsyn Private Limited)  
CIN U17309MP2018PLC047301

**Restated Cash flow statement**

(Currency: Indian Rupees in lacs)

	31st December 2024	31st March 2024	31st March 2023	31st March 2022
<b>A Cash flow from operating activities</b>				
Profit/(Loss) before tax & Extraordinary items	1,628.46	48.65	121.81	46.67
<b>Adjustments for :</b>				
Extraordinary item	-	436.91	-	(657.99)
Interest Income	(8.06)	(10.76)	(13.70)	(9.71)
Depreciation and amortization expense	556.35	879.88	892.96	1,062.49
Interest expenses	455.86	428.89	388.63	321.32
<b>Operating cash flow before working capital changes</b>	<b>2,632.60</b>	<b>1,783.57</b>	<b>1,389.70</b>	<b>762.78</b>
Adjustments for :				
(Increase)/decrease in inventories	(3,416.36)	(1,692.03)	(113.68)	(1,451.90)
(Increase)/decrease in short term loans and advances	(14.10)	83.43	72.11	(14.23)
(Increase)/decrease in other current assets	(695.33)	(89.42)	(20.49)	(16.50)
Increase /(decrease) in short term provisions	462.81	50.80	(40.16)	24.69
Increase /(decrease) in trade Receivables	(3,096.67)	28.48	(603.34)	(871.31)
Increase /(decrease) in trade payables	1,140.53	863.02	(33.60)	1,702.81
Increase / (decrease ) in Long Term Provisions	36.79	4.97	1.38	1.32
Increase/(decrease) in other current liabilities	268.43	(230.08)	306.53	366.90
<b>Total working capital changes</b>	<b>(2,681.31)</b>	<b>802.74</b>	<b>958.45</b>	<b>504.57</b>
<b>Net cash generated from operating activities</b>				
Income taxes paid (net of refund)	(284.52)	31.23	-	-
<b>Net cash used in operating activities (A)</b>	<b>(2,965.83)</b>	<b>833.97</b>	<b>958.45</b>	<b>504.57</b>
<b>B Cash flows from investing activities</b>				
Purchase of fixed assets	564.93	(721.06)	(388.83)	(163.09)
Interest income	8.06	10.76	13.70	9.71
Increase in Security Deposits	(5.12)	(41.93)	(91.51)	(15.93)
Capital Advances	(576.56)	(358.82)	(32.82)	(21.82)
<b>Net cash used in investing activities (B)</b>	<b>(8.69)</b>	<b>(1,111.05)</b>	<b>(499.46)</b>	<b>(191.14)</b>
<b>C Cash flows from financing activities</b>				
(Repayment)/Addition of short term borrow	3,314.81	921.97	45.66	416.15
(Repayment)/Addition of long term borrowings	29.29	(608.46)	(110.44)	(409.57)
(Repayment)/Addition of Capital	-	499.00	-	-
Expenses w.r.t IPO	(25.30)	-	-	-
Payment of interest	(455.86)	(428.89)	(388.63)	(321.32)
<b>Net cash flow from financing activities (C)</b>	<b>2,862.94</b>	<b>383.62</b>	<b>(453.41)</b>	<b>(314.74)</b>
<b>Net (decrease) / increase in cash and casl (A+B+C)</b>	<b>(111.58)</b>	<b>106.55</b>	<b>5.58</b>	<b>(1.31)</b>
<b>Cash and cash equivalents at beginning of the year</b>	124.44	17.89	12.32	13.62
<b>Cash and cash equivalents at end of</b>	<b>12.86</b>	<b>124.44</b>	<b>17.89</b>	<b>12.32</b>

**BADRI COTSYN LIMITED (formerly known as Badri Cotsyn Private Limited)**

CIN U17309MP2018PLC047301

**Restated Cash flow statement (Continued)***(Currency: Indian Rupees in lacs)***Notes to Cash Flow Statement**

The Cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard 3 on Cash Flow Statement prescribed in Companies (Accounting) Rules, 2014 as amended.

	<b>31st December 2024</b>	<b>31st March 2024</b>	<b>31st March 2023</b>	<b>31st March 2022</b>
<b>Components of cash and cash equivalents</b>				
- Cash on hand	1.85	16.91	10.53	0.52
- Balances with banks on current accounts	11.01	107.53	7.36	11.80
	<u><b>12.86</b></u>	<u><b>124.44</b></u>	<u><b>17.89</b></u>	<u><b>12.32</b></u>

# **Badri Cotsyn Limited**

## **(formerly known as “Badri Cotsyn Private Limited”)**

### **Significant Accounting Policies**

#### **1. Company Information**

Badri Cotsyn Limited ('the company') is a limited company domiciled in India and incorporated under the provisions of the Companies Act, 2013 on 18<sup>th</sup> December 2018. The status of the Company was changed to public limited and the name of our Company was changed to Badri Cotsyn Private Limited vide Special Resolution dated October 27<sup>th</sup>, 2024. The fresh certificate of incorporation consequent to conversion was issued on November 28<sup>th</sup>, 2024 by the Registrar of Companies, CPC. The Corporate Identification Number of our Company is U17309MP2018PLC047301.

The Company is engaged in the business of manufacture of recycled polyester staple fiber.

The address of the registered office of the company is Plot No 33, New Industrial Area-II Mandideep Dist. Raisen, Madhya Pradesh, India - 462046.

#### **a. Basis of Preparation**

The Restated Financial Statements of the company have been prepared and presented in accordance with the Generally Accepted Accounting Principles (GAAP). GAAP comprises the Accounting Standards notified u/s Section 133 read with Section 469 of the Companies Act, 2013. The accounting policies have been framed, keeping in view the fundamental accounting assumptions of Going Concern, Consistency and Accrual, as also basic considerations of Prudence, Substance over form, and Materiality. These have been applied consistently, except where a newly issued accounting standard is initially adopted or a revision in the existing accounting standards require a revision in the accounting policy so far in use. The need for such a revision is evaluated on an ongoing basis.

The Restated Financial Statements have been prepared on a going concern basis, inasmuch as the management neither intends to liquidate the company nor to cease operations. Accordingly, assets, liabilities, income and expenses are recorded on a Going Concern basis.

Based on the nature of products and services, and the time between the acquisition of assets and realization in cash or cash equivalents, the company has ascertained its operating cycle as 12 months for the purposes of current and non-current classification of assets and liabilities.

Based on the total income of the company, the amounts presented in the Restated Financial Statements are uniformly rounded off to the nearest lakhs except for earnings per share and ratios.

The company reports its transactions in Indian Rupees.

#### **b. Basis of Measurement**

The Restated Financial Statements have been prepared on historical cost convention, on accrual basis of accounting, except for Cash Flow Statement.

# **Badri Cotsyn Limited**

## **(formerly known as “Badri Cotsyn Private Limited”)**

### **c. Use of Estimates**

The preparation of the Restated Financial Statements is in conformity with Indian GAAP (Generally Accepted Accounting Principles) which requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities as on the date of the Restated Financial Statements. The estimates and assumptions made and applied in preparing the Restated Financial Statements are based upon management's best knowledge of current events and actions as on the date of Restated Financial Statements.

However, due to uncertainties attached to the assumptions and estimates made actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

## **2. Significant Accounting Policies**

### **a. Property Plant and Equipment**

Tangible assets are stated at cost, less accumulated depreciation and impairment, if any. Direct costs are capitalized until such assets are ready for use. Capital work in progress comprises the cost of fixed assets that are not yet ready for their intended use at the reporting date.

### **b. Impairment of Assets**

At each balance sheet date, the Company reviews the carrying amount of its fixed assets to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the assets and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the assets.

### **c. Depreciation**

Depreciation has been charged on fixed assets and intangible assets, adopting the following methods/rates:

1. Depreciation on fixed assets is calculated based on the useful life as mentioned in the Schedules II of the Companies Act, 2013
2. Intangible assets are initially measured at cost and amortised, so as to reflect the pattern in which the asset's economic benefits are consumed.

### **d. Capital Work in Progress**

Properties under construction are stated at cost less accumulated impairment losses if any, until construction or development is completed, at which time they are reclassified to be accounted for as an item of Property Plant and Equipment. Cost capitalized include cost of land and other

# **Badri Cotsyn Limited**

## **(formerly known as “Badri Cotsyn Private Limited”)**

directly related development expenditure incurred in developing the asset. Cost of assets under development and not ready for intended use, as on the reporting date, is shown as capital work in progress. Advances given towards acquisition of factory building and expenses related to this, since the property is not transferred as at the reporting date, the outstanding at each reporting date are disclosed under the head for Capital Assets under WIP

### **e. Intangible Assets**

Intangible assets purchased by the company, and that have finite useful lives, are measured at cost, less accumulated amortization and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the intangible asset.

Subsequent expenditure on intangible assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates.

### **f. Investments**

Non-Current/ Long-term Investments are stated at cost. Provision is made for diminution in the value of the investments, if any, in the opinion of the management, the same is considered to be other than temporary in nature. On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

Current investments are carried at lower of cost and fair value determined on an individual basis. On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss Transactions in foreign currency are accounted for at exchange rates prevailing on the date of the transaction.

### **g. Inventories**

Inventories are valued at the lower of the cost & estimated net realizable value. Cost of inventories is computed on a First-in-first-out (FIFO) basis. Finished goods & work in progress include costs of conversion & other costs incurred in bringing the inventories to their present location & condition. Proceeds in respect of sale of raw materials / stores are credited to the respective heads. Obsolete, defective & unserviceable stocks are duly provided for.

For inventory items, that are not ordinarily interchangeable and goods or services produced and segregated for specific projects, the cost is assigned by specific identification of their individual costs. In respect of other items, cost is ascertained by adopting FIFO method. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

### **h. Trade and Other Receivables**

Trade and other receivables are generally measured at invoice value. An allowance for any shortfall in recovery is established if the collection of a receivable becomes doubtful. The amount of the allowance is the difference between the asset's carrying amount and the estimated future cash flows. The loss allowance as also any subsequent recoveries made is recognized in the Profit and Loss. Bad debts are written off when identified.



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### **i. Cash and Cash Equivalents**

Cash and cash equivalents include all cash balances and short-term highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. Foreign Currency cash if any, and cash equivalents are measured at fair value.

### **j. Revenues and Other Income**

a. Revenue from sale of goods is recognised, on accrual basis, when significant risk and rewards of ownership of the goods have been passed to the buyer and it is reasonable to expect ultimate collection. Sale of goods is recognised net of GST and other taxes.

b. Interest income is recognized on accrual basis, adopting a time proportion method, taking into account the amount outstanding and the rate applicable.

c. Other items of income and expenses are recognised on accrual basis.

d. Income from export entitlement is recognised as on accrual basis.

e. Income arising from government grants shall be recognised on actual receipt basis.

### **k. Borrowing Costs**

Interest and other costs in connection with the borrowing of the funds to the extent related/attributed to the acquisition / construction of qualifying fixed assets are capitalized as a part of the cost of such asset up to the date when such assets are ready for its intended use and other borrowing costs are charged to statement of Profit & Loss.

### **l. Foreign Currency Transactions**

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction as provided by the Central Board of Indirect Taxes and Customs on a fortnightly basis.

All exchange differences arising on settlement and conversion on foreign currency transaction are included in the Statement of Profit and Loss, except in cases where they relate to the acquisition of fixed assets, in which case they are adjusted in the cost of the corresponding asset.

In respect of transactions covered by forward exchange contracts, the difference between the forward rate and the exchange rate at the date of transaction is recognized as income or expense at the time of maturity date, except where it relates to fixed assets, in which case it is adjusted in the cost of the corresponding assets.

### **m. Employee Benefits:**

Employee benefits include provident fund, gratuity fund and compensated absences.

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### **Short-term employee benefits**

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of such compensated absences is accounted as under:

1. in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
2. in case of non-accumulating compensated absences, when the absences occur.

Provision for Bonus & Ex-Gratia is made on accrual basis. Expenditure on leave travel concession to employees are recognized in the year of availment due to uncertainties of accruals. Leave encashment is provided on actual basis.

### **Defined contribution plan**

The Company makes Provident Fund contributions to defined contribution plans for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

### **Defined benefit plan**

For defined benefit plan in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date.

Remeasurement, comprising actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability or asset) and any change in the effect of asset ceiling (wherever applicable) is recognized in other comprehensive income and is reflected in retained earnings and the same is not eligible to be reclassified to profit or loss.

The company is contributing to the plan taken from LIC of India to mitigate its liability towards payment of Gratuity to the eligible employees. The liability for Gratuity payments has been set off with the fair value of plan assets (i.e. fund balance) and the net value has been recognized in the Balance Sheet accordingly.

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## **n. Provisions and Contingencies**

A provision is recognized if, as a result of a past event, the Company has a present legal obligation that is reasonably estimate, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

## **o. Taxes on Income**

Income tax expenses for the year comprises of current tax and deferred tax. Current tax provision is determined on the basis of taxable income computed as per the provisions of the Income Tax Act. Deferred tax is recognized for all timing differences that are capable of reversal in one or more subsequent periods subject to conditions of prudence and by applying tax rates that have been substantively enacted by the balance sheet date.

## **p. Earnings per Share**

Basic and diluted earnings per share are computed in accordance with Accounting Standard -20. Basic earnings per share is calculated by dividing the net profit or loss after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Diluted earnings per equity share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year, except where the results are anti-dilutive. In the case of bonus issue since, the bonus issue is an issue without consideration, the issue is treated as it had occurred prior to the beginning of the year, the earliest period reported.

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**Notes to the financial statements (Continued)**

(Currency: Indian Rupees in lacs)

**31st December 2024    1st March 2024    1st March 2023    31st March 2022**

**3 Restated Statement of Share capital**

**Authorised**

2,20,00,000 Of Equity Shares of Rs.10 each fully paid up (Previous year : 2023-24: 50,00,000 Of Equity Shares of Rs.10 each fully paid up.	2,200.00	500.00	1.00	1.00
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<b>2,200.00</b>	<b>500.00</b>	<b>1.00</b>	<b>1,00,000.00</b>
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**Issued, subscribed and paid-up**

**Equity share capital**

150,00,000 Of Equity Shares of Rs.10 each fully paid up (Previous year : 2023-24: 50,00,000 Of Equity Shares of Rs.10 each fully paid up,	1,500.00	500.00	1.00	1.00
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<b>1,500.00</b>	<b>500.00</b>	<b>1.00</b>	<b>1.00</b>
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**a) Reconciliation of shares outstanding as at the beginning and at the end of the reporting period**

	31st December 2024		31st March 2024		31st March 2023		31st March 2022	
	Number of	Amount	Number of equity	Amount	Number of	Amount	Number of	Amount
Equity shares at the beginning of (10000 shares of Rs.10 each)	50,00,000	500.00	10,000	1.00	10,000	1.00	10,000	1.00
Add: Issued during the FY 2023-24 (4990000 shares of Rs.10 each)	-	-	49,90,000	499.00	-	-	-	-
Add: Bonus issue (in the ration of	1,00,00,000	1,000.00						
<b>Equity shares at the end of the</b>	<b>1,50,00,000</b>	<b>1,500.00</b>	<b>50,00,000</b>	<b>500.00</b>	<b>10,000</b>	<b>1.00</b>	<b>10,000</b>	<b>1.00</b>

**b. Rights, preferences and restrictions attached to equity shares**

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid. Failure to pay any amount called up on shares may lead to forfeiture of the shares.

On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

**c) Particulars of shareholders holding more than 5% share of a class of shares**

	31st December 2024		31st March 2024		31st March 2023		31st March 2022	
	Percentage holding	Number of equity shares held	Percentage holding	Number of equity shares held	Percentage holding	Number of equity shares held	Percentage holding	Number of equity shares held
<b>Equity shares of Rs 10 each,</b>								
Sumit Gupta	49.9999%	74,99,991.00	50%	25,00,000.00	35%	3,500.00	35%	3,500.00
Amit Gupta	50.0000%	74,99,994.00	50%	25,00,000.00	35%	3,500.00	35%	3,500.00
Lakhanlal Gupta	0.0000%	3.00	0%	-	15%	1,500.00	15%	1,500.00
Badri EcoFibers Private Limited	0.0000%	-	0%	-	15%	1,500.00	15%	1,500.00

**d) Details of Shares held by the Promoters**

**As at 31 December 2024**

Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% Change during the year
Sumit Gupta	25,00,000.00	49,99,991.00	74,99,991.00	50%	-0.0001%

**As at 31 March 2024**

Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% Change during the year
Sumit Gupta	3,500.00	24,96,500.00	25,00,000.00	50%	15%

**As at 31 March 2023**

Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% Change during the year
Sumit Gupta	3,500.00	-	3,500.00	35%	-

**As at 31 March 2022**

Promoter name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of total shares	% Change during the year
Sumit Gupta	3,500.00	-	3,500.00	35%	-

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**Notes to the financial statements (Continued)**

(Currency: Indian Rupees in lacs)

	31st December 2024	31st March 2024	31st March 2023	31st March 2022
<b>4 Restated Statement of Reserves and surplus</b>				
<b>General Reserve</b>				
At the commencement of the year	(205.69)	(559.21)	(171.08)	(6.16)
Profit/ (Loss) for the year	1,443.66	353.53	(388.13)	(208.69)
	<u>1,237.97</u>	<u>(205.69)</u>	<u>(559.21)</u>	<u>(214.85)</u>
Less: Reversal of Deferred Tax Asset as on 31.03.2021				43.76
Less: Bonus Issue (in the ration of 2:1)	(1,000.00)			
<b>Total</b>	<u><u>237.97</u></u>	<u><u>(205.69)</u></u>	<u><u>(559.21)</u></u>	<u><u>(171.08)</u></u>
<b>Securities Premium Reserve</b>				
At the commencement of the year	-	-	-	-
Profit/ (Loss) for the year	(25.30)	-	-	-
	<u>(25.30)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total</b>	<u><u>(25.30)</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
<b>5 Restated Statement of Long Term Borrowings</b>				
<b>Secured Borrowings</b>				
<b>(a) Secured Term Loans from Banks</b>				
HDFC Bank Ltd TL A/c 83697371 (Payable in 84 installments upto 07/05/2026 out of which 64 installments are of Rs. 44,65,479 each and carrying an interest rate of 8.75%)	192.08	568.64	1,039.68	1,441.06
HDFC Bank Ltd TL A/c 84106006 (Payable in 88 installments upto 07/02/2027 out of which 69 installments are of Rs. 8,50,502 each and	111.04	178.11	260.35	332.29
GECL Loan A/c 8356644 (Payable in 50 installments upto 01/09/2024 out of which 19 installments are of Rs. 8,91,460 each and carrying an interest rate of 8.75%)	-	-	46.26	140.71
GECL Loan A/c 452669177 (Payable in 63 installments upto 07/06/2027 out of which 38 installments are of Rs. 27,62,565 each and carrying an interest rate of 8.75%)	443.49	654.21	914.00	914.00
HDFC Fortlift Loan A/c 85233345	-	-	2.55	4.50
HDFC Fortlift Loan A/c 85329856	-	-	2.55	4.50
HDFC Fortlift Loan A/c 85343192	0.28	0.29	3.92	6.69
HDFC Fortlift Loan A/c 85343199	0.28	0.29	3.92	6.69
HDFC Fortlift Loan A/c 85382549	-	0.20	2.69	4.60
HDFC Fortlift Loan A/c 85890726	-	1.18	3.21	4.77
HDFC Fortlift Loan A/c 85890741	-	1.18	3.21	4.77
HDFC Tractor Loan A/c 86117595	0.12	-	1.32	2.51
HDFC DG -1 Loan A/c No 87258943 (Payable in 48 installments upto 20/11/2026 out of which 48 installments are of Rs. 1,19,194 each and carrying an interest rate of 7.76%)	12.62	22.29	34.35	-
HDFC DG-2 Loan A/c No 87258971 (Payable in 48 installments upto 20/11/2026 out of which 48 installments are of Rs. 1,19,194 each and carrying an interest rate of 7.76%)	12.62	22.29	34.35	-
HDFC DG Pannel Loan A/c No 87258774 (Payable in 48 installments upto 20/11/2026 out of which 48 installments are of Rs. 33,535 each and	3.55	6.27	9.67	-
HDFC TL A/c No 87548281	98.00	126.00	57.23	-



*(Payable in 61 installments upto 07/03/2028 out of which 51 installments are of Rs. 3,84,638 each and carrying an interest rate of 8.75%)*

HDFC TL A/c-88864821	137.19	153.58	#	-	-
<i>(Payable in 60 installments upto 07/12/2030 of Rs. 2,88,887 each and carrying an interest rate of 9.5%)</i>					
HDFC TL A/c-89704391 (BBG-WC)	613.10	738.24		-	-
<i>(Payable in 48 installments upto 07/12/2029 of Rs. 18,82,261 each and carrying an interest rate of 9.5%)</i>					
<b>(All the above loans are secured against plant &amp; machinery, company guarantee &amp; personal guarantee</b>					
<b>Total (a)</b>	<u>1,624.38</u>	<u>2,472.79</u>		<u>2,419.28</u>	<u>2,867.09</u>

**Unsecured Borrowings****(b) Unsecured Term Loans****Loans & Advances from Related**

Amit Gupta	1,689.90	1,402.60	96.50	156.50
Sumit Gupta	2,067.81	1,477.42	46.00	150.10
Lakhan Lal Gupta	-	-	2,219.00	2,285.01
Deepika Gupta	-	-	16.00	48.50
Nainsi Gupta	-	-	29.00	26.50
Sarla Gupta	-	-	28.00	26.50
Badri Eco Fibre Pvt. Ltd. (Terms of unsecured loans not specified)	-	-	1,107.48	511.51
<b>Total (b)</b>	<b>3,757.71</b>	<b>2,880.02</b>	<b>3,541.98</b>	<b>3,204.62</b>
<b>Total (a+b)</b>	<b>5,382.09</b>	<b>5,352.80</b>	<b>5,961.26</b>	<b>6,071.71</b>

**6 Restated Statement of Long Term Provision****Provision for Employee Benefit**

Provision for Gratuity	44.45	7.66	2.70	1.32
<b>Total</b>	<b>44.45</b>	<b>7.66</b>	<b>2.70</b>	<b>1.32</b>

**7 Restated Statement of Short-term borrowings****Secured Loans**

From bank - Cash Credit (CC limited of Rs.44 crores (P.Y. 22, 16, & 16 crores) Secured against Stock & Debtors at an	4,305.72	2,014.84	1,565.56	1,545.36
<b>Total</b>	<b>4,305.72</b>	<b>2,014.84</b>	<b>1,565.56</b>	<b>1,545.36</b>

**Current Maturities of Long-term debt**

HDFC Bank Ltd TL A/c 83697371	494.55	459.77	410.75	410.75
HDFC Bank Ltd TL A/c 84106006	87.87	81.41	74.06	74.06
GECL-8356644	-	43.81	95.78	95.78
GECL Loan A/c 452669177	277.86	259.79	-	-
HDFC Fortlift Loan A/c 85233345	0.61	2.36	1.95	1.95
HDFC Fortlift Loan A/c 85329856	0.61	2.36	1.95	1.95
HDFC Fortlift Loan A/c 85343192	1.16	3.35	2.77	2.77
HDFC Fortlift Loan A/c 85343199	1.16	3.35	2.77	2.77
HDFC Fortlift Loan A/c 85382549	0.80	2.30	1.90	1.90
HDFC Fortlift Loan A/c 85890726	1.67	1.88	1.55	1.55
HDFC Fortlift Loan A/c 85890741	1.67	1.88	1.55	1.55
HDFC Tractor Loan A/c 86117595	0.12	1.20	1.20	1.20
HDFC DG -1 Loan A/c No 87258943	12.78	12.06	11.16	-
HDFC DG-2 Laon A/c No 87258971	12.78	12.06	11.16	-
HDFC DG Pannel Loan A/c No	3.60	3.39	3.14	-
HDFC TL A/c No 87548281	36.53	33.66	-	-
BCPL HDFC TL A/c-88864821	21.44	19.85	-	-
BCPL HDFC TL A/c-89704391 (BBG-	163.12	149.92	-	-
BCPL HDFC TL A/c-800890311	1,000.00	-	-	-
<b>Total</b>	<b>2,118.33</b>	<b>1,094.40</b>	<b>621.72</b>	<b>596.25</b>
<b>Total Short Term Borrowings</b>	<b>6,424.05</b>	<b>3,109.24</b>	<b>2,187.28</b>	<b>2,141.61</b>

**BADRI COTSYN LIMITED**  
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Notes to the financial statements (Continued)

(Currency: Indian Rupees in lacs)

	31st December 2024	31st March 2024	31st March 2023	31st March 2022
<b>8 Restated Statement of Trade payables</b>				
Dues to micro and small enterprises	145.68	1,130.98	1.20	1.20
Dues to others	5,079.43	2,953.61	3,220.37	3,253.97
<b>Total</b>	<b>5,225.12</b>	<b>4,084.57</b>	<b>3,221.57</b>	<b>3,255.17</b>

**Note : Dues to Micro and Small Enterprises**

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

Particulars	31st December 2024	31st March 2024	31st March 2023	31st March 2022
a) The principal amount remaining unpaid to any supplier at the	145.68	1,130.98	1.20	1.20
b) Interest due remaining unpaid to any supplier at the end of the	-	-	-	-
c) The amount of interest paid by the buyer in terms of section 10 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-	-	-
d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the	-	-	-	-
e) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-	-	-
f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the	-	-	-	-

**Trade Payables Ageing Schedules**

**As at 31st December 2024**

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 Years	1-2 years	2-3 years	More than 3years	
(i) MSME	145.68		-	-	145.68
ii) Others	5,053.22	26.21			5,079.43
iii) Disputed dues –MSME					
(iv) Disputed dues -Others					
<b>Total Rs.</b>	<b>5,198.90</b>	<b>26.21</b>	<b>-</b>	<b>-</b>	<b>5,225.12</b>

**As at 31st March 2024**

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 Years	1-2 years	2-3 years	More than 3years	
(i) MSME	1,130.98		-	-	1,130.98
ii) Others	2,926.77	26.84			2,953.61
iii) Disputed dues –MSME					
(iv) Disputed dues -Others					
<b>Total Rs.</b>	<b>4,057.75</b>	<b>26.84</b>	<b>-</b>	<b>-</b>	<b>4,084.59</b>

**As at 31st March 2023**

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 Years	1-2 years	2-3 years	More than 3years	
(i) MSME	1.20	-	-	-	1.20
ii) Others	3,205.24	15.13	-	-	3,220.37
iii) Disputed dues –MSME	-	-	-	-	-
(iv) Disputed dues -Others	-	-	-	-	-
<b>Total Rs.</b>	<b>3,206.44</b>	<b>15.13</b>	<b>-</b>	<b>-</b>	<b>3,221.57</b>

**As at 31st March 2022**

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 Years	1-2 years	2-3 years	More than 3years	

(i) MSME	1.20	-	-	-	1.20
ii) Others	3,164.19	89.76	-	-	3,253.95
iii) Disputed dues -	-	-	-	-	-
(iv) Disputed dues -	-	-	-	-	-
<b>Total Rs.</b>	<b>3,165.39</b>	<b>89.76</b>	-	-	<b>3,255.15</b>

Note: Amount due to entities covered under Micro, Small & Medium Enterprises as defined in the Micro, Small, Medium Enterprises Development Act, 2006, have been identified to the extent possible by the Company.

#### 9 Restated Statement of Other current liabilities

##### Statutory dues payable

- TDS & TCS	9.32	15.41	5.98	29.23
- Professional Tax	0.26	0.23	0.19	1.51
- EPF & ESIC	2.11	4.04	2.66	2.33
-GST Payable	277.48	0.32	220.78	(114.29)

##### Other payables

Employee Benefit Payables (Net off Advance)	41.36	35.86	39.96	45.08
Advance from Customers	20.32	26.54	42.93	42.09
<b>Total</b>	<b>350.83</b>	<b>82.41</b>	<b>312.49</b>	<b>5.96</b>

#### 10 Restated Statement of Short-term provisions

##### Provision for Employee Benefit

Provision for Gratuity	4.17	0.14	0.05	0.02
Expenses Payable	0.41	31.76	19.59	71.05
Provision for Income Tax	286.66	81.05	11.27	-
<b>Total</b>	<b>291.24</b>	<b>112.95</b>	<b>30.92</b>	<b>71.07</b>

#### 12 Restated Statement of Deferred Tax Asset (Net)

Opening Balance of Deferred Tax Asset	39.05	171.09	681.04	278.41
Arising on account of timing difference in:				
-Depreciation	19.93	31.93	329.75	(306.43)
-Gratuity	12.13	1.32	0.37	0.35
-Leave Encashment	-	-	-	-
- Business Loss	(128.80)	(316.36)	(840.05)	708.71
-Delay payment to MSME Creditors	(88.06)	151.07	-	-
<b>Restated Statement of Deferred Tax Asset (Net)</b>	<b>(145.74)</b>	<b>39.05</b>	<b>171.09</b>	<b>681.04</b>

#### 13 Restated Statement of Long-term loans and advances

(Unsecured and considered good, unless otherwise stated )

Security Deposits				
Security Deposit MPMKVCL	192.35	178.10	164.49	78.34
Security Deposit-Asst Commissioner of Customs	137.57	137.57	137.57	137.57
Security Deposit MPIDC- Against Water Connection	9.05	9.05	9.05	9.05
Security Deposit MPLUN	4.20	4.20	2.88	-
Protest Money against appeal (Under workman Complaintion Act)	2.48	2.48	2.48	-
Security Deposit MSC Agency India Pvt Ltd	0.10	0.10	0.10	0.10
Security Deposit PIWMLtd	2.50	2.50	2.50	2.50
Security Deposit with Sanjay Singh Landlord (Atul Choudhary)	0.21	0.09	-	-
Security Deposit Electricity with C-21 Mall	2.52	2.52	-	-
Security Deposit (Western Coalfields Ltd)	15.14	24.39	-	-
<b>Total</b>	<b>366.11</b>	<b>361.00</b>	<b>319.06</b>	<b>227.55</b>

**BADRI COTSYN LIMITED**  
(formerly known as Badri Cotsyn Private Limited)

Notes to the financial statements (Continued)

(Currency: Indian Rupees in lacs)

**Restated Statement of Property, Plant and Equipment  
as at 31st December, 2024**

Particulars	Gross Block				Depreciation/amortisation				Net Block	
	As at 1 April 2024	Additions during the period	Adjustments / deduction during the year	As at 31 December 2024	As at 1 April 2024	For the year	Adjustments / deduction during the year	As at 31 December 2024	As at 31 December 2024	As at 31 March 2024
<b>11 A- Tangible Property, plant and</b>										
Land	97.34	-	-	97.34	-	-	-	-	97.34	97.34
Buildings Guest House	221.48	-	-	221.48	60.96	15.40	-	76.35	145.13	160.53
Building	1,359.05	-	192.27	1,166.78	316.24	63.33	-	379.57	787.21	1,042.81
Plant and equipment	5,442.92	116.46	509.97	5,049.41	2,270.41	378.83	-	2,649.24	2,400.17	3,172.51
Electrical installations and	581.22	-	-	581.22	184.14	78.26	-	262.40	318.82	397.09
Furniture and fittings	46.15	6.24	-	52.40	12.76	7.13	-	19.89	32.51	33.39
Office equipment	43.46	11.17	-	54.63	20.70	10.11	-	30.81	23.82	22.76
Computers	9.00	3.43	-	12.42	6.84	1.96	-	8.80	3.63	2.16
<b>Total (11 A)</b>	<b>7,800.62</b>	<b>137.31</b>	<b>702.24</b>	<b>7,235.69</b>	<b>2,872.04</b>	<b>555.02</b>		<b>3,427.07</b>	<b>3,808.62</b>	<b>4,928.58</b>
<b>11 B- Intangible Property, plant and</b>										
Computer software	14.18	-	-	14.18	3.16	1.33	-	4.48	9.70	11.02
<b>Total (11 B)</b>	<b>14.18</b>	<b>-</b>	<b>-</b>	<b>14.18</b>	<b>3.16</b>	<b>1.33</b>		<b>4.48</b>	<b>9.70</b>	<b>11.02</b>
<b>Grand Total (11A+11B)</b>	<b>7,814.80</b>	<b>137.31</b>	<b>702.24</b>	<b>7,249.87</b>	<b>2,875.20</b>	<b>556.35</b>		<b>556.35</b>	<b>3,818.32</b>	<b>4,939.60</b>

**Restated Statement of Property, Plant and Equipment  
as at 31st March, 2024**

Particulars	Gross Block				Depreciation/amortisation				Net Block	
	As at 1 April 2023	Additions during the period	Adjustments / deduction during the year	As at 31 March 2024	As at 1 April 2023	For the year	Adjustments / deduction during the year	As at 31 March 2024	As at 31 March 2024	As at 31 March 2023
<b>11 A- Tangible Property, plant and</b>										
Land	97.34	-	-	97.34	-	-	-	-	97.34	97.34
Buildings Guest House	221.48	-	-	221.48	40.97	19.98	-	60.96	160.53	180.51
Building	1,276.89	82.15	-	1,359.05	208.31	107.93	-	316.24	1,042.81	1,068.59
Plant and equipment	5,111.92	331.00	-	5,442.92	1,617.21	653.20	-	2,270.41	3,172.51	3,494.71

Electrical installations and Furniture and fittings	323.91	257.32	-	581.22	103.41	80.72	-	184.14	397.09	220.49
Office equipment	16.75	29.40	-	46.15	7.19	5.57	-	12.76	33.39	9.57
Computers	24.61	18.85	-	43.46	12.03	8.67	-	20.70	22.76	12.58
	6.65	2.35	-	9.00	4.61	2.22	-	6.84	2.16	2.04
<b>Total (11 A)</b>	<b>7,079.56</b>	<b>721.06</b>	<b>-</b>	<b>7,800.62</b>	<b>1,993.74</b>	<b>878.31</b>		<b>2,872.04</b>	<b>4,928.58</b>	<b>5,085.82</b>
<b>11 B- Intangible Property, plant and</b>										
Computer software	14.18	-	-	14.18	1.58	1.58	-	3.16	11.02	12.60
<b>Total (11 B)</b>	<b>14.18</b>	<b>-</b>	<b>-</b>	<b>14.18</b>	<b>1.58</b>	<b>1.58</b>		<b>3.16</b>	<b>11.02</b>	<b>12.60</b>
<b>Grand Total (11A+11B)</b>	<b>7,093.74</b>	<b>721.06</b>	<b>-</b>	<b>7,814.80</b>		<b>879.88</b>		<b>879.88</b>	<b>4,939.60</b>	<b>5,098.42</b>

<b>Previous year 2022-23</b>	<b>6,704.91</b>	<b>427.83</b>	<b>39.00</b>	<b>7,093.74</b>	<b>-</b>	<b>892.96</b>	<b>-</b>	<b>892.96</b>	<b>5,098.42</b>	<b>5,602.55</b>
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**Restated Statement of Property, Plant and Equipment as at 31st March, 2023**

Particulars	Gross Block				Depreciation/amortisation				Net Block	
	As at 1 April 2022	Additions during the period	Adjustments / deduction during the year	As at 31 March 2023	As at 1 April 2022	For the year	Adjustments / deduction during the year	As at 31 March 2023	As at 31 March 2023	As at 31 March 2022
<b>11 A- Tangible Property, plant and</b>										
Land	97.34	-	-	0.00	-	-	-	-	97.34	97.34
Buildings Guest House	221.48	-	-	0.00	0.00	0.00	-	40.97	180.51	199.60
Building	1,210.68	72.59	6.38	0.01	0.00	0.00	-	208.31	1,068.59	1,105.88
Plant and equipment	4,929.69	214.85	32.62	0.05	0.01	0.01	-	1,617.21	3,494.71	4,017.88
Electrical installations and Furniture and fittings	209.11	114.80	-	0.00	0.00	0.00	-	103.41	220.49	157.84
Office equipment	15.83	0.93	-	0.00	0.00	0.00	-	7.19	9.57	11.93
Computers	15.80	8.82	-	0.00	0.00	0.00	-	12.03	12.58	9.77
	4.81	1.84	-	0.00	0.00	0.00	-	4.61	2.04	2.25
<b>Total (11 A)</b>	<b>6,704.73</b>	<b>413.83</b>	<b>39.00</b>	<b>0.07</b>	<b>0.01</b>	<b>0.01</b>	<b>-</b>	<b>1,993.74</b>	<b>5,085.82</b>	<b>5,602.49</b>
<b>11 B- Intangible Property, plant and</b>										
Computer software	0.18	14.00	-	14.18	0.12	1.46	-	1.58	12.60	0.06
<b>Total (11 B)</b>	<b>0.18</b>	<b>14.00</b>	<b>-</b>	<b>14.18</b>	<b>0.12</b>	<b>1.46</b>	<b>-</b>	<b>1.58</b>	<b>12.60</b>	<b>0.06</b>
<b>Grand Total (11A+11B)</b>	<b>6,704.91</b>	<b>427.83</b>	<b>39.00</b>	<b>7,093.74</b>	<b>-</b>	<b>892.96</b>	<b>-</b>	<b>892.96</b>	<b>5,098.42</b>	<b>5,602.55</b>

**Restated Statement of Property, Plant and Equipment as at 31st March, 2022**

Particulars	Gross Block				Depreciation/amortisation				Net Block	
	As at 1 April 2021	Additions during the period	Adjustments / deduction during the year	As at 31 March 2022	As at 1 April 2021	For the year	Adjustments / deduction during the year	As at 31 March 2022	As at 31 March 2022	As at 31 March 2021



<b>11 A- Tangible Property, plant and</b>										
Land	0.00	-	-	0.00	-	-	-	-	97.34	97.34
Buildings Guest House	0.00	-	-	0.00	0.00	0.00	-	21.89	199.60	220.56
Building	0.00	0.00	0.00	0.01	0.00	0.00	-	104.80	1,105.88	1,089.22
Plant and equipment	0.00	0.00	0.00	0.05	0.00	0.01	-	911.81	4,017.88	4,884.05
Electrical installations and e	0.00	0.00	-	0.00	0.00	0.00	-	51.27	157.84	185.30
Furniture and fittings	0.00	0.00	-	0.00	0.00	0.00	-	3.90	11.93	12.65
Office equipment	0.00	0.00	-	0.00	0.00	0.00	-	6.02	9.77	9.62
Computers	0.00	0.00	-	0.00	0.00	0.00	-	2.55	2.25	3.09
<b>Total (10 A)</b>	<b>6,541.64</b>	<b>457.79</b>	<b>294.70</b>	<b>6,704.73</b>	<b>39.81</b>	<b>1,062.43</b>	<b>-</b>	<b>1,102.24</b>	<b>5,602.49</b>	<b>6,501.83</b>
<b>11 B- Intangible Property, plant and</b>										
Computer software	0.18	-	-	0.18	0.06	0.06	0.12	0.12	0.06	0.12
<b>Total (10 B)</b>	<b>0.18</b>	<b>-</b>	<b>-</b>	<b>0.18</b>	<b>0.06</b>	<b>0.06</b>	<b>-</b>	<b>0.12</b>	<b>0.06</b>	<b>0.12</b>
<b>Grand Total (10A+10B)</b>	<b>6,541.82</b>	<b>457.79</b>	<b>294.70</b>	<b>6,704.91</b>	<b>-</b>	<b>1,062.49</b>	<b>-</b>	<b>1,062.49</b>	<b>5,602.55</b>	<b>6,501.95</b>

**BADRI COTSYN LIMITED**  
(formerly known as Badri Cotsyn Private Limited)

Notes to the financial statements (Continued)

(Currency: Indian Rupees in lacs)

	31st December 2024	31st March 2024	31st March 2023	31st March 2022
<b>14 Restated Statement of Inventories</b>				
Raw materials and Change in FG & WIP	8,701.04	5,284.68	3,592.65	3,478.98
<b>Total</b>	<b>8,701.04</b>	<b>5,284.68</b>	<b>3,592.65</b>	<b>3,478.98</b>

**Note:**

Inventory write downs are accounted, considering the nature of inventory, ageing, liquidation plan and net realisable value. Inventory is valued at lower of cost or Net realisable value.

**15 Restated Statement**

<b>(a) Secured, considered good</b>	-	-	-	-
Trade receivables outstanding for a period exceeding six months from the date they Dues From Directors, Related				
<b>(b) Unsecured, considered good</b>	4,788.17	1,691.50	1,719.98	1,116.64
Trade receivables outstanding for a period exceeding six months from the date they are due for payment Dues From Directors, Related				
<b>Total</b>	<b>4,788.17</b>	<b>1,691.50</b>	<b>1,719.98</b>	<b>1,116.64</b>

**As at 31st December**

Particulars	Outstanding for following periods from due date of payment					
	Not due	Less than 6 Months	6m to 1 Year	1-2 years	More than	Total
(i) Undisputed Trade receivables – considered good		4,738.99	37.03	12.16	-	4,788.17
ii) Undisputed Trade Receivables – which have significant		-	-	-	-	-
iii) Undisputed Trade Receivables – credit impaired		-	-	-	-	-
(iv) Disputed Trade Receivables– considered good		-	-	-	-	-
v) Disputed Trade Receivables – which have significant		-	-	-	-	-
vi) Disputed Trade Receivables – credit impaired		-	-	-	-	-
<b>Total Rs.</b>		<b>4,738.99</b>	<b>37.03</b>	<b>12.16</b>	<b>-</b>	<b>4,788.17</b>

**As at 31st March**

Particulars	Outstanding for following periods from due date of payment					
	Not due	Less than 6 Months	6m to 1 Year	1-2 years	More than	Total
(i) Undisputed Trade receivables – considered good		1,688.77	-	2.73	-	1,691.50
ii) Undisputed Trade Receivables – which have significant increase in credit risk		-	-	-	-	-
iii) Undisputed Trade Receivables – credit impaired		-	-	-	-	-
(iv) Disputed Trade Receivables– considered good		-	-	-	-	-
v) Disputed Trade Receivables – which have significant increase in credit risk		-	-	-	-	-
vi) Disputed Trade Receivables – credit impaired		-	-	-	-	-
<b>Total Rs.</b>		<b>1,688.77</b>	<b>-</b>	<b>2.73</b>	<b>-</b>	<b>1,691.50</b>

**As at 31st March**

Particulars	Outstanding for following periods from due date of payment					
	Not due	Less than 6 Months	6m to 1 Year	1-2 years	More than	Total
(i) Undisputed Trade receivables – considered good		1,719.13	0.86	-	-	1,719.99
ii) Undisputed Trade Receivables – which have significant		-	-	-	-	-
iii) Undisputed Trade Receivables – credit impaired		-	-	-	-	-
(iv) Disputed Trade Receivables– considered good		-	-	-	-	-
v) Disputed Trade Receivables – which have significant		-	-	-	-	-

**BADRI COTSYN LIMITED**  
(formerly known as Badri Cotsyn Private Limited)

Notes to the financial statements (Continued)

(Currency: Indian Rupees in lacs)

	31st December 2024	31st March 2024	31st March 2023	31st March 2022
vi) Disputed Trade Receivables – credit impaired		-	-	-
<b>Total Rs.</b>		<b>1,719.13</b>	<b>0.86</b>	<b>1,719.99</b>

**As at 31st March**

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 6 Months	6m to 1 Year	1-2 years	More than 3years	
(i) Undisputed Trade receivables – considered good		1,113.34	3.38		-	1,116.72
ii) Undisputed Trade Receivables – which have significant		-	-	-	-	-
iii) Undisputed Trade Receivables – credit impaired		-	-	-	-	-
(iv) Disputed Trade Receivables– considered good		-	-	-	-	-
v) Disputed Trade Receivables – which have significant		-	-	-	-	-
vi) Disputed Trade Receivables – credit impaired		-	-	-	-	-
<b>Total Rs.</b>		<b>1,113.34</b>	<b>3.38</b>	-	-	<b>1,116.72</b>

**BADRI COTSYN LIMITED**  
(formerly known as Badri Cotsyn Private Limited)

**Notes to the financial statements (Continued)**

(Currency: Indian Rupees in lacs)

	31st December 2024	31st March 2024	31st March 2023	31st March 2022
<b>16 Restated Statement of Cash and Bank Balances</b>				
<b>Cash on hand</b>	1.85	16.91	10.53	0.52
<b>Balances with banks</b>				
HDFC Bank Ltd C A/c No 502000656	3.59	0.43	0.51	0.51
- Bank Deposits due to mature	-	100.00	-	-
<b>Other bank balances</b>			-	
- Bank deposits due to mature for more	7.36	7.04	6.80	11.24
- Balances with Bank to the extent	0.06	0.06	0.05	0.05
<b>Total</b>	<u><u>12.86</u></u>	<u><u>124.44</u></u>	<u><u>17.89</u></u>	<u><u>12.32</u></u>
<b>17 Restated Statement of Short-term loans and advances</b> (Unsecured,				
Advances to suppliers	239.85	84.15	125.40	187.10
Advances for capital goods	576.56	358.82	32.82	21.82
Advance to Related Party	-	-	-	0.50
Advance tax, TDS & TCS Receivable	250.97	33.75	43.11	31.20
<b>Total</b>	<u><u>1,067.39</u></u>	<u><u>476.72</u></u>	<u><u>201.33</u></u>	<u><u>240.62</u></u>
<b>18 Restated Statement of Other current assets</b>				
Interest accrued on fixed deposits	34.70	27.57	19.24	9.34
Prepaid Expenses	0.63	6.52	6.63	6.89
Duty Drawback Receivable	0.88	0.56	0.42	0.84
MAT credit	376.85	92.32	11.27	-
RoDTEP Receivable	8.82	-	-	-
Custom Duty Receivable	6.25	-	-	-
TRIFAC Subsidy Receivable	346.62	-	-	-
Other Receivable (Pet Bottle Plastic Credit)	47.56	-	-	-
<b>Total</b>	<u><u>822.31</u></u>	<u><u>126.98</u></u>	<u><u>37.56</u></u>	<u><u>17.07</u></u>

**BADRI COTSYN LIMITED**  
(formerly known as Badri Cotsyn Private Limited)

**Notes to the financial statements (Continued)**

(Currency: Indian Rupees in lacs)

	31st December 2024	31st March 2024	31st March 2023	31st March 2022
<b>19 Restated Statement of Revenue from operation</b>				
Sale of products	27,493.01	19,848.33	22,182.40	17,220.95
Other Operating Revenue	536.93	191.53	334.51	556.00
<b>Total</b>	<b>28,029.94</b>	<b>20,039.86</b>	<b>22,516.91</b>	<b>17,776.94</b>
<b>20 Restated Statement of Other income</b>				
Interest income from				
- Banks	8.06	10.76	13.70	9.71
- Others	9.48	21.59	42.70	3.01
Duty Drawback	33.96	3.71	1.69	2.10
GRS Certification	2.71	1.60	-	-
<b>Total</b>	<b>54.22</b>	<b>37.66</b>	<b>58.09</b>	<b>14.82</b>
<b>21 Restated Statement of Cost of material consumed</b>				
<b>Opening Balance of Raw materials and Cons</b>	4,408.26	2,477.16	2,367.25	1,064.85
Purchase of Materials and Consumables	24,274.58	16,504.24	17,443.37	14,703.24
<b>Closing Balance of Raw Materials and Consu</b>	<b>(7,285.76)</b>	<b>(4,408.26)</b>	<b>(2,477.16)</b>	<b>(2,367.25)</b>
<b>Total</b>	<b>21,397.08</b>	<b>14,573.14</b>	<b>17,333.45</b>	<b>13,400.85</b>
<b>22 Restated Statement of Operating &amp; Direct Expenses</b>				
Manufacturing Expense	84.70	84.35	93.45	70.76
Freight Charges	41.48	44.02	105.98	62.72
Sorting Charges	313.00	386.63	455.70	535.05
Water Charges	12.01	17.18	24.43	32.30
Other Factory Overhead	3.46	0.22	5.80	3.93
Security Charges	19.52	25.09	23.63	15.66
Loading and Unloading charges	21.24	32.37	29.04	18.22
Job Work Charges	1,092.33	-	-	-
Electricity Charges	935.15	1,164.77	1,107.36	938.51
<b>Total</b>	<b>2,522.88</b>	<b>1,754.62</b>	<b>1,845.39</b>	<b>1,677.15</b>
<b>23 Restated Statement of Change in FG &amp; WIP</b>				
	(538.87)	239.07	(3.76)	(122.95)
	<b>(538.87)</b>	<b>239.07</b>	<b>(3.76)</b>	<b>(122.95)</b>

**BADRI COTSYN LIMITED**  
(formerly known as Badri Cotsyn Private Limited)

**Notes to the financial statements (Continued)**

(Currency: Indian Rupees in lacs)

	31st December 2024	31st March 2024	31st March 2023	31st March 2022
<b>24 Restated Statement of Employee benefit expenses</b>				
Salaries and wages	734.45	868.85	698.28	385.22
Director Remuneration	10.00	32.00	47.00	39.00
Contribution to provident and other funds	25.05	12.85	18.69	8.82
Staff welfare expenses	35.12	59.82	43.75	27.40
Gratuity Expense	40.82	5.06	1.40	1.34
Exgratia and Other Employee Expenses	35.32	64.63	1.59	-
<b>Total</b>	<b>880.76</b>	<b>1,043.22</b>	<b>810.71</b>	<b>461.78</b>
<b>25 Restated Statement of Finance costs</b>				
Bank Interest	446.10	428.89	388.63	321.32
Bank Charges	9.76	24.86	9.89	2.65
<b>Total</b>	<b>455.86</b>	<b>453.74</b>	<b>398.52</b>	<b>323.98</b>
<b>26 Restated Statement of Selling and Distribution Expenses</b>				
Commission and selling Expenses	118.64	173.45	163.26	246.26
Outward Freight	791.90	660.38	749.13	499.75
<b>Total</b>	<b>910.54</b>	<b>833.83</b>	<b>912.40</b>	<b>746.01</b>
<b>27 Restated Statement of Other expenses</b>				
<b>OTHER ADMINISTRATIVE EXPENSES:</b>	-	-	-	-
Audit Fees	0.84	1.20	1.20	1.20
Late Fees	-	-	-	-
-Others (Discount)	-	-	3.25	0.14
Membership and License Fees	29.96	30.94	12.87	10.79
Office Expenses	11.55	4.01	10.09	7.28
Rates & Taxes	26.65	7.83	12.07	8.19
Interest Expenses	-	-	-	-
-TDS & TCS	4.53	3.87	12.80	1.31
-GST & VAT	-	13.17	9.62	7.32
Stationery & Printing Exp	5.08	2.74	3.52	2.80
Penalties	-	-	-	-
-GST	1.26	1.47	-	-
-EPF/ESIC	-	0.01	-	-
Professional & Legal Charges	21.99	62.48	33.88	19.58
Conveyance and Traveling Expenses	83.41	76.36	62.60	10.16
Lease & Other Rent	16.60	12.27	24.26	36.77
Repair and maintenance	54.12	26.53	64.67	80.84
Insurance	8.92	8.47	8.56	7.75
Other Admin Charges	6.18	0.01	4.14	1.67
<b>Total</b>	<b>271.09</b>	<b>251.36</b>	<b>263.53</b>	<b>195.79</b>



**BADRI COTSYN LIMITED**  
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**Notes to the financial statements (Continued)**

(Currency: Indian Rupees in lacs)

**28 Restated Statement of Extraordinary Item**

During the year on FY 2021-22, the company has incurred loss of stock due to fire breakout in the Plant because of Short Circuit. This led to loss of stock of Rs. 5,69,81,632 for which claim with insurance company was filed.

During th FY 2023-24 The surveyor has accepted the insurance claim to the extent of Rs.5,25,04,950 only as on 23-Jun-2023. However, the claim amount was received in-full by Rs. 4,36,91,351 by the Company on 04-Aug-2023 and remaining amount of Rs. 88,13,599 was deducted by the insurance company as compulsory deductions. No amount is pending to be received further

**29 Change in accounting estimates**

There is no change in accounting estimate for the period ended 31st December 2024

**30 Restated Statement of Contingent liabilities and other commitments**

**(a) Other Commitments**

The company has an outstanding export commitments towards capital goods installed in the manufacturing facilities for which duty exemption amounting to Rs. 8.62 crores was availed under the Export Promotion for Capital Goods scheme. If the export commitments are not fulfilled within the stipulated period of time, the proportionate duty availed as exemption by the company shall be refunded to the government along with interest and penalty, as maybe applicable.

Particulars	31st December 2024	31 March 2024	31 March 2023	31 March 2022
Export Obligations	4,746.06	4,970.64	5,059.48	5,170.04

**31 Restated Statement of Directors' Remuneration**

Particulars	31st December 2024	31 March 2024	31 March 2023	31 March 2022
Directors' Remuneration	10.00	32.00	47.00	39.00
<b>Total</b>	<b>10.00</b>	<b>32.00</b>	<b>47.00</b>	<b>39.00</b>

**32 Restated Statement of Payment to auditors**

Particulars	31st December 2024	31 March 2024	31 March 2023	31 March 2022
Statutory Audit Fees	-	0.90	0.90	0.72
Other Services	-	0.30	0.30	0.48
<b>Total</b>	<b>-</b>	<b>1.20</b>	<b>1.20</b>	<b>1.20</b>

**33 Restated Statement of Earnings per Share (EPS)**

Particulars		31st December 2024	31 March 2024	31 March 2023	31 March 2022
<b>Profit after Tax</b>	<b>A</b>	1,443.66	353.53	(388.13)	(208.69)
Total no. of equity shares at the end of the year (in lakhs)		37.50	4.26	0.10	0.10
Bonus Issue of shares after the balance sheet date (in lakhs)		100.00	100.00	100.00	100.00
<b>Weighted average number of equity shares outstanding during the year (in lakhs)</b>	<b>B</b>	137.50	104.26	100.10	100.10
Basic earnings per share [face value Rs. 10 per share] - after bonus issue	<b>A/B</b>	<b>10.50</b>	<b>3.39</b>	<b>(3.88)</b>	<b>(2.08)</b>
Diluted earnings per share [face value Rs. 10 per share] - after bonus issue		<b>10.50</b>	<b>3.39</b>	<b>(3.88)</b>	<b>(2.08)</b>

**BADRI COTSYN LIMITED**  
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**Notes to the financial statements (Continued)**

(Currency: Indian Rupees in lacs)

**34 Restated Statement of Related parties**

The details of related party transactions are given below:

**(a) Names of related parties with whom transactions have been made during the year:**

Key management personnels (KMP)	Amit Gupta	Managing Director
	Sumit Gupta	Whole time Director
	Deepika Gupta	Directors
	Rakesh Agrawal	Directors
	Nikhil Kaushik	Directors
	Nainsi Gupta	Directors
	Nitin Agrawal	CFO
	Somil Rathore	Company Secretary
Relative of KMP	Lakhan Lal Gupta	Father of Directors
	Sarla Gupta	Wife of Director
Other Related Parties	Badri Ecofibres Pvt Ltd	
	Badri Industries Pvt Ltd	

**(b) Transactions with related parties**

Nature of the Transaction	31 December 2024			31 March 2024			31 March 2023			31 March 2022		
	Other Related	KMP	Relative of KMP	Other Related	KMP	Relative of KMP	Other Related parties	KMP	Relative of KMP	Other Related parties	KMP	Relative of KMP
<b>Transactions during the year:</b>												
<b>Remuneration Paid</b>												
Lakhan Lal Gupta	-	-	-	-	-	-	-	15.00	-	-	8.00	-
Sumit Gupta	-	4.00	-	-	18.00	-	-	21.00	-	-	2.00	-
Armit Gupta	-	4.00	-	-	14.00	-	-	24.00	-	-	9.00	-
Sarla Gupta	-	-	-	-	-	42.00	-	-	15.75	-	-	5.00
Deepika Gupta	-	22.50	-	-	78.00	-	-	22.00	-	-	10.00	-
Nainsi Gupta	-	21.50	-	-	75.00	-	-	15.00	-	-	21.00	-
<b>Purchase of Services</b>												
Badri Eco Fibre Pvt Ltd	1,092.33	-	-	-	-	-	-	-	-	-	-	-
<b>Purchase of Goods &amp; Services</b>												
Badri Eco Fibre Pvt Ltd	1,571.39	-	-	1,833.05	-	-	79.60	-	-	775.37	-	-
<b>Sale of Goods</b>												
Badri Industries Pvt Ltd	-	-	-	-	-	-	-	-	-	177.26	-	-
Badri Eco Fibre Pvt Ltd	-	-	-	46.32	-	-	31.09	-	-	265.95	-	-
<b>Sale of Services</b>												
	-	-	-	-	-	-	-	-	-	-	-	-

Badri Eco Fibre Pvt Ltd	-	-	-	49.62	-	-	71.46	-	-	471.60	-	-
<b>Loans taken</b>												
Lakhan Lal Gupta	-	-	-	-	705.00	-	-	8.50	-	-	144.96	-
Sumit Gupta	-	810.33	-	-	1,803.66	-	-	50.00	-	-	-	-
Amit Gupta	-	291.30	-	-	1,759.86	-	-	8.50	-	-	75.00	-
Sarla Gupta	-	-	-	-	-	10.40	-	-	6.50	-	-	-
Deepika Gupta	-	-	-	-	25.00	-	-	4.50	-	-	-	-
Nainsi Gupta	-	-	-	-	35.00	-	-	9.50	-	-	13.00	-
Badri Ecofibres Pvt Ltd	-	-	-	2,468.84	-	-	3,608.64	-	-	2,224.77	-	-
<b>Advance Repaid</b>												
Badri Industries Pvt Ltd	-	-	-	-	-	-	34.84	-	-	128.75	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
<b>Loan Repaid</b>												
Lakhan Lal Gupta	-	-	-	-	2,924.00	-	-	74.51	-	-	-	-
Sumit Gupta	-	219.93	-	-	122.75	-	-	154.10	-	-	6.00	-
Amit Gupta	-	4.00	-	-	204.26	-	-	68.50	-	-	-	-
Sarla Gupta	-	-	-	-	-	38.40	-	-	5.00	-	-	-
Deepika Gupta	-	-	-	-	41.00	-	-	37.00	-	-	-	-
Nainsi Gupta	-	-	-	-	64.00	-	-	7.00	-	-	28.50	-
Badri Ecofibres Pvt Ltd	-	-	-	3,576.32	-	-	3,012.06	-	-	3,122.03	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
<b>Advance Given</b>												
Badri Industries Pvt Ltd	-	-	-	-	-	-	-	-	-	126.75	-	-

<b>Balance at the end of the year:</b>	-	-	-	-	-	-	-	-	-	-	-
<b>Loan Outstanding</b>	-	-	-	-	-	-	-	-	-	-	-
Lakhan Lal Gupta	-	-	-	-	-	-	2,219.00	-	-	2,285.01	-
Sumit Gupta	-	2,067.81	-	-	1,726.92	-	46.00	-	-	150.10	-
Amit Gupta	-	1,689.90	-	-	1,652.10	-	96.50	-	-	156.50	-
Sarla Gupta	-	-	-	-	-	-	-	28.00	-	-	26.50
Deepika Gupta	-	-	-	-	-	-	16.00	-	-	48.50	-
Nainsi Gupta	-	-	-	-	-	-	29.00	-	-	26.50	-
Badri Ecofibres Pvt Ltd	-	-	-	(0.00)	-	1,107.48	-	-	510.90	-	-
	-	-	-	-	-	-	-	-	-	-	-
<b>Advance Outstanding</b>	-	-	-	-	-	-	-	-	-	-	-
Badri Industries Pvt Ltd	-	-	-	-	-	69.67	-	-	34.84	-	-
	-	-	-	-	-	-	-	-	-	-	-
<b>Guarantee to HDFC Bank given by Badri Eco-Fibers Private Limited on behalf of the company</b>	-	-	-	-	-	-	-	-	-	-	-

- All transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions
- Outstanding balances for trade receivable, trade payable and other payables are unsecured
- The Company has not recorded any impairment of balances relating to amounts owed by related parties
- The assessment is undertaken by The Company each financial year through evaluating The financial position of The related party and The market in which The related party operates

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Notes to the financial statements (Continued)

(Currency: Indian Rupees in lacs)

35 Restated Statement of Employee benefit obligations

Particulars	December 31, 2024		March 31, 2024		March 31, 2023		March 31, 2022	
	Current	Non Current	Current	Non Current	Current	Non Current	Current	Non Current
<b>Provisions</b>								
Gratuity	4.17	44.45	0.14	7.66	0.05	2.70	0.02	1.32
<b>Employee Benefit Obligation</b>	<b>4.17</b>	<b>44.45</b>	<b>0.14</b>	<b>7.66</b>	<b>0.05</b>	<b>2.70</b>	<b>0.02</b>	<b>1.32</b>

Post Employment obligations

The amount recognised in the balance sheet and the movement in the net defined benefit obligation over the period are as follows

Particulars	Present value of obligation	Fair value of plan assets	Net Obligation/ (Asset)
<b>As at March 31, 2021</b>	-	-	-
Current service cost	1.34	-	1.34
Past service cost	-	-	-
Interest expense/(income)	-	-	-
<b>Total amount recognised in profit or loss</b>	<b>1.34</b>	<b>-</b>	<b>1.34</b>
<i>Remeasurements</i>			
(Gain)/Loss from change in financial assumptions	-	-	-
<b>Total amount recognised in other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>
Employer contributions	-	-	-
Benefit payments	-	-	-
Benefit payments	-	-	-
<b>As at March 31, 2022</b>	<b>1.34</b>	<b>-</b>	<b>1.34</b>
Purchase of Services	2.89	-	2.89
Past service cost	-	-	-
Interest expense/(income)	0.10	-	0.10
Purchase of Goods & Services	-	-	-
<b>Total amount recognised in profit or loss</b>	<b>2.99</b>	<b>-</b>	<b>2.99</b>
<i>Remeasurements</i>			
(Gain)/Loss from change in financial assumptions	-	-	-
<b>Total amount recognised in other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>
Employer contributions	-	-	-
Benefit payments	-	-	-
Benefit payments	(1.59)	-	(1.59)
<b>As at March 31, 2023</b>	<b>2.75</b>	<b>-</b>	<b>2.75</b>
Current service cost	12.11	-	12.11
Past service cost	-	-	-
Interest expense/(income)	0.20	-	0.20
<b>Total amount recognised in profit or loss</b>	<b>12.30</b>	<b>-</b>	<b>12.30</b>
<i>Remeasurements</i>			
(Gain)/Loss from change in financial assumptions	-	-	-
<b>Total amount recognised in other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>
Employer contributions	-	-	-
Benefit payments	-	-	-
Benefit payments	(7.24)	-	(7.24)
<b>As at March 31, 2024</b>	<b>7.81</b>	<b>-</b>	<b>7.81</b>
Current service cost	42.68	-	42.68
Past service cost	-	-	-

Interest expense/(income)	0.40	-	0.40
<b>Total amount recognised in profit or loss</b>	<b>43.08</b>	-	<b>43.08</b>
<i>Remeasurements</i>			
(Gain)/Loss from change in financial assumptions	-	-	-
<b>Total amount recognised in other comprehensive income</b>	-	-	-
Employer contributions	-	-	-
Benefit payments	-	-	-
Benefit payments	(2.26)	-	(2.26)
<b>As at December 31, 2024</b>	<b>48.63</b>	-	<b>40.82</b>

**Defined contribution plans - Provident fund**

The company also has defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the company is limited to the amount contributed and it has no further contractual nor any constructive obligation.



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**Notes to the financial statements (Continued)**  
for the year ended 01st April 2024 to 31st December 2024

(Currency: Indian Rupees in lacs)

**Restated Statement of Gratuity**  
**As on 31st December 2024**

Particulars	Opening	Current Service Cost	Interest Cost	Benefit Paid	Actuarial losses (gains)	Closing Balance	Current	Non Current
Gratuity Liability	7.81	42.68	0.40	(2.26)	-	48.63	4.17	44.45
Plan Asset	-	-	-	-	-	-	-	-
<b>Net Liability</b>	<b>7.81</b>	<b>42.68</b>	<b>0.40</b>	<b>(2.26)</b>	<b>-</b>	<b>48.63</b>	<b>4.17</b>	<b>44.45</b>

**As on 31st March 2024**

Particulars	Opening	Current Service Cost	Interest Cost	Benefit Paid	Actuarial losses (gains)	Closing Balance	Current	Non Current
Gratuity Liability	2.75	12.11	0.20	(7.24)	-	7.81	0.14	7.66
Plan Asset	-	-	-	-	-	-	-	-
<b>Net Liability</b>	<b>2.75</b>	<b>12.11</b>	<b>0.20</b>	<b>(7.24)</b>	<b>-</b>	<b>7.81</b>	<b>0.14</b>	<b>7.66</b>

**As on 31st March 2023**

Particulars	Opening	Current Service Cost	Interest Cost	Benefit Paid	Actuarial losses (gains)	Closing Balance	Current	Non Current
Gratuity Liability	1.34	2.89	0.10	(1.59)	-	2.75	0.05	2.70
Plan Asset	-	-	-	-	-	-	-	-
<b>Net Liability</b>	<b>1.34</b>	<b>2.89</b>	<b>0.10</b>	<b>(1.59)</b>	<b>-</b>	<b>2.75</b>	<b>0.05</b>	<b>2.70</b>

**As on 31st March 2022**

Particulars	Opening	Current Service Cost	Interest Cost	Benefit Paid	Actuarial losses (gains)	Closing Balance	Current	Non Current
Gratuity Liability	-	1.34	-	-	-	1.34	0.02	1.32
Plan Asset	-	-	-	-	-	-	-	-
<b>Net Liability</b>	<b>-</b>	<b>1.34</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.34</b>	<b>0.02</b>	<b>1.32</b>

	As on 31st December 20	As on 31st March 2024	As on 31st March 2023	As on 31st March 2022
Profit and Loss	43.08	12.30	2.99	1.34
Gratuity Liability	48.63	7.81	2.75	1.34

Risk Exposures Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such, company is exposed to various risks such as increase in salary, investment risk, discount rate, mortality, disability and withdrawals

**Characteristics of Benefit :**

The Key features are as under :

Plan Features	Refer AS 15
Type of Plan	Post Employment Benefit
Employee's Contribution	0%

Employer's Contribution	100%
Salary definition	Last Drawn Basic Salary including Dearness Allowance (if any)
Benefit ceiling	Benefit ceiling of Rs. 20,00,000/- was applied
Vesting conditions	5 years of continuous service (Not applicable in case of death/ disability)
Benefit on Retirement	15/26 x Salary x Duration of Service
Benefit of Resignation/ Withdrawal	Same as Retirement Benefit based on service up to exit
Benefit on Death	Same as Retirement Benefit but no vesting condition applies
Retirement age*	58 Year
Mortality Rate	Indian Assured Lives Mortality (2012-14) Ult.
Attrition Rate	20.00%

\*In case of employees with age above the retirement age mentioned in Plan features, the retirement is assumed to happen immediately and valuation is done accordingly.

#### Explanation of amounts in the Financial Statements

##### **Funded status of the plan**

Particulars	As at 31st December 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Present value of unfunded obligations	48.63	7.81	2.75	1.34
Present value of funded obligations	-	-	-	-
Fair value of plan assets	-	-	-	-
<b>Net Defined Benefit Liability/ (Assets)</b>	<b>48.63</b>	<b>7.81</b>	<b>2.75</b>	<b>1.34</b>

##### **Funded status of the plan**

Particulars	As at 31st December 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Service cost :				
Current service cost	42.68	12.11	2.89	1.34
Loss /(Gain) on curtailments and settlement	-	-	-	-
Net interest cost	0.40	0.20	0.10	-
<b>Net Defined Benefit Liability/ (Assets)</b>	<b>43.08</b>	<b>12.30</b>	<b>2.99</b>	<b>1.34</b>

##### **Reconciliation of defined benefit obligation**

Particulars	As at 31st December 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Opening Defined Benefit Obligation	7.81	2.75	1.34	-
Transfer in/ (out) obligation	-	-	-	-
Current service cost	42.68	12.11	2.89	1.34
Interest cost	0.40	0.20	0.10	-
Actuarial gain/ losses on obligations	-	-	-	-
Past service cost	-	-	-	-
Benefit paid by company	(2.26)	(7.24)	(1.59)	-
<b>Closing Defined Benefit Obligation</b>	<b>48.63</b>	<b>7.81</b>	<b>2.75</b>	<b>1.34</b>

##### **Principle actuarial assumptions**

Particulars	Age	Period	As at 31st December 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2022
Discount Rate		p.a.	6.85%	7.10%	7.40%	6.80%
Salary Growth Rate		p.a.	7.00%	7.00%	7.00%	7.00%
Age distribution of Employees	Age 20 & Below :	p.a.	2.00%	2.00%	4.00%	5.00%
	21 to 30 :	p.a.	40.00%	45.00%	46.00%	56.00%
	31 to 40:	p.a.	37.00%	34.00%	30.00%	11.00%
	41 to 50:	p.a.	17.00%	16.00%	18.00%	22.00%
	51 to 60:	p.a.	4.00%	3.00%	2.00%	6.00%
	61 years and above	p.a.	0.00%	0.00%	0.00%	0.00%

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**Notes to the financial statements (Continued)**

(Currency: Indian Rupees in lacs)

<b>36 Restated Statement of Earnings in Foreign Currency (on accrual basis)</b>	<b>31st December 2024</b>	<b>31st March 2024</b>	<b>31st March 2023</b>	<b>31st March 2022</b>
Sale of Goods	USD 8.08	2.82	1.23	1.57

**37 Restated Statement of Value of Imports on CIF basis**

<b>Particulars</b>	<b>31st December 2024</b>	<b>31st March 2024</b>	<b>31st March 2023</b>	<b>31st March 2022</b>
Capital Goods	-	88.69	45.25	34.56
Raw Material	88.04	-	73.24	1,587.46
<b>Total</b>	<b>88.04</b>	<b>88.69</b>	<b>118.49</b>	<b>1,622.01</b>

**38 Restated Statement of Segment reporting**

The company is engaged in the business of manufacturing and sale of recycled polyester staple fiber. There is no separate primary business line in terms of reportable segments as per Accounting Standard 17 - "Segment Reporting". The company has disclosed geographical segments as secondary reportable segments.

**Geographical Segment**

The analysis of geographical segment is based on the geographical location of the customers. The geographical segments considered for disclosures are as follows:

	31st December 2024	31st March 2024	31st March 2023	31st March 2022
<b>Revenue</b>				
- within India	27,359.83	19,808.31	22,419.73	17,660.13
- outside India	670.10	231.55	97.19	116.81
<b>Segment Assets</b>				
- within India	19,576.21	13,043.97	11,158.00	11,008.56
- outside India	-	-	-	-

**Property, Plant & Equipment by geographical locations:**

The company has common fixed assets in respect of its business activity for overseas as well as domestic market. Hence, segment-wise information for fixed assets/additions to fixed assets has not been furnished.

**39 Restated Statement of Expenditure incurred in foreign currency**

There are no expenditures incurred in foreign currency during the current and previous year.

**40 Restated Statement of FOB Value of Exports**

<b>Particulars</b>	<b>31st December 2024</b>	<b>31st March 2024</b>	<b>31st March 2023</b>	<b>31st March 2022</b>
FOB Value of Exports	546.17	224.58	88.85	110.56
<b>Total</b>	<b>546.17</b>	<b>224.58</b>	<b>88.85</b>	<b>110.56</b>

**41 Restated Statement of Category-wise details of inventory of finished goods, raw materials & consumables**

	<b>31st December 2024</b>	<b>31st March 2024</b>	<b>31st March 2023</b>	<b>31st March 2022</b>
<b>Finished goods</b>				
Recycled Polyester Staple Fiber	1,415.28	723.60	1,115.49	1,111.73
<b>Total (a)</b>	<b>1,415.28</b>	<b>723.60</b>	<b>1,115.49</b>	<b>1,111.73</b>
<b>Raw Materials</b>				
Pet Bottle	2,507.84	2,583.77	1,330.19	1,312.28
Plastic pet flakes	3,176.00	546.75	252.96	731.88

<b>Total (b)</b>	<b>5,683.84</b>	<b>3,130.52</b>	<b>1,583.15</b>	<b>2,044.16</b>
<b>Cosumables, Spares &amp; stores</b>				
Coal	1,601.92	612.23	662.28	180.69
Other Cosumables, Spares & stores	-	665.51	231.73	142.40
<b>Total (c)</b>	<b>1,601.92</b>	<b>1,277.74</b>	<b>894.01</b>	<b>323.08</b>
<b>Grand Total</b>	<b>8,701.04</b>	<b>5,131.86</b>	<b>3,592.65</b>	<b>3,478.98</b>

The management physically verified the stock available as at 31.12.2024 and ascertain that the value stated above is true and correct

#### 42 Additional Notes

- (i) The management has confirmed that adequate provisions have been made for all the known and determined liabilities and the same is not in excess of the amounts reasonably required to be provided for.
- (ii) The balances of trade payables, trade receivables, loans and advances are unsecured and considered as good are subject to confirmations of respective parties concerned.
- (iii) Amounts in the financial statements are rounded off to nearest lakhs.
- (iv) Appropriate adjustments have been made in the financial statements, whenever required, by reclassification of the corresponding items of assets, liabilities and cash flow statement, in order to ensure consistency and compliance with requirement of
- (v) Figures have been rearranged and regrouped wherever practicable and considered necessary.

43 Restated Statement of Tax shelter

Particular	31st December 2024	31st March 2024	31st March 2023	31st March 2022
Profit before tax as per books (A)	893.58	485.28	119.28	(615.21)
<b>Tax Rates</b>				
Income Tax Rate (%)	27.82%	26.00%	26.00%	26.00%
Minimum Alternative Tax Rate (%)	17.47%	16.69%	16.69%	15.60%
<b>Tax on normal profit</b>				
Adjustments :				
Deprecation as per the books	556.35	879.88	892.96	1,062.49
Prior Period Item				
Profit on sales of assets				
Business profit on sale of building being short term in nature				
Donation given				
Less: Disallowance done on account of gratuity debited to P&L (as per audited accounts)	-	(25.07)	(11.08)	(0.00)
Add: Gratuity Expense debited to P&L (as per restated accounts) (Net of payment)	41.52	5.06	1.40	1.34
Provision for bad and doubtful debts				
Other disallowances	81.26	628.38	38.01	19.86
Total Permanent Diff				
Less: Depreciation as per Income Tax	(404.61)	(757.06)	(675.32)	(1,251.29)
Less: Allowance u/s 43 disallowed in P.Y.	(581.03)	(7.24)	-	-
Carried Forward Losses	(338.68)	(1,216.76)	(367.79)	-
Deduction allowable				
<b>Total Assessable Income</b>	<b>248.38</b>	<b>(7.53)</b>	<b>(2.53)</b>	<b>(782.81)</b>
Long Term Capital Gain				
Unabsorbed Depreciation		-	39.87	-
<b>Total Taxable Income</b>	<b>248.38</b>	<b>(7.53)</b>	<b>-</b>	<b>(782.81)</b>
Tax on Income as above				
<b>Tax as per normal Rate</b>	<b>69.10</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Profit for the purpose of MAT (u/s 115JB)</b>	<b>893.58</b>	<b>485.28</b>	<b>79.41</b>	<b>(615.21)</b>
Tax as per MAT	156.13	81.00	13.25	-
Tax Expenses=MAT or normal provision of income tax w.e. is higher				
<b>Net Tax Expenses</b>	<b>156.13</b>	<b>81.00</b>	<b>13.25</b>	<b>-</b>
<b>Tax Paid as per "MAT" or "Normal" provision</b>	<b>MAT</b>	<b>MAT</b>	<b>MAT</b>	

Note:

1 The above statement is in accordance with Accounting Standard - 22, "Accounting for Taxes on Income" prescribed under Section 133 of the Act, read with Rule 7 of Companies (Accounts) Rules, 2014 (as amended).

2

Figures for the Year ended 31st March 2024, 31st March 2023 and 31st March 2022 have been derived from the computation of total income prepared by the Company in line with the final return of income filed for the respective assessment years.

3 Statutory tax rate includes applicable surcharge, education cess and higher education cess of the year concerned.

4 The above statement should be read with the Statement of Notes to the Financial Information of the Company.

44 Other Financial Information:

Particular	31st December 2024	31st March 2024	31st March 2023	31st March 2022
Net Worth (A)	1,224.84	289.35	(562.97)	(172.96)
Profit Attributable to the Owners of the Company (B)	935.50	353.31	(390.00)	(211.57)
<b>Weighted Average Number of Equity Shares Outstanding During the Period/Year</b>				
For Basic Earnings Per Share (C)	6.80	3.39	(3.88)	(2.08)
For Diluted Earnings Per Share (D)	6.80	3.39	(3.88)	(2.08)
Weighted Number of Shares Outstanding at the End of the Period/Year (E)	137.50	4,25,833.33	10,000.00	10,000.00
Return on Net Worth (%) (B/A)	0.76	1.22	0.69	1.22
Net Assets Value Per Share of INR 10/- Each (A/E)	8.91	0.000679	(0.06)	(0.02)
Face Value (INR)	10.00	10.00	10.00	10.00
Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)	2,640.66	1,819.19	1,413.29	775.14

**Note:**

The ratios have been computed as below:

*Basic earnings per share (INR) = Net profit after tax attributable to owners of the Company, as restated / Weighted Average number of Equity Shares outstanding at the end of the year after taking effect of bonus shares*

*Diluted earnings per share (INR) = Net profit after tax attributable to owners of the Company, as restated / Weighted average number of potential equity shares outstanding during the year.*

*Return on average net worth (%) = Net profit after tax attributable to owners of the Company, as restated / Average net worth as restated.*

*Net asset value per share (INR) = Net worth, as restated / Weighted Average number of Equity Shares outstanding at the end of the year after taking effect of bonus shares.*

Earning per share (EPS) calculation is in accordance with the notified Accounting Standard (AS) 20 'Earnings per share' prescribed by The Companies (Accounting Standards) Rules, 2006, as amended.

Net worth means the aggregate value of the paid up share capital of the Company and all reserves created out of profits and securities premium as per restated statement of assets and liabilities of the Company

Earnings before interest, tax, depreciation and amortisation (EBITDA) is as per restated statement of profit and loss of the Company for respective reported period/years.

*EBITDA = Profit before tax + depreciation & amortization expense + finance cost - Other Income*

**45 Capitalization Statement**

Particulars	Pre Issue	Post Issue
<b>Borrowings</b>		
Short term debt (A)	-	-
Long Term Debt (B)	5,597.79	5,597.79
<b>Total Debts (C)</b>	<b>5,597.79</b>	<b>5,597.79</b>
<b>Shareholders' Fund</b>		
Equity Share Capital	500.00 *	
Reserve and Surplus - as restated	724.84 *	
<b>Total Shareholders' Fund</b>	<b>1,224.84 *</b>	
<b>Long Term Debt / Shareholders Funds (in Rs.)</b>	<b>4.57 *</b>	
<b>Total Debt / Shareholders' fund (in Rs.)</b>	<b>4.57 *</b>	

The corresponding post issue figures are not determinable at this stage pending the completion of public issue and hence

**Notes:**

- Short term Debts represent which are expected to be paid/payable within 12 months and excludes installment of term loans repayable within 12 months.
- Long term Debts represent debts other than Short term Debts as defined above but includes installment of term loans repayable within 12 months grouped under short term borrowings.
- The figures disclosed above are based on restated statement of Assets and Liabilities of the Company as at 31.12.2024.

**46 Reconciliation Statement of Restated Profit**

Particulars	For the Year Ended on			
	31st December 2024	31st March,2024	31st March,2023	31st March,2022
<b>Net profit/(Loss) after Tax as per Audited Profit &amp; Loss Account</b>	1,471.64	385.93	63.39	(676.84)
<b>Adjustments for:</b>				
Deferred Tax	12.97	(45.17)	(461.20)	449.63
Gratuity	(40.96)	12.77	9.67	18.52
<b>Net Profit/ (Loss) After Tax as Restated</b>	<b>935.50</b>	<b>353.31</b>	<b>(390.00)</b>	<b>(211.57)</b>

**47 Reconciliation of Restated Equity/ Networth**

Particulars	For the Year Ended on			
	31st December 2024	31st March,2024	31st March,2023	31st March,2022
<b>Equity and Reserves as per Audited Balance sheet</b>	<b>1,712.67</b>	<b>266.33</b>	<b>(618.60)</b>	<b>(681.99)</b>
<b>Adjustments for:</b>				
Change in Opening balances of Reserves due to previous year change	27.98	60.39	511.91	
Deferred tax adjusted via Resrves & surplus				43.76
Deferred Tax	12.97	(45.17)	(461.20)	449.63
Gratuity	(40.96)	12.77	9.67	18.52
<b>Equity and Reserves as per Re-stated Balance sheet</b>	<b>1,224.84</b>	<b>289.35</b>	<b>(562.97)</b>	<b>(172.96)</b>



**48 Other Information**

Information with regard to other matters specified in schedule III to the Act, is either nil or not applicable to the company for the year.

**49 Restated Statement of Ratio Analysis**

Particulars	Numerator	Denominator	31st December 2024	31st March 2024	31st March 2023	31st March 2022
Current Ratio	Current Assets	Current Liabilities	1.25	1.04	0.97	0.89
Debt-Equity Ratio	Total Debt	Shareholder's Equity	10.43	43.32	-20.99	-67.89
Debt Service Coverage Ratio	Earnings Available for Debt Service	Debt Service	0.41	0.37	0.22	0.27
Return on Equity Ratio	Net Profit After Taxes	Average Shareholder's Equity	1.44	-2.68	1.07	2.38
Inventory Turnover Ratio	Revenue	Average Inventory	4.01	4.51	6.37	6.46
Trade Receivable Turnover Ratio	Revenue	Average Trade Receivables	8.65	11.75	15.88	26.10
Trade Payable Turnover Ratio	Revenue	Average Trade Payable	6.02	5.49	6.95	7.40
Net Capital Turnover Ratio	Revenue	Average Working Capital	16.41	302.96	-56.93	-32.91
Net Profit Ratio	Net Profit After Taxes	Revenue	0.05	0.02	-0.02	-0.01
Return on Capital Employed	Profit before Interest & Taxes	Capital employed	15%	11%	7%	-4%
Return of Investment	Income from Investments	Average Investment	NA	NA	NA	NA

**50 Other Statutory Information**

- i) The Company does not have any Immovable Property whose title deeds are not held in the name of the Company.
- ii) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- iii) The Company has not been declared as a wilful defaulter by any lender who has powers to declare a company as a wilful defaulter at any time during the financial year or after the end of reporting period but before the date when financial
- iv) The Company has not advanced or loaned or invested funds to any other person(s) or entity(is), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) 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
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- v) The Company has not received any fund from any person(s) or entity(is), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - (a) 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
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- vi) The provisions of Corporate Social Responsibility under Section 135 of the Companies Act, 2013 are not applicable to the Company.
- vii) The Company have transactions with struck-off company, details for the same are mentioned below:

Name of the company	Nature of transactions with struck-off Company	Balance outstanding		Relationship with the Struck off company, if any, to be disclosed (F.Y.2021-22)
		As on March 31, 2023	As on March 31, 2022	
Badri Industries Pvt Ltd	Sale of Goods	69.67	34.84	Entity significantly influenced by KMP

- viii) The Company does not have any transaction which is not recorded in the books of accounts but has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or
- ix) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- x) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.
- xi) The Company does not have any charges or satisfaction which is yet to be registered with the Registrar of Companies (ROC) beyond the statutory period.

**51 Prior year figures**

Previous year's figures have been regrouped or reclassified, wherever necessary.

**OTHER FINANCIAL INFORMATION**

(Amount in Lakhs)

Particulars	As at 31 <sup>st</sup> December 2024	As at 31 <sup>st</sup> March 2024	As at 31 <sup>st</sup> March 2023	As at 31 <sup>st</sup> March 2022
Net Worth (A)	1,712.67	294.31	(558.21 )	(170.08)
Average Net Worth (B)	1,003.49	(131.95)	(364.15)	(87.62)
Profit Attributable to the Owners of the Company (C)	1443.66	353.53	(388.13)	(208.69)
<b>Weighted Average Number of Equity Shares Outstanding During the Period/Year</b>				
For Basic Earnings Per Share (D)	137.50	4.26	0.10	0.10
For Diluted Earnings Per Share (E)	137.50	4.26	0.10	0.10
Weighted Number of Shares Outstanding at the End of the Period/Year (F)				
Restated Basic Earnings Per Share (INR) (C/D)	10.50	3.39	(1293.77)	(695.63)
Restated Diluted Earnings Per Share (INR) (C/E)	10.50	3.39	(1293.77)	(695.63)
Return on Average Net Worth (%) (C/B)	143.86	(267.92)	(106.59)	(238.17)
Net Assets Value Per Share of INR 10/- Each (A/F)	12.46	69.09	(5,582.13)	(1,700.81)
Face Value (INR)	10	10	10	10
Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)	2,640.66	1,819.19	1,413.29	775.14

1. The ratios have been computed as below:

**Basic earnings per share (INR)** = Net profit after tax attributable to owners of the Company, as restated / Weighted Average number of Equity Shares outstanding at the end of the year after taking effect of bonus shares

**Diluted earnings per share (INR)** = Net profit after tax attributable to owners of the Company, as restated / Weighted average number of potential equity shares outstanding during the year.

**Return on average net worth (%)** = Net profit after tax attributable to owners of the Company, as restated / Average net worth as restated.

**Net asset value per share (INR)** = Net worth, as restated / Weighted Average number of Equity Shares outstanding at the end of the year after taking effect of bonus shares.

2. Earnings per share (EPS) calculation is in accordance with the notified Accounting Standard (AS) 20 'Earnings per share' prescribed by The Companies (Accounting Standards) Rules, 2006, as amended.

3. The amounts disclosed above are based on the restated financial information of the Company.

4. Net worth means the aggregate value of the paid up share capital of the Company and all reserves created out of profits and securities premium as per restated statement of assets and liabilities of the Company.

5. Earnings before interest, tax, depreciation and amortisation (EBITDA) is as per restated statement of profit and loss of the Company for respective reported period/years.

*EBITDA = Profit before tax + depreciation & amortization expense + Finance Cost.*

## STATEMENT OF FINANCIAL INDEBTEDNESS

The Company and subsidiaries avail loans and financing facilities in the ordinary course of business for meeting working capital and business requirements.

The details of the indebtedness of the Company as on December 31<sup>st</sup> 2024 is provided below:

*(In Rupees lakhs)*

Nature of Borrowings	December 31 <sup>st</sup> , 2024
Secured Borrowings (fund based)	8048.43
Unsecured Borrowings	3757.71
<b>Total</b>	<b>11806.14</b>

### Secured

*(Rs. in Lakhs)*

Name of Lender	Purpose	Amount Outstanding as on 31.12.2024 (In Lacs)	Rate of Interest*	Tenor / Valid up to
HDFC Bank Ltd TL A/c 83697371/8989518	Taken for setting up the new plant	686.63	Repo rate 6.5%+2.41%	Payable in 84 instalments up to 07/05/2026
HDFC Bank Ltd TL A/c 84106006/8989586	Taken for setting up the new plant	198.91	Repo rate 6.5%+2.41%	Payable in 88 instalments up to 07/02/2027
HDFC GECL Loan A/c 452669177	GECL loan during Covid-19 for working capital assistance	721.36	Repo rate 6.5%+2.50%	Payable in 63 instalments up to 07/06/2027
HDFC DG -1 Loan A/c No 87258943	Taken for New DG	25.40	Repo rate 6.5%+1.26%	Payable in 48 instalments up to 20/11/2026
HDFC DG-2 Loan A/c No 87258971	Taken for New DG	25.40	Repo rate 6.5%+1.26%	Payable in 48 instalments up to 20/11/2026
HDFC DG Panel Loan A/c No 87258774	Taken for New DG Panel	7.14	Repo rate 6.5%+1.26%	Payable in 48 instalments up to 20/11/2026
HDFC TL A/c No 87548281	Taken for Up gradation of Washline	134.53	Repo rate 6.5%+2.41%	Payable in 61 instalments up to 07/03/2028
HDFC TL A/c-88864821	Taken for Solar Plant	158.63	Repo rate 6.5%+2.41%	Payable in 60 instalments up to 07/12/2030
HDFC TL A/c-89704391 (BBG-WC)	Taken for Capital Expenditure for Office at Mandideep and Addition in Fixed Assets	776.23	Repo rate 6.5%+2.41%	Payable in 48 instalments up to 07/12/2029
BCPL HDFC WCDL A/c-800890311	Taken for short term WC	1000.00	Repo rate 6.5%+4%	Payable in 3 instalments up to 01/05/2025
BCPL HDFC Forklift Loan-85233345	Forklift Loan	0.61	Repo rate 6.5%+3%	Payable in 48 instalments up to 20/03/2025
BCPL HDFC Forklift Loan-85329856	Forklift Loan	0.61	Repo rate 6.5%+3%	Payable in 48 instalments up to 20/03/2025
BCPL HDFC Forklift Loan-85343192	Forklift Loan	1.44	Repo rate 6.5%+3%	Payable in 48 instalments up to 01/04/2025

BCPL HDFC Forklift Loan-85343199	Forklift Loan	1.44	Repo rate 6.5%+3%	Payable in 48 instalments up to 01/04/2025
BCPL HDFC Forklift Loan-85382549	Forklift Loan	0.80	Repo rate 6.5%+3%	Payable in 48 instalments up to 15/04/2025
BCPL HDFC Forklift Loan-85890726	Forklift Loan	1.67	Repo rate 6.5%+3%	Payable in 48 instalments up to 20/10/2025
BCPL HDFC Tractor Loan-86117595	Tractor Loan	0.25	Repo rate 6.5%+3%	Payable in 36 instalments up to 01/01/2025
BCPL HDFC Forklift Loan-85890741	Forklift Loan	1.66	Repo rate 6.5%+3%	Payable in 48 instalments up to 20/10/2025
HDFC Bank Ltd	CC Limit	4305.72	Repo rate 6.5%+2.75%	-
<b>TOTAL</b>		<b>8048.43</b>		

*\*In case of external benchmark, the Reference Rate shall be reset by the Bank once in three months or at such intervals as may be permissible under the RBI guidelines/regulations from time to time. In case of MCLR Reference Rate the applicable Bank's Reference Rate the applicable Bank's MCLR shall be reset by the Bank in accordance with the tenure/tenor frequency of the MCLR being [overnight]/[one-month]/[three-month]/[six-month]/[one-year] MCLR. The Borrower here by further agrees that the applicable interest rate shall change in accordance with every reset/change of the Reference Rate or change of the spread by the Bank.*

**Note: 3**

**Unsecured**

*(Rs. in Lakhs)*

Name of Lender	Purpose	Rate of Interest	Amount Outstanding as on December 31, 2024	Re-Payment Schedule
<b>Promoters</b>				
Mr. Sumit Gupta	Unsecured Loan	0.00%	1689.90	Terms of repayment not specified.
Mr. Amit Gupta	Unsecured Loan	0.00%	2067.81	Terms of repayment not specified.
<b>Total</b>			<b>3757.71</b>	

## MANAGEMENT DISCUSSION ANALYSIS OF FINANCIAL CONDITION RESULTS OF OPERATION

You should read the following discussion analysis of financial condition results of operations together with our financial statements included in this Draft Prospectus. The following discussion relates to our Company is based on our restated financial statements. Our financial statements have been prepared in accordance with Indian GAAP, the accounting standards and other applicable provisions of the Companies Act.

Note: Statement in the Management Discussion Analysis Report describing our objectives, outlook, estimates, expectations or prediction may be "Forward looking statement" within the meaning of applicable securities laws regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to our operations include, among others, economic conditions affecting dem/supply price conditions in domestic overseas market in which we operate, changes in Government Regulations, Tax Laws other Statutes incidental factors.

### BUSINESS OVERVIEW

Our Company was originally incorporated as 'Badri Cotsyn Private Limited', on December 18<sup>th</sup>, 2018 under the provisions of the Companies Act, 2013 vide Certificate of Incorporation issued by the Registrar of Companies, Central Processing Centre. Subsequently, our Company was converted into a public limited company and the name of our Company was changed from "Badri Cotsyn Private Limited" to "Badri Cotsyn Limited" vide Special Resolution dated October 17<sup>th</sup>, 2024. The status of the Company was changed to public limited and the fresh certificate of incorporation consequent to conversion was issued on November 28<sup>th</sup>, 2024 by the Registrar of Companies, Central Processing Centre Manesar. As on date of this Draft Red Herring Prospectus the Corporate Identification Number of our Company is U17309MP2018PLC047301.

Our company specializes in manufacturing High-Tenacity Recycled Polyester Staple Fibre (R-PSF) from post-consumer Polyethylene Terephthalate (PET) bottles. Our product portfolio are renowned for its excellent resilience properties. Finished products are supplied to over 100 esteemed customers across India, Europe, and the Middle East. Our commitment to quality and customer satisfaction has enabled us to establish a strong market presence.

Our manufacturing facility is located at Plot No. 33, New Industrial Area-II, Ward No. 14, Tehsil Goharganj, Mandideep, Bhopal, Huzur, Madhya Pradesh, India, 462046. Spread over 4,35,000 square ft., our facility boasts a combined installed capacity of 61,200 MT per annum including our group company. We source raw materials (post-consumer PET bottles) from junk collectors across 12 states, ensuring a consistent supply chain.

Our R-PSF products cater to diverse industries, including textiles (spinning units), non-woven geotextiles, filtration fabrics, and automotive fabrics. We take pride in our quality management system, backed by esteemed certifications such as ISO 9001:2015, ISO 14001:2015, Bureau of Indian Standards (BIS), OEKO-TEX, and Global Recycled Standard (GRS).

In line with our commitment to environmental sustainability, we have installed a 712.69 KWp/Sanctioned capacity 1000 KWp rooftop solar facility. This initiative underscores our dedication to reducing our carbon footprint and promoting eco-friendly practices.

For more details about the services we offered kindly referred Section titled "Our Management", "Business Overview" and "Industry Overview" beginning on page nos.170, 134 and 114 respectively of this Draft Red Herring Prospectus.

**We have a strong track record of revenue growth and profitability.**

### Key Performance Indicators

(Amount in Lakhs, except%)

Particulars	For the period ended December 31 <sup>st</sup> 2024	For the year ended		
		March 31, 2024	March 31, 2023	March 31, 2022
Revenue from operations <sup>(1)</sup>	28,029.94	20,039.86	22,516.91	17,776.94
Growth in Revenue from Operations (%) <sup>(2)*</sup>	86.50	-11.00	26.66	6976.53
EBITDA <sup>(3)</sup>	2,640.66	1,819.19	1,413.29	775.14
EBITDA (%) Margin <sup>(4)</sup>	9.42%	9.08%	6.28%	4.36%
PAT <sup>(5)</sup>	1,443.66	353.53	(388.13)	(208.69)
PAT Margin (%) <sup>(6)</sup>	5.15	1.76	-1.72	-1.17
Net Debt <sup>(7)</sup>	11,793.29	8,337.61	8,130.64	8,201.00
Total Share Holder's Fund <sup>(8)</sup>	1,712.67	294.31	(558.21)	(170.08)
Average Share Holder's Fund <sup>(9)</sup>	1,003.49	(131.95)	(364.15)	(87.62)

ROE(%) <sup>(10)</sup>	143.86	(267.92)	(106.59)	(238.17)
Capital employed <sup>(11)</sup>	13,654.87	8,706.28	7,406.63	7,362.14
Average Capital Employed <sup>(12)</sup>	11,180.57	8,056.46	7,384.39	3,681.11
ROCE(%) <sup>(13)</sup>	18.64	6.24	7.05	10.07
EPS <sup>(14)</sup>	10.50	3.39	(3.88)	(2.08)
NAV <sup>(15)</sup>	12.46	69.09	(5,582.13)	(1,700.81)

**Note:**

- (1) Revenue from operation means revenue from sales;
  - (2) Growth in Revenue from Operations (%) is calculated as Revenue from Operations of the relevant period minus Revenue from Operations of the preceding period, divided by Revenue from Operations of the preceding period;
  - (3) EBITDA is calculated as Profit before tax + Depreciation + Finance Cost;
  - (4) EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations;
  - (5) PAT is calculated as Profit before tax – Taxes;
  - (6) PAT Margin is calculated as PAT for the period/year divided by revenue from operations.
  - (7) Net debt = Non-current borrowing + current borrowing - Cash and cash equivalent, Bank balance.
  - (8) Total shareholder's Fund = Equity share capital + Reserves & Surplus +/- Minority Interest.
  - (9) Average Share Holder's Fund: Opening Total Share Holder's Fund + Closing Total Share Holder's Fund / 2.
  - (10) ROE = Net profit after tax / Average Share Holder's Fund.
  - (11) Capital Employed = Total Equity + Non-current borrowing + Current Borrowing + Deferred Tax liabilities - Deferred Tax Assets – Intangible Assets.
  - (12) Average Capital Employed = Opening Capital Employed + Closing Capital Employed / 2.
  - (13) ROCE = Profit before tax and finance cost / Average Capital Employed.
  - (14) EPS = Net Profit after tax, as restated, attributable to equity shareholders / weighted average number of equity shares outstanding during the year after considering bonus shares.
  - (15) NAV = Total shareholder's Fund / weighted average number of equity shares outstanding during the year after considering bonus shares.
  - (16) The above has been computed on the basis of the Restated Consolidated Financial Statements of the Company.
- \*The growth rate is calculated based on the annualized turnover.

**Significant Developments after December 31<sup>st</sup>, 2024 that may affect our Future Results of Operations**

The Directors confirm that there have been no events or circumstances since the date of the last financial statements as disclosed in the Draft Red Herring Prospectus which materially or adversely affect or is likely to affect the profitability of our Company, or the value of our assets, or our ability to pay liabilities within next twelve months.

**RESULTS OF OUR OPERATIONS**

**RESTATED STATEMENT OF PROFIT AND LOSS**

S.no.	PARTICULARS	For the Period Ended on		For the year ended on					
		December 31 <sup>st</sup> , 2024		March 31, 2024		March 31, 2023		March 31, 2022	
		%age	Amount	%age	Amount	%age	Amount	%age	Amount
1	Revenue From Operations	99.81	28029.94	99.81	20039.86	99.74	22516.91	99.92	17776.94
2	Other Income	0.19	54.22	0.19	37.66	0.26	58.09	0.08	14.82
3	<b>Total Income (1+2)</b>	100.00	<b>28084.16</b>	100.00	<b>20077.52</b>	100.00	<b>22575.00</b>	100.00	<b>17791.76</b>
4	<b>Expenditure</b>	0.00							
(a)	Cost of material consumed	76.19	21397.08	72.58	14573.14	76.78	17333.45	75.32	13400.85
(b)	Operating & Direct Expenses	8.98	2522.88	8.74	1754.62	8.17	1845.39	9.43	1677.15
(c)	Change in FG & WIP	(1.92)	(538.87)	1.19	239.07	(0.02)	(3.76)	(0.69)	(122.95)
(d)	Employee benefit expenses	3.14	880.76	5.20	1043.22	3.59	810.71	2.60	461.78
(e)	Finance costs	1.62	455.86	2.26	453.74	1.77	398.52	1.82	323.98

(f)	Depreciation and amortization	1.98	556.35	4.38	879.88	3.96	892.96	5.97	1062.49
(g)	Selling and Distribution Expenses	3.24	910.54	4.15	833.83	4.04	912.4	4.19	746.01
(h)	Other expenses	0.97	271.09	1.25	251.36	1.17	263.52	1.10	195.79
5	Total Expenditure 4(a) to 4(g)	94.20	26455.69	99.76	20,028.86	99.46	22,453.19	99.74	17,745.10
6	<b>Profit/(Loss) Before Exceptional &amp; extraordinary items &amp; Tax (3-5)</b>	5.80	<b>1628.47</b>	0.24	<b>48.66</b>	0.54	<b>121.81</b>	0.26	<b>46.66</b>
7	Exceptional and Extra-ordinary items	0.00	0	2.18	436.91	0.00	-	(3.70)	(657.99)
8	<b>Profit/(Loss) Before Tax (6-7)</b>	5.80	<b>1628.47</b>	2.42	<b>485.57</b>	0.54	<b>121.81</b>	(3.44)	<b>(611.33)</b>
9	<b>Tax Expense:</b>					0.00		0.00	
(a)	-Current tax	1.01	284.52	0.40	81.05	0.05	11.27	0.00	-
(b)	- MAT Credit Entitlement	(1.01)	(284.52)	(0.40)	(81.05)	(0.05)	(11.27)	0.00	-
(c)	-Deferred tax expense/ (income)	0.66	184.8	0.66	132.04	2.26	509.94	(2.26)	(402.63)
	<b>Net Current Tax Expenses</b>	0.66	<b>184.8</b>	0.66	<b>132.04</b>	2.26	<b>509.94</b>	(2.26)	<b>(402.63)</b>
10	Profit/(Loss) for the Year (8-9)	5.14	1443.67	1.76	353.53	(1.72)	(388.13)	(1.17)	(208.7)

### *Main Components of our Profit and Loss Account*

#### **Income**

Our total income comprises of revenue from Sale of Products and other income.

#### *Revenue from Operations*

Our revenue from operations as a percentage of total income was 99.81% for period ending on December 31<sup>st</sup> 2024, and 99.81%, 99.74%, 99.92%, for Fiscal (s) 2024, 2023 and 2022 respectively.

#### *Other Income*

Our other income comprises of interest income from bank and duty drawbacks. Other income, as a percentage of total income was 0.19%, for the period ended December 31<sup>st</sup>, 0.19%, 0.26% and 0.08% for the Fiscal(s) 2024, 2023 and 2022 respectively.

#### **Expenditure**

Our total expenditure primarily consists of cost of material consumed, direct expenses, depreciation and amortization, finance costs, employee benefit expenses and selling and distribution expenses.

#### *Cost of Raw Material Consumed*

Cost of raw materials consumed includes purchase of raw materials, and difference between opening and closing stock of raw materials.

#### *Change in Inventory*

Change in Inventory comprises of difference in opening and closing balance of finished goods.



### **Employee Benefit Expenses**

Employee benefit expenses comprises of salaries, director remuneration, annual leave encashment, staff welfare expenses, contribution to PF, gratuity, Ex-gratia and Other Employee Expenses

### **Depreciation Amortization Cost**

Depreciation Amortization Expenses consist of depreciation on the Tangible assets of our company i.e. Buildings, Furniture and Fixtures, Plant & Machinery, Computer, Office Equipment's, Vehicle.

### **Finance costs**

Finance cost includes Interest and bank charges on borrowings from bank.

### **Other Expenses**

Other expenses includes administrative expenses audit fees, membership and license fee, office expenses, taxes, penalties, professional and legal expenses, conveyance and travelling expenses, lease and rental expenses, repair maintenance and insurance expenses.

### **Provision for Tax**

The provision for current tax is computed in accordance with relevant tax regulations. Deferred tax is recognized on timing differences between the accounting income and taxable income for the year quantified using the tax rates laws enacted or subsequently enacted as on balance sheet date. Deferred tax assets are recognized carried forward to the extent that there is a virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized in future.

### **Review of our Restated Financials**

#### **Fiscal 2024 compared with fiscal 2023**

#### **Revenue from Operations**

In Fiscal 2024, our revenue from operations decreased by ₹2,477.05 lakhs, or 11%, from ₹22,516.91 lakhs in Fiscal 2023 to ₹20,039.86 lakhs in Fiscal 2024. This decline was primarily due to a reduction in crude oil prices, which led to a lower realization price for polyester fiber. Our Production quantity was increased from 25,562 MT to 26,724 MT but due to lower realization of price for polyester fiber the rate per MT got reduced from INR 84,249 / MT to INR 71,166/MT.

Revenue from EPR Services is also reduced due to reduction in buyers for the credits due to poor international market.

Other income decreased to ₹ 37.66 lakhs, in fiscal 2024 as compared to 58.09 lakhs in fiscal 2023 mainly due to decrease in interest income from banks and others.

Particulars	For the period ended on 31 <sup>st</sup> December 2024		For the Financials year ended March 31 <sup>st</sup> , 2024		For the Financials year ended March 31 <sup>st</sup> , 2023		For the Financials year ended March 31 <sup>st</sup> , 2022	
	%	Amount	%	Amount	%	Amount	%	Amount
Recycle - Polyester Fibre Staple	94.82	26578.51	95.61	19160.98	96.24	21670.21	94.54	16806.31
Scrap	3.26	914.50	3.43	687.35	2.27	511.87	2.69	477.87
Job Work	0.00	0.00	0.25	49.62	0.32	71.7	2.30	408.36
EPR Services	1.92	536.93	0.71	141.91	1.17	263.13	0.47	84.4
<b>Total</b>	<b>100.00</b>	<b>28029.94</b>	<b>100.00</b>	<b>20039.86</b>	<b>100.00</b>	<b>22516.91</b>	<b>100.00</b>	<b>17776.94</b>

Product Category	Capacity	FY 2023-24	FY 2022-23	FY 2021-22
Recycle - Polyester Fibre Staple	Installed (MT)	28800	28800	28800
	Actual (MT)	26724	25562	21514
	%	92.79	88.75	74.70
<b>THIRD PARTY MANUFACTURING</b>				

Product Category	Capacity	FY 2023-24	FY 2022-23	FY 2021-22
Recycle - Polyester Fibre Staple	Installed (MT)	-	-	-
	Actual (MT)	-	-	-
	%	-	-	-

### **Cost of Raw Material Consumed**

The cost of materials consumed decreased by ₹2,760.31 lakhs, or 15.92%, from ₹17,333.45 lakhs in Fiscal 2023 to ₹14,573.14 lakhs in Fiscal 2024. This reduction was primarily driven by a decline in the price of waste plastic bottles, which serve as raw materials, as a result of a decrease in crude oil prices.

### **Change in Inventory**

Change in Inventory changed from ₹ (3.76) lakhs in Fiscal 2023 to ₹ 239.07 lakhs in Fiscal 2024. This increase is due to increase in production.

### **Employee Benefit Expenses**

Employee Benefit Expenses increased by ₹ 235.61 lakhs or 28.72% from ₹ 820.38 lakhs in fiscal 2023 to ₹ 1055.99 lakhs in fiscal 2024. This increase was due to increase in average employees as compared to FY 22-23.

Particulars	Till November, 2024	March 31 <sup>st</sup> ,		
		2024	2023	2022
Opening Employees	330	261	257	26
Addition	223	212	113	231
Attrition	220	143	109	0
Closing Employees	333	330	261	257
Average Employees <sup>(1)</sup>	332	296	259	142
<b>Attrition Rate (%)<sup>(2)</sup></b>	66	48	42	0

1. Average Employees = (Opening employees + Closing Employees)/2;
2. Attrition rate is calculated as Attrition/Average Employees\*100.

### **Finance Costs**

Finance Costs increased by ₹ 55.23 lakhs or 13.86%, from ₹ 398.52 lakhs in fiscal 2023 to ₹ 453.74 lakhs in fiscal 2024. This increase was mainly due to increase in short term borrowing from bank which increased our interest bank charges cost during the year.

### **Depreciation and Amortization Expenses**

Depreciation and amortization expenses were ₹ 879.88 lakhs in fiscal 2024 as compared to ₹ 892.96 Lakhs in fiscal 2023.

### **Other Expenses**

Other expenses decreased by ₹ 12.17 lakhs, from ₹ 263.53 lakhs in fiscal 2023 to ₹ 251.36 lakhs in Fiscal 2024. The decrease majorly is on account of decrease in repair and maintenance expense, and other admin charges.

### **Profit/ (Loss) before Tax**

Profit before tax by increased by ₹ 363.76 Lakhs or 298.63% from ₹ 121.81 lakhs in fiscal 2023 to ₹ 485.57 lakhs in fiscal 2024. This increase was on account of receipt on insurance claim of ₹ 436.91 on stock due to fire.

### **Tax Expenses**

The Company's tax expenses had increased by ₹ 69.78 lakhs from ₹ 11.27 lakhs in the Fiscal 2023 to ₹ 81.05 lakhs in Fiscal 2024 as tax liability increased due to increase in Profit Before Tax.

### **Profit/ (Loss) after Tax**

After accounting for taxes at applicable rates, our Profit after Tax increased by ₹ 741.66 lakhs or 191.09%, from loss of ₹ (388.13) lakhs in fiscal 2023 to ₹ 353.53 lakhs in fiscal 2024.

## ***Fiscal 2023 compared with fiscal 2022***

### ***Income***

In fiscal 2023, our revenue from operations increased by ₹ 4739.97 lakhs or 26.66%, from ₹ 17776.94 lakhs in fiscal 2022 to ₹ 22516.91 lakhs in fiscal 2023. The increase in the year 2023 was due to increase capacity utilization of the plant and better realization price.

Other income increased from ₹ 14.82 lakhs in fiscal 2022 to 58.09 lakhs in fiscal 2023 due to increase in interest income from bank and other sources.

### ***Cost of Raw Material Consumed***

Cost of material consumed increased by ₹3932.61 Lakhs or 29.35%, from ₹13400.85 lakhs in Fiscal 2022 to ₹ 17333.45 lakhs in Fiscal 2023 as there was an increase in turnover. Our cost of production remained same at 76% of the total turnover on an average.

### ***Change in Inventory***

Change in Inventory changed from ₹ -122.95 lakhs in Fiscal 2022 to ₹-3.75 lakhs in Fiscal 2023.

### ***Employee Benefit Expenses***

Employee Benefit Expenses increased by ₹ 347.57 lakhs or 74.63%, from ₹ 465.67 lakhs in fiscal 2022 to ₹ 813.24 lakhs in fiscal 2023. This increase was mainly due to increase in number of employees, salaries of employees, paid leave encashment for employee and increase in staff welfare expenses.

### ***Finance Costs***

Finance Costs increased by ₹ 74.54 lakhs or 23.01%, from ₹ 323.98 lakhs in fiscal 2022 to ₹ 398.51 lakhs in fiscal 2023. This increase was mainly due to increase in borrowing from bank which increased our bank interest charges cost during the year.

### ***Depreciation Expenses***

Depreciation expenses were ₹ 1062.49 lakhs in fiscal 2022 as compared to ₹ 892.96 Lakhs in fiscal 2023.

### ***Selling and Distribution Expenses:***

*Selling and Distribution Expenses increased by 166.39 Lakhs or 22.30% from 746.01 Lakhs in fiscal 2022 to 912.39 lakhs in fiscal 2023*

### ***Other Expenses***

Other expenses increased by ₹ 67.73 lakhs or 34.60% from ₹ 195.79 lakhs in fiscal 2022 to ₹ 263.52 lakhs in Fiscal 2023.

### ***Profit / (Loss) before Tax***

The increase in scale of operations has led to increase in our Profit before tax and extraordinary items by ₹75.15 lakhs from a Profit before tax and extraordinary items of ₹ 46.66 lakhs in fiscal 2022 to ₹119.27 Lakhs. There was an extraordinary loss of stock due to fire, of ₹ 657.99 lakhs in fiscal 2022.

### ***Tax Expenses***

The Company's tax expenses had increased by ₹ 11.27 lakhs from Nil in the Fiscal 2022 to ₹ 11.27 lakhs in Fiscal 2023 as tax liability.

### ***Profit/ (Loss) after Tax***

After accounting for taxes at applicable rates, our loss increased by ₹ 179.43 lakhs from a loss of ₹208.70 lakhs in fiscal 2022 to a loss of ₹ 388.13 lakhs in fiscal 2023.

### **Cash Flows**

(₹ in lakhs)

Particulars	For the year ended March31		
	31.03.2024	31.03.2023	31.03.2022
Net Cash from Operating Activities	833.97	958.45	504.56
Net Cash from Investing Activities	(1111.05)	(499.46)	(191.14)
Net Cash used in Financing Activities	383.62	(453.41)	(314.73)
<b>Net Increase/(Decrease)in Cash and Cash equivalents.</b>	<b>106.55</b>	<b>5.58</b>	<b>(1.31)</b>

### Cash Flows from Operating Activities

Net cash from operating activities for the period ended March 31, 2024 was ₹ 833.97 lakhs as compared to the PBT of ₹485.57 lakhs for the same period. This difference is primarily on account of depreciation, increase in inventories, increase in short term loans and advances, increase in trade receivables and payables, and decrease in other current liabilities.

Net cash from operating activities for the fiscal 2023 was ₹ 958.45 lakhs as compared to the PBT of ₹ 121.81 lakhs for the same period. This difference is primarily on account of increase in inventories, decrease in short term loans and advances, increase in trade receivables, decrease in trade payables and increase in other current liabilities.

Net cash from operating activities in fiscal 2022 was ₹ 504.56 lakhs as compared to the loss of ₹ 611.32 lakhs (including extraordinary items) for the same year. This difference is primarily on account of increase in trade receivables, increase in inventory, and decrease in short term loans advances, increase in trade payables, and increase in other current liabilities.

### Cash Flows from Investment Activities

In fiscal 2024 the net cash utilized in investing activities was ₹ (1,111.05) lakhs primarily on account of net purchase of fixed assets and increase in capital advances given.

In fiscal 2023 the net cash utilized in investing activities was ₹ (499.46) lakhs for purchases of fixed assets and increase in capital advances given.

In fiscal 2022 the net cash utilized in investing activities was ₹ (191.14) lakhs for purchases of fixed assets.

### Cash Flows from Financing Activities

Net cash used in financing activities in fiscal 2024 was ₹ 383.62 lakhs. This was on account of repayment of long-term borrowings, increase in short term borrowings and addition of capital during the year.

Net cash used in financing activities in fiscal 2023 was ₹ (453.41) lakhs. This was on account of repayment of long-term and short term borrowings during the year.

Net cash received in financing activities in fiscal 2022 was ₹ (314.74) lakhs. This was on account of repayment of short term long term borrowings during the year.

### OTHER MATTERS

#### 6. Unusual or infrequent events or transactions

Except as described in this Draft Red Herring Prospectus, during the period/years under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

#### 7. Significant economic changes that materially affected or are likely to affect income from continuing Operations

Other than as described in the Section titled “Restated Financial Statement” chapter titled “Management’s Discussion Analysis of Financial Conditions Results of Operations” on page 192 and 195 respectively of this Draft Red Herring Prospectus respectively, to our knowledge there are no significant economic changes that materially affected or are likely to affect income from continuing Operations.

#### 8. Known trends or uncertainties that have had or are expected to have a material adverse impact on revenue or income from continuing operations

Other than as described in the chapter titled “Risk Factors” “Management’s Discussion Analysis of Financial Conditions

*Result of Operations*” on page no. 20 and 195 respectively of this Draft Red Herring Prospectus respectively, best to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our company from continuing operations.

#### **9. Future relationship between Costs Income**

Other than as described in the chapter titled “*Risk Factors*” on page 20 of this Draft Red Herring Prospectus, best to our knowledge there are no factors, which will affect the future relationship between costs income or which are expected to have a material adverse impact on our operations and finances.

#### **10. The extent to which material increases in revenue or income from operations are due to increased volume, introduction of new components or increased prices**

Increase in revenues is majorly linked to increase in product manufactured, adding new customers, working towards serving existing customer as much as possible.

#### **11. Status of any publicly announced news services or business segments**

Please refer to the chapter titled “*Business Overview*” on page 134 of this Draft Red Herring Prospectus.

#### **12. The extent to which the business is seasonal.**

Our business is not seasonal in nature.

#### **13. Any significant dependence on as single or few suppliers or customers**

For the period ended December 31<sup>ST</sup>, 2024, the revenue from our top 5 and top 10 customers constituted approximately 34.21% and 49.81% respectively of the revenue from operations. For the period ended December 31<sup>st</sup>, 2024, the purchases from our top 5 and top 10 suppliers constituted approximately 21.48% and 33.91% respectively of the purchases. For further details, please refer chapter “*Business Overview*” on page no.134 of this Draft Red Herring Prospectus.

#### **14. Competition Conditions**

We face competition from various domestic international players in the market. We intend to continue competing rigorously to capture more market share manage our growth in an optimal way. We expect that our commitment to quality, past record of timely execution transparency will provide us with an edge over our competitors. Further we believe that our competition also depends on several factors which include changing business framework, competitive price, and delivery at given timeline, established relationship with clients etc.

## CAPITALIZATION STATEMENT

### Statement of Capitalization

(₹ In Lakhs)

Particulars	Pre Issue	Post Issue
<b>Borrowings</b>		
Short term Debt (A)	6424.05	[•]
Long Term Debt (B)	5382.09	[•]
<b>Total debts (C = A+B)</b>	<b>11806.14</b>	[•]
<b>Shareholders' funds</b>		
Equity share capital	1500.00	[•]
Reserve and surplus - as restated	212.67	[•]
<b>Total shareholders' funds</b>	<b>1712.67</b>	[•]
<b>Long term debt / shareholders' funds</b>	3.14	[•]
<b>Total debt / shareholders' funds</b>	6.89	[•]

**Note:**

1. The above has been computed on the basis of the Restated Consolidated Summary Statements of Assets and Liabilities of the Company as at 31<sup>st</sup> December, 2024.
2. Short term debt is considered as borrowing due within 12 months from the balance sheet date.
3. Long term debt is considered as borrowing due within more than 12 months from the balance sheet date.
4. Total borrowing excludes interest accrued and due on borrowings.

## SECTION X – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no: (i) criminal proceedings; (ii) actions by statutory or regulatory authorities; (iii) claims relating to direct and indirect taxes; or (iv) Material Litigation (as defined below); involving our Company, Directors, Promoter or Group Company. Our Board, in its meeting held on 08<sup>th</sup> December, 2024, determined that all pending litigation involving our Company, holding, Subsidiary, Directors, Promoter and Group Company, other than criminal proceedings and statutory or regulatory actions, disciplinary actions including penalty imposed by SEBI or stock exchanges, claims related to direct and indirect taxes, would be considered ‘material’ if the monetary amount of claim by or against the entity or person in any such pending proceeding is in excess of 1% of total revenue (“Material Litigation”).

As per the materiality policy adopted by the Board of our Company in its meeting held on 08<sup>th</sup> December, 2024, related to creditors of our Company the outstanding dues to creditors in creditors exceeding 5% of the Company’s trade payables for the last audited financial statements shall be considered as material dues for the Company. Details of outstanding dues to creditors (including micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006) as required under the SEBI Regulations have been disclosed on our website at <https://tbicorn.com/index.php/home/>.

Our Company, Directors, Promoter and Group Company are not Willful Defaulters and there have been no violations of securities laws in the past or pending against them.

#### LITIGATION INVOLVING COMPANY

Particulars	By the Company	Against the Company
Civil Proceedings	Yes	Yes
Criminal Proceedings	Yes	Nil
Tax Proceedings:		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Other Proceedings	Nil	Nil

#### OUTSTANDING TAXATION MATTERS INVOLVING OUR COMPANY, DIRECTORS, PROMOTER AND SUBSIDIARIES:

##### PART 1: LITIGATION RELATING TO OUR COMPANY

##### A. FILED AGAINST THE COMPANY

###### 1) Litigation Involving Criminal Laws

As on date there are no issues with regards to criminal liability on the part of Company.

###### 2) Litigation Involving Actions by Statutory/Regulatory Authorities

As on date there are no litigations with regards to Statutory/Regulatory Authorities on the part of Company except the following:

No.	Details	Amount Involved
1	<p><i>In The District And Sessions Court Raisen At Madhya Pradesh R/ Regular Criminal Trial No. 303 Of 2023:</i> Sumit Gupta Versus Food Inspector</p> <p><i>Case Summary:</i></p> <p><i>On 12th January 2023, Mrs. Suman, employed through contractor M/s Harsh Laundry, was working in the washline department when she went to the bathroom. Upon returning at 11:45 AM, she was honked at by a forklift driver, causing her to lose balance and fall. Both her legs were run over by</i></p>	Nil



	<p><i>the forklift. She was immediately taken to the hospital for treatment. A case has been filed against the factory operator, Shri Sumit Gupta, under the Factory Act for negligence.</i></p> <p>Status: The case is currently pending before the court, with the next hearing scheduled for March 19, 2025.</p>	
2	<p><i>In The District And Sessions Court Raizen, At Madhya Pradesh R/ Regular Criminal Trial No. 172 Of 2024: Sumit Gupta Vikash Sharma Versus Factory Inspector</i></p> <p><i>Case Summary:</i></p> <p><i>On 25th September 2023, Shri Shivpoojan Panika, an operator employed in the factory, sustained severe injuries while attempting to clear a jam in a running screw conveyor. He failed to inform his supervisor or shut off the motor, in violation of standard safety protocols. As the conveyor resumed operation, Shri Panika was caught in the machine. Despite medical intervention, he succumbed to his injuries on 1st October 2023. In connection with this incident, a case has been filed under the Factory Act, 1948, against the factory owner, Shri Sumit Gupta, and the factory manager, Shri Vikash Sharma, for negligence and failure to comply with safety regulations.</i></p> <p>Status: The case is currently pending before the court, with the next hearing scheduled for January 11, 2025.</p>	Nil
3	<p><i>In The CIVIL COURT GOHARGANJ At Madhya Pradesh R/ Regular Criminal Trial No. 77 Of 2024 State Versus Ishawari Pratap singh Ankit Dubey</i></p> <p><i>Case Summary:</i></p> <p>The case involves an investigation into the death of an individual during work at a company on 04/10/2023. The incident highlights alleged negligence in safety measures by the employer and lack of proper training for workers. A police report has been filed under IPC sections 174 and 304A.</p> <p>Status: The case is currently pending before the court, with the next hearing scheduled for February 10, 2025.</p>	Nil

### 3) Disciplinary Actions by Authorities

As on date there are no issues with regards to Disciplinary Actions on the part of Company.

### 4) Litigation Involving Tax Liability

Direct Tax – As on date there is no outstanding demand of Income Tax and other Direct Taxes against the Company.

No.	Details	Amount Involved
1	<p><i>Adjustment u/s 143(1)(a) for A.Y. 2023-24 vide Notice Ref. No. EFL/2324/G22/ITR000595947841 issued on 05-12-2023: Status = Pending, However Return Processed with no demand/refund on 02-05-2024</i></p>	Nil
2	<p><i>Adjustment u/s 143(1)(a) for A.Y. 2023-24 vide Notice Ref. No. EFL/2324/G22/ITR000592926009 issued on 23-11-2023: Status = Pending, However Return Processed with no demand/refund on 08-01-2024</i></p>	Nil

Indirect Tax – As on date there is no outstanding demand of Indirect Taxes against the Company *except return defaulter notices u/s 46 of CGST Act.*

**5) Other Pending Litigation Based On Materiality Policy Of the Company**

No.	Details	Amount Involved
	Nil	

**B. CASES FILED BY THE COMPANY**

**1) Litigation Involving Criminal Laws**

As on date there are no issues with regards to criminal liability on the part of Company, except the following;

No.	Details	Amount Involved
1.	In The District And Sessions Court Bhopal At Madhya Pradesh R/ Regular Criminal Trial No. 4196 Of 2023: BADRI COTSYN PRIVATE LIMITED Versus The Riya Engineering Works Under Section 138 of the Negotiable Instruments Act 1881 for dishonor of a cheque. Status: The case is currently pending before the court, with the next hearing scheduled for January 29, 2025.	₹ 11,00,000/-

**2) Litigation Involving Actions by Statutory/Regulatory Authorities**

As on date there are no litigations with regards to Statutory/Regulatory Authorities on the part of Company.

**3) Disciplinary Actions by Authorities**

As on date there are no issues with regards to Disciplinary Actions on the part of Company.

**4) Litigation Involving Tax Liability**

Direct Tax – As on date there are no issues of Income Tax and other Direct Taxes on the part of Company.

Indirect Tax – As on date there are no issues of Indirect Taxes on the part of the Company

**5) Other Pending Litigation Based On Materiality Policy Of the Company**

No.	Details	Amount Involved
	Nil	

**LITIGATION INVOLVING DIRECTORS AND KMPs**

Particulars	By Directors, and KMPs	Against Directors, and KMPs
Civil Proceedings	Nil	Nil
Criminal Proceedings	Nil	Nil
<b>Tax Proceedings</b>		
Direct Tax	Nil	Yes
Indirect Tax	Nil	Nil
Other Proceedings	Nil	Nil

**1) Litigation Involving Criminal Laws**

As on date there are no issues with regards to criminal liability on the part of Directors/KMPs.

**2) Litigation Involving Actions by Statutory/Regulatory Authorities**

As on date there are no litigations with regards to Statutory/Regulatory Authorities on the part of Directors/KMPs.

### 3) Disciplinary Actions by Authorities

As on date there are no issues with regards to Disciplinary Actions on the part of Directors/KMPs.

### 4) Litigation Involving Tax Liability

Direct Tax – As on date there is no outstanding demand of Income Tax and other Direct Taxes against the Directors/KMPs except the following:

Sr. No.	Directors Name	Details	Amount Involved
1.	Rakesh Agarwal	Notice u/s 148 for A.Y. 2022-23 vide Notice Ref. No. ITBA/AST/S/148_1/2024-25/1068746187(1) issued on 17-09-2024. Status = Response Submitted, yet to receive the Show Cause.	Nil
2.		Notice u/s 148 for A.Y. 2021-22 vide Notice Ref. No. ITBA/AST/S/148_1/2024-25/1068746186(1) issued on 17-09-2024. Status = Response Submitted, yet to receive the Show Cause.	Nil
3.		Notice u/s 148 for A.Y. 2020-21 vide Notice Ref. No. ITBA/AST/S/148_1/2023-24/1062721648(1) issued on 15-03-2024. Status = Response Submitted, yet to receive the Show Cause.	Nil

Indirect Tax – As on date there is no outstanding demand of Indirect Taxes against the Directors/KMPs.

### 5) Other Pending Litigation Based on Materiality Policy of the Company

As on date there are no other issues on the part of Directors/KMPs.

## LITIGATION INVOLVING HOLDING/SUBSIDIARIES COMPANIES

As on date there is no holding/subsidiary company of BADRI COTSYN LIMITED.

## LITIGATION INVOLVING GROUP COMPANIES / PROMOTER GROUP COMPANIES/ FIRMS / RELATED ENTITY

Followings are the Group Companies/Promoter Group Companies/Firms/Related Entity of the Company as on date:

- 1) BADRI ECOPET PRIVATE LIMITED
- 2) ADI-BADRI INDUSTRIES PRIVATE LIMITED (Strike off)
- 3) BADRI ECO INDUSTRIES PRIVATE LIMITED
- 4) BADRI SYNTHETICS PRIVATE LIMITED (Strike off)
- 5) SHRI BADRI INFRATECH PRIVATE LIMITED
- 6) BADRI INFRA DEVELOPERS PRIVATE LIMITED
- 7) LAKHAN LAL GUPTA INFRATECH PRIVATE LIMITED (Strike off)
- 8) BADRI ECOFIBRES PRIVATE LIMITED
- 9) BADRI INDUSTRIES PRIVATE LIMITED
- 10) A.N. ECOPRODUCTS PRIVATE LIMITED
- 11) M/S LAKHAN LAL GUPTA

Particulars	By the Company	Against the Company
Civil Proceedings	Nil	Nil

Criminal Proceedings	Nil	Nil
Tax Proceedings:		
- Direct Tax	Nil	Yes
- Indirect Tax	Nil	Yes
Other Proceedings	Nil	Nil

**A. FILED AGAINST THE GROUP COMPANIES/FIRMS/RELATED ENTITY**

**1) Litigation Involving Criminal Laws**

As on date there are no issues with regards to criminal liability on the part of the Group Companies/Firms/Related Entity.

**2) Litigation Involving Actions by Statutory/Regulatory Authorities**

As on date there are no litigations with regards to Statutory/Regulatory Authorities on the part of the Group Companies/Firms/Related Entity.

**3) Disciplinary Actions by Authorities**

As on date there are no issues with regards to Disciplinary Actions on the part of the Group Companies/Firms/Related Entity.

**4) Litigation Involving Tax Liability**

Direct Tax – As on date there is no outstanding demand of Income Tax and other Direct Taxes against the Group Companies/Firms/Related Entity except the following:

No.	Company Name	Details	Amount Involved
1	<i>BADRI SYNTHETICS PRIVATE LIMITED (Strike-off)</i>	<i>Adjustment u/s 143(1)(a) for A.Y. 2020-21 vide Notice Ref. No. EFL/2021/G22/9983360551 issued on 03-09-2021: Status = Pending, However Return Processed with no demand/refund on 18-12-2021</i>	<i>Nil</i>
2		<i>Adjustment u/s 143(1)(a) for A.Y. 2021-22 vide Notice Ref. No. EFL/2122/G22/ITR000214800469 issued on 12-04-2022: Status = Pending, However Return Processed with no demand/refund on 20-06-2022</i>	<i>Nil</i>
3		<i>Demand Notice u/s 154 for A.Y. 2020-21 vide Notice Ref. No. 2022202037073504074C issued on 09-08-2022.</i>	<i>₹ 96020</i>
4	<i>SHRI BADRI INFRATECH PRIVATE LIMITED</i>	<i>Defective Notice u/s 139(9) for A.Y. 2019-20 vide Notice Ref. No. CPC/1920/G5/1967926680 issued on 06-12-2019: Status = Pending, However Invalid Return as per Section 139(9) of the Income Tax, 1961</i>	<i>Nil</i>
5	<i>BADRI ECOFIBRES PRIVATE LIMITED</i>	<i>Demand Notice u/s 154 for A.Y. 2017-18 vide Notice Ref. No. 2022201737000687064C issued on 03-01-2023. Status = Pending, An appeal was filed with the Joint Commissioner (Appeals) or the Commissioner of Income Tax (Appeals) on 02.01.2020 regarding the order passed by the A.O. The company submitted a response on 07.12.2024, stating disagreement with the demand raised by the A.O.</i>	<i>₹3445402</i>

6	<p><i>Demand Notice u/s 143(1)(a) for A.Y. 2020-21 vide Notice Ref. No. 2021202037029619096C issued on 18-12-2023.</i></p> <p><i>Status = No response was Submitted by the company.</i></p>	₹4359764
7	<p><i>Demand Notice u/s 143(1)(a) for A.Y. 2023-24 vide Notice Ref. No. 2023202337246418340C issued on 26-03-2024.</i></p> <p><i>Status = Company submitted response as on 26.07.2024, that, A 20-day delay in filing Form 10DA is pending condonation with the CBDT. The matter should be held in abeyance until their decision under Section 119 of the Income Tax Act.</i></p>	₹259760
8	<p><i>Demand Notice u/s 143(1)(a) for A.Y. 2019-20 vide Notice Ref. No. 2020201937002210953C issued on 01-05-2020.</i></p> <p><i>Status = Pending, An appeal was filed with the Joint Commissioner (Appeals) or the Commissioner of Income Tax (Appeals) on 16.06.2020 regarding the order passed by the A.O. , Company is yet to submit the Reply to the Department.</i></p>	₹484428
9	<p><i>Demand Notice u/s 143(1)(a) for A.Y. 2018-19 vide Notice Ref. No. 2019201837052101000C issued on 16-10-2019.</i></p> <p><i>Status = Pending, An appeal was filed with the Joint Commissioner (Appeals) or the Commissioner of Income Tax (Appeals) on 15.10.2019 regarding the order passed by the A.O. Company is yet to submit the Reply to the Department.</i></p>	₹2265316
10	<p><i>Demand Notice u/s 143(1)(a) for A.Y. 2021-22 vide Notice Ref. No. 2022202137137054346C issued on 30-11-2020.</i></p> <p><i>Status = Pending, An appeal was filed with the Joint Commissioner (Appeals) or the Commissioner of Income Tax (Appeals) on 21.12.2022 regarding the order passed by the A.O. The company submitted a response on 28.10.2023, stating disagreement with the demand raised by the A.O.</i></p>	₹679662
11	<p><i>Notice u/s 142(1) for A.Y. 2017-18 vide Notice Ref. No. ITBA/AIM/S/142(1)/2017-18/1007910672(1) issued on 08.12.2017</i></p> <p><i>Status = Pending</i></p>	Nil
12	<p><i>Notice u/s 143(1) for A.Y. 2017-18 vide Notice Ref. No. CPC/1718/G21/1818542816 issued on 22.09.2018</i></p> <p><i>Status = Pending</i></p>	Nil
13	<p><i>Notice u/s 143(1) for A.Y. 2017-18 vide Notice Ref. No. CPC/1819/G22/1881331056 issued on 16.02.2019</i></p> <p><i>Status = Pending</i></p>	Nil
14	<p><i>Show Cause Notice for penalty under section 271AAC (1) for A.Y. 2017-18 vide Notice Ref. No. ITBA/PNL/S/271AAC(1)/2019-20/1023087297(1) issued on 12.08.2021</i></p> <p><i>Status = Pending</i></p>	Nil

15		Notice under section 250 for A.Y. 2018-19 vide Notice Ref. No. ITBA/APL/F/APL_1/2024 -25/1067031017(1) issued on 25.07.2024.	Nil
16		Notice u/s 143(1)(a) for A.Y. 2020-21 vide Notice Ref. No. EFL/2021/G22/10105035291 issued on 03.09.2021 Status = Pending	Nil
17		Demand Notice u/s 156 for A.Y. 2017-18 vide Notice Ref. No. ITBA/COM/F/17/2022-23/1047617047(1) issued on 24.11.2022 Status = Pending	₹2693260
18		Demand Notice u/s 156 for A.Y. 2017-18 vide Notice Ref. No. ITBA/COM/F/17/2022-23/1047617773(1) issued on 24.11.2022 Status = Pending, Condonation under section 119(2)(b) for A.Y. 2020-21 was filed as of 07.03.2023. However, the application for condonation of delay in filing Form 10-IC was rejected as the conditions were not satisfied.	₹2505620
19		Notice u/s 154/155 for A.Y. 2017-18 vide Notice Ref. No. ITBA/COM/F/17/2022-23/1047912816(1) issued on 09.12.2022 Status = Pending	Nil
20	BADRI INDUSTRIES PRIVATE LIMITED	Notice u/s 154 for A.Y. 2020-21 vide Notice Ref. No. 2022202037078761946C issued on 09.08.2022 Status = Pending.	₹387112

Indirect Tax – As on date there is no outstanding demand of Indirect Taxes against the Group Companies/Firms/Related Entity except the following:

No.	Company Name	Details	Amount Involved
1	M/S LAKHAN LAL GUPTA	SCN u/s/125 for F.Y. 2021-22 vide Notice Ref. No. ZD0912210113051 issued on 06.12.2021 Status = Order for creation of demand issued and firm is yet to pay the demand amount.	₹50000
2		SCN u/s 74 for F.Y. 2017-18 vide Notice Ref. No. ZD090923220213M issued in 21-09-2023. Status = Order for creation of the demand issued, and the firm has filed an appeal with the Appellate Authority regarding the demand. The matter is still under review by the Appellate Authority.	₹21385624.80
3		SCN u/s 73 for F.Y. 2019-20 vide Notice Ref. No. ZD090524408335E issued in 30-05-2024. Status = Order for creation of the demand issued, and the firm has filed an appeal with the Appellate Authority regarding the demand. The matter is still under review by the Appellate Authority.	₹15987072
4		SCN u/s 74 for F.Y. 2020-21 vide Notice Ref. No. ZD090522006817C issued in 05-05-2022. Status = Firm is yet to submit the Reply to the Department.	₹4930093.24

#### 5) Other Pending Litigation Based on the Materiality Policy of the Group Companies

No.	Details	Amount Involved
	Nil	

## B. CASES FILED BY THE GROUP COMPANIES

### 1) Litigation Involving Criminal Laws

As on date there are no issues with regard to criminal liability on the part the group Companies.

### 2) Litigation Involving Actions by Statutory/Regulatory Authorities

As on date there are no litigations with regard to Statutory/Regulatory Authorities on the part of the group Companies.

### 3)Disciplinary Actions by Authorities

As on date there are no issues with regard to Disciplinary Actions on the part of the group Companies.

### 4)Litigation Involving Tax Liability

Direct Tax – As on date there are no issues of Income Tax and other Direct Taxes on the part of the group Companies.

Indirect Tax – As on date there are no issues of Indirect Taxes on the part of the group Companies.

### 5)Other Pending Litigation Based On Materiality Policy Of the Group Companies

No.	Details	Amount Involved
	Nil	

## MATERIAL DEVELOPMENTS OCCURING AFTER LAST BALANCE SHEET DATE

Except as disclosed in Chapter titled “*Management’s Discussion & Analysis of Financial Conditions & Results of Operations*” beginning on page no. 195 there have been no material developments that have occurred after the Last Balance Sheet Date.

## OUTSTANDING DUES TO CREDITORS

In terms of the Materiality Policy of the Company, Company has following dues to material and other creditors, as on date of this Report.

Particulars (As on December 31, 2024)	No. of Creditors	Amount (in Lakhs)
Outstanding dues to material creditors	3	1200.79
Outstanding dues to small undertakings	68	1482.24
Outstanding dues to other creditors	207	2541.12
<b>Total outstanding dues</b>	<b>278</b>	<b>5224.16</b>



## 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 (as applicable on date of this Draft Red Herring Prospectus) and except as mentioned below, no further approvals are required for carrying on our present business.

In view of the approvals listed below, we can undertake the Issue and our current/proposed 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. It must, however, be distinctly understood that in granting the above approvals, the Government of India and other authorities do not take any responsibility for the financial soundness of the Company or for the correctness of any of the statements or any commitments made or opinions expressed in this behalf.

The main objects clause of the Memorandum of Association of the Company and the objects incidental to the main objects enable our Company to carry out its activities. The following are the details of licenses, permissions and approvals obtained by the Company under various Central and State Laws for carrying out its business:

### APPROVALS FOR THE ISSUE

1. The Board of Directors has, vide their resolution passed at its meeting held on January 17<sup>th</sup>, 2025, authorized the Issue, subject to the approval of the shareholders of the Company under Section 62(1) (c) of the Companies Act, 2013 and approvals by such other authorities, as may be necessary.
2. The Shareholders of the Company has, vide their resolution passed at its meeting held on January 18<sup>th</sup>, 2025, authorized the Issue under Section 62(1) (c) of the Companies Act, 2013, subject to approvals by such other authorities, as may be necessary.
3. The Company has entered into an agreement dated January 28, 2025, with the Central Depository Services (India) Limited (“CDSL”) and the Registrar and Transfer Agent, who, in this case, is Integrated Registry Management Services Private Ltd. for the dematerialization of its shares;
4. The Company has also entered into an agreement dated January 06, 2025, with the National Securities Depository Limited (“NSDL”) and the Registrar and Transfer Agent, who, in this case, is Integrated Registry Management Services Private Ltd. for the dematerialization of its shares;
5. The Company has obtained in-principle listing approval dated [●] from NSE for using its name in this Offer document for listing our shares on the SME Platform of NSE.
6. The Company’s International Securities Identification Number (“ISIN”) of the Company is INE1DY001015.

### REGISTRATION UNDER THE COMPANIES ACT, 2013:

Sr. No.	Authority Granting Approval	Approval/ Registration No.	Applicable Laws	Nature of Approvals	Date of Issue	Validity
1.	Registrar of Companies, Central Processing Central	U17309MP2018P TC047301	The Companies Act, 2013	Certificate of Incorporation	18 <sup>th</sup> , December 2018	Perpetual
2.	Registrar of Companies, Central Processing Central	U17309MP2018P LC047301	The Companies Act, 2013	Certificate of Incorporation upon conversion from Private Company to Public Company.	28 <sup>th</sup> , Novem ber 2024	Perpetual

### REGISTRATION UNDER VARIOUS TAX LAWS, ACTS, RULES REGULATIONS


S. No.	Applicable Laws	Authority Granting Approval	Nature of Approvals	Registration Number	Date of Issue/Renewal	Validity
1.	The Income Tax Act, 1961	Income-Tax Department,	Permanent Account Number	AAICB1747Q	18 <sup>th</sup> , December 2018	Valid until Cancelled
2.	Madhya Pradesh Goods and Service Tax Act	Goods & Service Tax Identification Number	Certificate of Registration Issued under GST	23AAICB1747Q1ZC	28 <sup>th</sup> , February 2019	Valid until Cancelled
3.	The Income Tax Act, 1961	Income - Tax Department, Government of India	Tax Deduction Account Number	BPLB05821E	18 <sup>th</sup> , December 2024	Valid until Cancelled
4.	Employees' Provident Fund and Miscellaneous Provisions Act, 1952	Ministry of Labour and Employment	Employees' Provident Fund	MPBPL2419648000	19 <sup>th</sup> July 2021	Valid till Cancellation
5.	E.S.I. Act, 1948 and Registration of Employees of the Factories and Establishments under Section 1(5) of the Act	Employees' State Insurance Corporation	ESIC	81000386580000199	19 <sup>th</sup> July 2021	Valid till Cancellation
6.	Certificate of Registration under the Contract Labour (Regulation and Abolition) Act, 1970,	Government of Madhya Pradesh Labour Department	Certificate of Registration	RAIS230325CP001049	23 <sup>rd</sup> , December 2024	31 <sup>st</sup> Dec 2025
7.	Factories Act 1948	Chief Inspector Factories Madhya Pradesh	Factory License	49/16996/RSN/2m(i)	22 <sup>nd</sup> , November 2024	31 <sup>st</sup> December 2027
8.	LEI Certificate	LEI Register India Private Limited	LEI Certificate	9845009DC55AFA C74414	26 <sup>th</sup> , February 2025	26 <sup>th</sup> , February 2027

#### KEY BUSINESS RELATED APPROVALS:

S. No.	Applicable Laws	Authority Granting Approval	Nature of Approvals	Registration Number	Date of Issue	Validity
1.	Plastic Waste Management Rules, 2016.	M.P. Pollution Control Board	Certificate of Registration as Processor/Recycler	AWHP-53003	31 <sup>st</sup> January 2028	31 <sup>st</sup> January 2027
2.	Foreign Trade (Development and Regulation) Act, 1992.	Ministry of Commerce and Industry/Directorate General of Foreign Trade	Import Export Code	AAICB1747Q	29 <sup>th</sup> April 2019	Valid till Cancelled
3.	Legal Metrology Act, 2009	Vidhik Maapvigyan Adhikari	Weights and Measurement Certificate	RS/446/2921/41/2024, RS/446/2921/40/2024 & RS/446/2920/454/2024,	12 <sup>th</sup> , February 2024	12 <sup>th</sup> , February, 2025

S. No.	Applicable Laws	Authority Granting Approval	Nature of Approvals	Registration Number	Date of Issue	Validity
4.	Bureau Of Indian Standards Act 2016	Bureau Of Indian Standards	Certificate of (BIS)Bureau Of Indian Standards	8200157822		10 <sup>th</sup> April 2024 extended upto 10 <sup>th</sup> April 2025)
5.	Extile Exchange and Global Standard	Global Organic Textile Standard(GOTS)	Scope Certificate	TIS-GRS-C-0162103	30 <sup>th</sup> September 2024	29 <sup>th</sup> September 2029

#### REGISTRATION UNDER THE TRADE MARK ACT, 1999:

Logo/Word	Class	Owner of Trademark	Registration No.	Date of Registration	Validity	Current Status
	22	Badri Cotsyn Private Limited	32685	28 <sup>th</sup> October 2024	-	Formalities Chk Pass*

\*Our Company has made applications to authority for updating the aforesaid certificates to reflect its current name pursuant to conversion into a public limited company, but is yet to receive the formal approval.

#### OTHER CERTIFICATES, LICENSE, APPROVAL ETC.:

S. No.	Applicable Laws	Authority Granting Approval	Nature of Approvals	Registration Number	Date of Issue	Validity
1.	Micro, Small and Medium Enterprises Development (MSME) Act of 2006	Ministry of Micro, Small and Medium Enterprises	UDYAM Registration Certificate	UDYAM-MP-35-0000838	09 <sup>th</sup> December 2020	Valid Till Cancelled
2.	Government of India Ministry of Commerce & Industry Department for Promotion of Industry and Internal Trade	Department for Promotion of Industry and Internal Trade	Industrial Entrepreneurs Memorandum (IEM)	231/IIM/PROD/2021	07 <sup>th</sup> April 2021	Valid Till Cancelled

#### QUALITY RELATED APPROVALS:

S. No.	Applicable Laws	Authority Granting Approval	Nature of Approvals	Registration Number	Date of Issue	Validity
1.	OEKO-TEX Services Gmbh	Head of Certification Body-OEKO-TEX	OEKO-TEX STANDARD 100	22.HIN.98511	18 <sup>th</sup> June 2024	30 <sup>th</sup> June 2025
2.	International Organisation for Standardization	Environmental Management System	ISO 14001:2015 Certificate	UCSPL611400088	18 <sup>th</sup> July 2024	17 <sup>th</sup> July 2027
3.	International Organisation for Standardization	Quality Management System	ISO 9001:2015 Certificate	UCSPL8024I01130	18 <sup>th</sup> July 2024	17 <sup>th</sup> July 2027

**MATERIAL LICENSES/ APPROVALS/PERMISSION FOR WHICH APPLICATIONS HAVE BEEN MADE BY OUR COMPANY BUT NOT RECEIVED AND/OR YET TO BE APPLIED BY OUR COMPANY:**

Particulars*	Authority	Status
Consent to Establishment	Madhya Pradesh Pollution Control Board	To be applied
Electricity Connection	Madhya Pradesh Electricity Board	To be applied
Factory License	Madhya Pradesh Labour Department	To be applied
Consent to Operate	Madhya Pradesh Pollution Control Board	To be applied
Place of Business in GST	GST Authority	To be applied

*\*The above mentioned licenses pertains to new factory to be established.*

## SECTION XI – INFORMATION WITH RESPECT TO GROUP COMPANIES/ ENTITIES

In accordance with the provisions of the SEBI ICDR Regulations, for the purpose of identification of Group Company, our Company has considered those companies as our Group Company with which there were related party transactions as per the Restated Financial Statements of our Company in any of the last three financial years and stub period (if any) and other Company as considered material by our Board. Our Board in its meeting held on December 08<sup>th</sup>, 2024, has considered and adopted the Materiality Policy, *inter alia* for identification of companies that shall be considered material and shall be disclosed as a Group Company.

Our Company is providing links to such websites solely to comply with the requirements specified under the SEBI ICDR Regulations. Such financial information of the Group Company and other information provided on the websites given below does not constitute a part of this Draft Red Herring Prospectus. Such information should not be considered as part of information that any investor should consider before making any investment decision.

Except as stated below, there are no companies falling under definition of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 which are to be identified as group companies/entities.

### Details of our Group Company

The details of our Group Companies are as provided below:

1. Badri Eco fibers Private Limited

#### 1. BADRI ECOFIBERS PRIVATE LIMITED

<b>Date of Incorporation</b>	04 <sup>th</sup> , September 2013.
<b>Main Objects</b>	<ol style="list-style-type: none"> <li>1. To manufacture and sell recycled polyester fiber and using waste pet bottle/flakes and other polyester waste. To manufacture synthetic yarn as well as blended yarn using that fiber. and to manufacture clothes using that yarn.</li> <li>2. To operate and to deal and manufacture in all types of yarn, clothes and textiles including all type of weaving, knitting, processing of synthetic fibres, and fabric work.</li> </ol>
<b>CIN</b>	U17121UP2013PTC073250
<b>Registered Office Address</b>	Ratan Complex CIC Campus, Jhokan Bagh, Jhansi, Jhansi, Uttar Pradesh, India, 284001.

### Financial Performance

In accordance with the SEBI (ICDR) Regulations, details of reserves (excluding revaluation reserves), sales, profit after tax, earnings per share, basis/diluted earnings per share and Net Asset Value, derived from the latest audited financial statements available on a standalone basis of our group company are available on the website of our company at <https://badrigroup.com>.

It is clarified that such details available on our group company websites do not form a part of this Draft Red Herring Prospectus. Anyone placing reliance on any other source of information, including our Group Company website, as mentioned above, would be doing so at their own risk.

### PENDING LITIGATIONS

There is no pending litigation involving any of the above-mentioned group companies/entities which has a material impact on our company. However, for details of Outstanding Litigation against our Company and Group Companies/Entities, please refer to Chapter titled “*Outstanding Litigations and Material Developments*” on the page no. 204 of this Draft Red Herring Prospectus.

### GENERAL DISCLOSURE

- None of the securities of our Group Entity are listed on any stock exchange and our Group Entity has not made any public or rights issue of securities in the preceding three years.
- None of the above mentioned Group Companies/Entities is in defaults in meeting any Statutory/bank/institutional dues and no proceedings have been initiated for economic offences against any of the Group Companies/Entities.
- Our Group Entity has not been debarred from accessing the capital market for any reasons by the SEBI or any other authorities.

➤ Our Group Entity has not been identified as a Willful Defaulter or fraudulent borrower.

### **COMMON PURSUITS**

Except as stated below there is no other Group Companies / Entities which are in same line of business or having some of the objects similar to that of our Company's business.

One of our Group Companies i.e. Badri Eco fibers Private Limited is working in similar line of business of the Issuer Company, the Main Object of the company is mentioned below:

1. *To manufacture and sell recycled polyester fiber and using waste pet bottle/flakes and other polyester waste. To manufacture synthetic yarn as well as blended yarn using that fiber and to manufacture clothes using that yarn.*
2. *To operate and to deal and manufacture in all types of yarn, clothes and textiles including all type of weaving, knitting, processing of synthetic fibres, and fabric work.*

### **BUSINESS INTERESTS AMONGST OUR COMPANY AND GROUP COMPANIES/ENTITIES/ASSOCIATE COMPANIES**

Except as mentioned under Chapter titled “*Restated Financial Statements*” beginning on page no. 191 of this Draft Red Herring Prospectus, there is no business interest among Group Companies/Entities.

Additionally, our Company will pay remuneration and salary to our Directors and Key Managerial Personnel as approved by the Board of Directors and Shareholders of our Company.

In addition to all above transactions proposed to be entered, our Company may also propose to enter in to new transactions or transactions beyond the present omnibus approval given by the Board of Directors/Audit Committee after obtaining the fresh approval for the new transactions or transactions beyond the omnibus approval specified above.

### **DISSOCIATION OF PROMOTERS IN THE LAST THREE YEARS**

Our individual Promoters have not disassociated themselves from any Company/entity in the last three years.

### **RELATED BUSINESS TRANSACTIONS WITHIN THE GROUP COMPANY/ENTITY AND ITS SIGNIFICANCE ON THE FINANCIAL PERFORMANCE OF OUR COMPANY**

For details, please see “Annexure [●]” - “*Related Party Transactions*” on page no. 191 of this Draft Red Herring Prospectus under Chapter titled “*Restated Financial Statements*”.

### **CHANGES IN ACCOUNTING POLICIES IN THE LAST THREE YEARS**

Except as mentioned under the paragraph changes in Significant Accounting Policies, “Annexure [●]” under Chapter titled “*Restated Financial Statements*” beginning on page no. 191 of the Draft Red Herring Prospectus, there have been no changes in the accounting policies in the last three years.

## SECTION XII – OTHER REGULATORY AND STATUTORY DISCLOSURES

### AUTHORITY FOR THE ISSUE

The Board of Directors has, pursuant to a resolution passed at its meeting held on January 17<sup>th</sup>, 2025 authorized the Issue, subject to the approval of the shareholders of the Company under Section 62(1) (c) and all other applicable provisions of the Companies Act, 2013.

The Shareholders of the Company have, pursuant to a special resolution passed in EGM held on January 18<sup>th</sup>, 2025 authorized the Issue under Section 62(1)(c) and all other applicable provisions of the Companies Act, 2013.

### IN-PRINCIPLE APPROVAL

Our Company has obtained in-principle approval from the SME Platform of National Stock Exchange of India Limited for using its name in the Red Herring Prospectus/Prospectus pursuant to letter dated [●]. NSE is the Designated Stock Exchange.

### CONFIRMATIONS

1. Our Company, our Promoters, our Directors and our Promoters' Group have not been prohibited from accessing or debarred from buying, selling, or dealing in securities under any order or direction passed by the Board or any securities market regulators in any other jurisdiction or any other authority/court.
2. Our Company, our Promoters, Promoters' Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018.

In view of the General Circular No. 07/2018 dated September 6, 2018 and General Circular No. 8/ 2018 dated September 10, 2018 issued by the Ministry of Corporate Affairs, Government of India, our Company, our and Promoter Group will ensure compliance with the Companies (Significant Beneficial Ownerships) Rules, 2018, upon notification of the relevant forms, as may be applicable to them.

3. None of the Directors in any manner associated with any entities which are engaged in securities market related business and are registered with the SEBI.
4. Neither our Company, nor our Promoters, nor the relatives (as defined under the Companies Act) of our Promoters nor Group Companies/Entities have been identified as willful defaulters or Fraudulent Borrowers by the RBI or any other governmental authority.
5. Our Company, our Promoters or their relatives (as defined under the Companies Act) and our Group Entities have confirmed that they have not been declared as willful defaulters by the RBI or any other government authority and there are no violations of securities laws committed by them in the past or no proceeding thereof are pending against them.
6. Our directors have not been declared as willful defaulter by RBI or any other government authority and there has been no violation of securities laws committed by them in the past or no proceedings thereof are pending against them.
7. Our Company is an "Unlisted Issuer" in terms of the SEBI (ICDR) Regulations; and this Issue is an "Initial Public Issue" in terms of the SEBI (ICDR) Regulations.
8. There has been no action taken by SEBI against any of our Directors or any entity with which our Directors are associated as Promoters or directors.

### ELIGIBILITY FOR THE ISSUE

We are an issuer whose post issue face value capital will be more than ₹10 Crore and upto ₹25 crore and therefore, our company is eligible for the Issue in accordance with Regulation 229(2) of Chapter IX of the SEBI (ICDR) Regulations, 2018.

Our Company also complies with the eligibility conditions laid by the Emerge Platform of National Stock Exchange of India Limited for listing of our Equity Shares. The point wise Criteria for Emerge Platform of National Stock Exchange of India Limited and compliance thereof are given hereunder:

1. **The Issuer should be a company incorporated under the Companies Act 1956 / 2013 in India.**



Our Company is incorporated under the Companies Act, 2013.

**2. The post issue paid up capital of the company (face value) shall not be more than ₹ 25.00 Crore.**

The present paid-up capital of our Company is ₹1,500.00 Lakh and we are proposing Issue of Upto 57,00,000 Equity Shares of ₹10/- each at Issue price of ₹[●]/- per Equity Share including share premium of ₹[●]/- per Equity Share, aggregating to ₹[●] Lakh. Hence, our Post Issue Paid up Capital will be ₹[●] Crore which is less than ₹25.00 Crore.

**3. Track Record.**

**A. The company should have a track record of at least 3 years.**

Our Company was originally incorporated as Badri Cotsyn Private Limited, on December 18<sup>th</sup>, 2018 under the provisions of the Companies Act, 2013 vide Certificate of Incorporation issued by the Registrar of Companies, Central Processing Centre. Subsequently, our Company was converted into a public limited company and the name of our Company was changed from “Badri Cotsyn Private Limited” to “Badri Cotsyn Limited” vide Special Resolution dated October 17<sup>th</sup>, 2024. The status of the Company was changed to public limited and the fresh certificate of incorporation consequent to conversion was issued on November 24<sup>th</sup>, 2024 by the Registrar of Companies, Central Processing Centre, Manesar. Therefore we are in compliance with criteria of having track record of 3 years.

**B. The company/entity should have operating profit (earnings before interest, depreciation and tax) of ₹ 1 Crore from operations for at least any 2 out of 3 financial years preceding the application and its net-worth should be positive.**

Our Company satisfies the criteria of track record which given hereunder based on Restated Financial Statement.

Particulars	For the period/financial year ended on			
	December 31 <sup>st</sup> , 2024	March 31 <sup>st</sup> , 2024	March 31 <sup>st</sup> , 2023	March 31 <sup>st</sup> , 2022
Operating profit (earnings before interest, depreciation and tax) from operations <sup>(1)</sup>	2,586.44	1,344.62	1,355.20	1,418.31
Net Worth as per Restated Financial Statement <sup>(2)</sup>	1,712.67	294.31	(558.21)	(170.08)

- The above values are excluding revelation reserves;
- The Net worth is based on the Restated Financial Statements was calculated as Equity Share Capital + Reserve and Surplus (including surplus in the Statement of Profit & (loss) – Revaluation Reserve - Preliminary Expenses to the extent not written-off.)

**C. The company/entity should have positive free cash flow to Equity (FCFE) for at least 2 out of 3 financial years preceding the application.**

S. No	Particulars	For the period/financial year ended on			
		December 31 <sup>st</sup> , 2024	March 31 <sup>st</sup> , 2024	March 31 <sup>st</sup> , 2023	March 31 <sup>st</sup> , 2022
1	Net Cash Flow from operating Activities	(2,975.32)	833.97	958.45	504.57
Less:	Purchase of fixed Assets(Net)	(564.93)	721.06	388.83	163.09
Less:	Capital Advances Given	576.56	358.82	32.82	21.82
	<b>Free Cash Flow to the firm</b>	<b>(2,986.95)</b>	<b>(245.91)</b>	<b>536.80</b>	<b>319.66</b>
Add:	<b>Net Borrowings</b> ( Proceeds from Long term and Short Term Borrowings- Repayment of Long Term and Short Term Borrowings)	3,344.10	313.51	(64.78)	6.59
Less:	Interest (1- Tax Rate)	376.21	357.30	352.66	321.32
	<b>Free Cash Flow to the Equity (FCFE)</b>	<b>(19.06)</b>	<b>(289.69)</b>	<b>119.36</b>	<b>4.92</b>

**4. Offer for sale (OFS) by selling shareholders in SME IPO shall not exceed 20% of the total issue size and selling shareholders cannot sell more than 50% of their holding.**

There is no OFS in the said Issue, Hence, Not Applicable.

**5. Other Requirements:**

We confirm that:

- i. The Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR) or no proceedings have been admitted under Insolvency and Bankruptcy Code against the issuer and Promoting companies.
- ii. There is no winding up petition against the company, which has been admitted by the NCLT/ Court or a liquidator has not been appointed.
- iii. No material regulatory or disciplinary action by a stock exchange or regulatory authority in the past three years against our company.
- iv. None of the Issues managed by BRLM are returned by NSE in last six months from the date of this Draft Red Herring Prospectus, except “*Scap Techno Fab Limited*”.
- v. None of our Promoters or Directors has been declared as fugitive economic offender under Economic Offenders Act, 2018.
- vi. It is mandatory for the company to facilitate trading in demat securities and enter into an agreement with both the depositories.

To facilitate trading in demat securities; the Company had signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- Tripartite agreement dated January 06<sup>th</sup>, 2025 with NSDL, our Company and Registrar to the Issue;
- Tripartite agreement dated January, 28<sup>th</sup> 2025 with CDSL, our Company and Registrar to the Issue;
- The Company’s shares bear an ISIN: INE1DY001015.

- vii. The Company has a website: <https://badrigroup.com>.

## 6. Disclosures:

### We confirm that:

- i. There is no material regulatory or disciplinary action taken by a stock exchange or regulatory authority in the past one year in respect of promoters/promoting Company(ies), group companies, companies promoted by the promoters/promoting companies of the Company.
- ii. There is no default in payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by the Company, promoters/promoting Company(ies), group companies, companies promoted by the promoters/promoting Company(ies) during the past three years.

### In terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, we confirm that:

1. This Issue is 100% underwritten by the BRLM in compliance of Regulations 260 (1) and 260 (2) of the SEBI (ICDR) Regulations, 2018. For details pertaining to underwriting by BRLM, please refer to Section titled “*General Information*” beginning on page no. 47 of this Draft Red Herring Prospectus.
2. In accordance with Regulation 261 of the SEBI (ICDR) Regulations, 2018, the BRLM will ensure compulsory market making for a minimum period of three years from the date of listing of Equity Shares issued in the Initial Public Offer. For details of the market making arrangement, see Section titled “*General Information*” beginning on page no. 47 of this Draft Red Herring Prospectus.
3. In accordance with Regulation 268(1) of the SEBI (ICDR) Regulations, 2018, we shall ensure that the total number of proposed allottees in the Issue is greater than or equal to 50 (fifty), otherwise, the entire application money will be refunded forthwith. If such money is not repaid within 8 (eight) days from the date our company becomes liable to repay it, then our company and every officer in default shall, on and from expiry of 8 (eight) days, be liable to repay such application money, with interest at rate of 15% (fifteen per cent) per annum and within such time as disclosed in the issue document and lead manager shall ensure the same.
4. In accordance with Regulation 246 the SEBI (ICDR) Regulations, 2018, we shall also ensure that we submit the soft copy of Red Herring Prospectus/Prospectus through BRLM immediately up on filling of the Red Herring Prospectus/Prospectus with the Registrar of Companies along with a Due Diligence Certificate including additional confirmations. However SEBI shall not issue any observation on our Draft Red Herring Prospectus/Red Herring Prospectus/Prospectus.

We further confirm that we shall be complying with all the other requirements as laid down for such an Issue under Chapter IX of SEBI (ICDR) Regulations, 2018 as amended from time to time and subsequent circulars and guidelines issued by SEBI and the Stock Exchange.

#### **SEBI DISCLAIMER CLAUSE**

**“IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT OFFER DOCUMENT/~~DRAFT LETTER OF OFFER~~/OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT OFFER DOCUMENT/~~DRAFT LETTER OF OFFER~~/OFFER DOCUMENT. THE LEAD MANAGER HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT OFFER DOCUMENT/~~DRAFT LETTER OF OFFER~~/OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT OFFER DOCUMENT / OFFER DOCUMENT, THE LEAD MANAGER(S) IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER(S) SWASTIKA INVESTMART LIMITED HAS FURNISHED TO STOCK EXCHANGE/SEBI, A DUE DILIGENCE CERTIFICATE DATED [●] IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.**

**THE FILING OF THE DRAFT OFFER DOCUMENT/~~DRAFT LETTER OF OFFER~~/OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE THE ISSUER FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MANAGER(S) ANY IRREGULARITIES OR LAPSES IN THE DRAFT OFFER DOCUMENT/~~DRAFT LETTER OF OFFER~~/OFFER DOCUMENT.”**

**ALL LEGAL REQUIREMENTS PERTAINING TO THIS ISSUE WILL BE COMPLIED WITH AT THE TIME OF FILING OF THE PROSPECTUS WITH THE REGISTRAR OF COMPANIES, MUMBAI, IN TERMS OF SECTION 26, 30 AND SECTION 33 OF THE COMPANIES ACT, 2013.**

#### **DISCLAIMER CLAUSE OF THE NSE**

The copy of the Draft Red Herring Prospectus is submitted to NSE. Post scrutiny of the Draft Red Herring Prospectus, the Disclaimer Clause as intimated by NSE to us is read as under:

“As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: [●] dated [●] permission to the Issuer to use the Exchange’s name in this Offer Document as one of the stock exchanges on which this Issuer’s securities are proposed to be listed. The Exchange has scrutinized this draft offer document 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 offer document 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 offer document; 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.”

#### **CAUTION – DISCLAIMER FROM OUR COMPANY, THE BOOK RUNNING LEAD MANAGER**

Our Company, the BRLM accept no responsibility for statements made otherwise than those contained in this Draft Red Herring Prospectus or, in case of the Company, in any advertisements or any other material issued by or at our Company’s instance and anyone placing reliance on any other source of information would be doing so at his or her own risk.

The BRLM accept no responsibility, save to the limited extent as provided in the Agreement entered between the BRLM and our Company on January 09<sup>th</sup>, 2025 and the Underwriting Agreement dated [●] entered into between the Underwriters and our Company and the Market Making Agreement dated [●] entered into among the Market Maker and our Company.

All information shall be made available by our Company and the BRLM to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at collection centres or elsewhere.

The BRLM and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, our Promoter Group, Group Entities, or our affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company, our Promoter Group, Group Entities, and our affiliates or associates, for which they have received and may in future receive compensation.

**Note:**

Investors that apply in this Issue will be required to confirm and will be deemed to have represented to our Company, the Underwriters and BRLM 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 will not offer, sell, pledge or transfer the Equity Shares of our company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our company. Our Company, the Underwriters and the BRLM and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our company.

**DISCLAIMER IN RESPECT OF JURISDICTION**

This Issue is being made in India to persons resident in India including Indian nationals resident in India who are not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under the applicable trust law and who are authorized under their constitution to hold and invest in shares, and any FII sub - account registered with SEBI which is a foreign corporate or go reign individual, permitted insurance companies and pension funds and to FIIs and Eligible NRIs. This Draft Red Herring Prospectus does not, however, constitute an invitation to subscribe to Equity Shares issued hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession the Draft Red Herring Prospectus comes is required to inform him or herself about and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Bhopal only.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose.

Accordingly, our Company’s Equity Shares, represented thereby may not be offered or sold, directly or indirectly, and Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of Draft Red Herring Prospectus nor any sale here under shall, under any circumstances, create any implication that there has been any change in our Company’s affairs from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

**DISCLAIMER CLAUSE UNDER RULE 144A OF THE U.S. SECURITIES ACT, 1993**

The Equity Shares have not been and will not be registered under the U.S. Securities Act 1933, as amended (the “Securities Act”) or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, “U.S. Persons” (as defined in Regulation S of the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares will be offered and sold (i) in the United States only to “qualified institutional buyers”, as defined in Rule 144A of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and in compliance with the applicable laws of the jurisdiction where those offers and sales occur.

Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

The Equity Shares have not been, and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. Further, each applicant, wherever requires, agrees that such applicant will not sell or transfer any Equity Share or create any economic interest therein, including any off-shore derivative

instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable laws and legislations in each jurisdiction, including India.

## FILING OF DRAFT RED HERRING PROSPECTUS/ RED HERRING PROSPECTUS / PROSPECTUS WITH THE BOARD AND THE REGISTRAR OF COMPANIES

A soft copy of Red Herring Prospectus will be file with SEBI. However, SEBI will not issue any observation on the offer document in term of Regulation 246(2) of the SEBI (ICDR) Regulations, 2018. Further, a soft copy of the Red Herring Prospectus / Prospectus along with due diligence certificate including additional confirmations shall be filed with SEBI. Pursuant to SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19<sup>th</sup>, 2018, a copy of the Red Herring Prospectus / Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>.

A copy of the Red Herring Prospectus / Prospectus, along with the material contracts and documents referred elsewhere in the Prospectus, will be delivered to the RoC Office 3<sup>rd</sup>, Floor, 'A' Block, Sanjay Complex, Jayendra Ganj, Gwalior - 474009, Madhya Pradesh.

## LISTING

Application is to be made to the Emerge Platform of NSE for obtaining permission to deal in and for an official quotation of our Equity Shares. NSE is the Designated Stock Exchange, with which the basis of allotment will be finalized for the Issue.

Our Company has received an In-Principle Approval letter dated [●] from NSE for using its name in this offer document for listing our shares on the Emerge Platform of NSE.

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the NSE, the Company shall refund through verifiable means the entire monies received within 4 (four) days of receipt of intimation from stock exchanges rejecting the application for listing of specified securities, and if any such money is not repaid within 4 (four) day after the issuer becomes liable to repay it the issuer and every director of the company who is an officer in default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at the rate of 15% (fifteen per cent) per annum.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Emerge Platform of NSE mentioned above are taken within 3 (Three) Working Days from the Issue Closing Date.

## IMPERSONATION

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

### “Any person who:

- (a). makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- (b). 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
- (c). 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 - any person who is found to be guilty of fraud involving an amount of at least ₹10 (Ten) Lakh rupees or 1% (One per cent.) of the turnover of the company, whichever is lower shall be punishable with imprisonment for a term which shall not be less than 6 (Six) months but which may extend to 10 (Ten) years (provided that where the fraud involves public interest, such term shall not be less than 3 (Three) years) and shall also be liable to fine which shall not be less than the amount involved in the fraud, but which may extend to 3 (Three) times the amount involved in the fraud.

Provided further that where the fraud involves an amount less than ₹10 (Ten) Lakh rupees or 1% (One per cent.) of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to 5 (Five) years or with fine which may extend to ₹50 (Fifty) Lakh rupees or with both.

## CONSENTS



Consents in writing of (a) Our Directors, Our Promoters, Our Company Secretary & Compliance Officer, Chief Financial Officer, Our Statutory Auditor and Peer Review Auditor, Our Banker(s) to the Company; (b) Book Running Lead Manager, Registrar to the Issue, Banker(s) to the Issue\*, Legal Advisor to the Issue, Underwriter(s) to the Issue\*, Syndicate member to the Issue\* and Market Maker to the Issue\*, Monitoring Agency\* to act in their respective capacities have been obtained as required under section 26 of the Companies Act, 2013 and shall be filed along with a copy of the Red Herring Prospectus/Prospectus with the RoC, as required under Sections 32 of the Companies Act, 2013 and such consents will not be withdrawn up to the time of delivery of the Red Herring Prospectus/Prospectus for registration with the RoC.

*\*The aforesaid will be appointed prior to filing of Red Herring Prospectus with RoC and their consents as above would be obtained prior to the filing of the Red Herring Prospectus with RoC.*

Above consents will be filed along with a copy of the Red Herring Prospectus/Prospectus with the ROC, as required under Sections 26 and 32 of the Companies Act, 2013 and such consents have not been withdrawn up to the time of delivery of the Red Herring Prospectus/Prospectus for registration with the ROC.

In accordance with the Companies Act, 2013 and the SEBI (ICDR) Regulations, 2018, M/s S.L. Chhajed & Co LLP. LLP, Chartered Accountants have provided their written consent to act as Peer Review Auditor to the company dated December 11<sup>th</sup>, 2024 and inclusion of Statement of Tax Benefits dated 28<sup>th</sup>, January 2025 by the Statutory Auditor i.e. M/s S.L. Chhajed & Co LLP. LLP, Chartered Accountants in this Draft Red Herring Prospectus.

Further, such consents and reports have not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus.

#### **EXPERT OPINION**

Except for report and certificates from Peer Review Auditors on financial matter and Legal advisor to the company on Legal matters, we have not obtained any other expert opinions.

#### **PREVIOUS PUBLIC OR RIGHTS ISSUE**

There have been no public or rights issue by our Company during the last five years.

#### **UNDERWRITING COMMISSION, BROKERAGE AND SELLING COMMISSION**

Since this is the IPO of the Equity Shares by our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of our Equity Shares in the five years preceding the date of this Draft Red Herring Prospectus.

#### **CAPITAL ISSUE DURING THE LAST THREE YEARS**

Except as stated in the chapter titled “*Capital Structure*” beginning on page no. 56 of this Draft Red Herring Prospectus, our Company has not issued any equity shares in last three years.

#### **PRICE INFORMATION AND THE TRACK RECORD OF THE PAST ISSUES HANDLED BY THE BOOK RUNNING LEAD MANAGER**

For details regarding the price information and track record of the past issue handled by Swastika Investmart Limited, as specified in the circular reference CIR/CFD/DIL/7/2015 dated October 30<sup>th</sup>, 2015, issued by SEBI, please refer Annexure “A” to this Draft Red Herring Prospectus and the website of Book Running Lead Manager at [www.swastika.co.in](http://www.swastika.co.in).

Track Record of the public issues managed by Lead manager as specified in Circular reference CIR/MIRSD/1/2012 dated January 10<sup>th</sup>, 2012 issued by the SEBI; please see the website of Book Running Lead manager i.e. [www.swastika.co.in](http://www.swastika.co.in).

#### **ANNEXURE – A**

##### **SME IPO:**

##### **TABLE 1:**

Sr. No.	Issue name	Issue size (₹ in Cr.)	Issue Price (₹)	Listing date	Opening Price on listing date	+/- % change in closing price, [+/- % change in closing benchmark ]- 30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 180 <sup>th</sup> calendar days from listing
1.	Service Care Limited	20.68	67.00	July 26 <sup>th</sup> , 2023	70.50	-15.04* (-2.59)**	-18.44* (-3.32)**	-10.57* (+9.32)**
2.	Saroja Pharma Industries India Limited	9.11	84.00	September 13 <sup>th</sup> , 2023	65.00	-8.46* (-1.59)**	-12.31* (+4.17)**	-36.00* (+11.27)**
3.	Shree Marutinandan Tubes Limited	14.30	143.00	January 19 <sup>th</sup> , 2024	200.00	+103.45* (+1.43)**	+25.55* (+1.12)**	+5.00* (+13.48)**
4.	Sai Swami Metals and Alloys Limited	15.00	60.00	May 08 <sup>th</sup> , 2024	114.00	-55.31* (+4.39)**	-55.26* (+6.98)**	-53.51* (+7.24)**
5.	TBI Corn Limited	44.94	94.00	June 07 <sup>th</sup> , 2024	198.00	+82.70* (+4.42)**	+19.24* (+3.67)**	-0.33* (+5.05)**
6.	Bulkcorp International Limited	20.78	105.00	August 06 <sup>th</sup> , 2024	130.00	-13.81* (+3.67)	-17.69* (+3.03)**	-
7.	Ideal Technoplast Industries Limited	16.03	121.00	August 28 <sup>th</sup> , 2024	132.10	-26.57* (+4.50)	-19.10* (-3.42)**	-
8.	Resourceful Automobile Limited	11.99	117.00	August 29 <sup>th</sup> , 2024	117.00	-45.04* (+4.18)**	-55.86* (-2.31)**	-
9.	Aditya Ultra Steel Limited	45.88	62.00	September 16 <sup>th</sup> , 2024	69.90	-22.53* (-1.62)**	-25.25* (-2.42)**	-
10.	United Heat Transfer Limited	29.99	59.00	October 29 <sup>th</sup> , 2024	60.95	+33.31* (-2.26)**	+19.44* (-5.54)**	-

Source: Price Information [www.bseindia.com](http://www.bseindia.com) & [www.nseindia.com](http://www.nseindia.com), Issue Information from respective Prospectus.

#### **MAIN BOARD IPOs:**

Sr. No.	Issue name	Issue size (₹ in Cr.)	Issue Price (₹)	Listing date	Opening Price on listing date	+/- % change in closing price, [+/- % change in closing benchmark ]- 30 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 <sup>th</sup> calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark] - 180 <sup>th</sup> calendar days from listing
NIL								

As per SEBI Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015, the above table should reflect maximum 10 issues (Initial Public Issues) managed by the Lead Manager. Hence, disclosure pertaining to recent 10 issues handled by the lead manager are provided.



**Note:**

1. The S&P BSE Sensex and NSE Nifty are considered as the Benchmark;
2. "Issue Price" is taken as "Base Price" for calculating % Change in Closing Price of the respective Issues on 30<sup>th</sup> / 90<sup>th</sup> / 180<sup>th</sup> Calendar days from listing;
3. "Closing Benchmark" on the listing day of respective scripts is taken as "Base Benchmark" for calculating % Change in Closing Benchmark on 30<sup>th</sup> / 90<sup>th</sup> / 180<sup>th</sup> Calendar days from listing. Although it shall be noted that for comparing the scripts with Benchmark, the +/- % Change in Closing Benchmark has been calculated based on the Closing Benchmark on the same day as that of calculated for respective script in the manner provided in Note No. 4 below;
4. In case 30<sup>th</sup> / 90<sup>th</sup> / 180<sup>th</sup> day is not a trading day, closing price on BSE/NSE of the previous trading day for the respective Scripts has been considered, however, if scripts are not traded on that previous trading day then last trading price has been considered.

**SUMMARY STATEMENT OF DISCLOSURE**

**TABLE 2:**

**Summary statement of Disclosure**

**SME IPO:**

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ Cr.)	No. of IPOs trading at discount-30 <sup>th</sup> calendar days from listing			No. of IPOs trading at Premium-30 <sup>th</sup> calendar days from listing			No. of IPOs trading at discount- 180 <sup>th</sup> calendar days from listing			No. of IPOs trading at Premium- 180 <sup>th</sup> calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2022-23	2	22.69	1	-	1	-	-	-	-	1	-	-	-	1
2023-24	4	69.34	-	-	2	2	-	-	-	1	1	1	-	1
2024-25	7	184.61	1	2	2	1	1	-	1	-	1	-	-	-

**MAIN BOARD IPO:**

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ Cr.)	No. of IPOs trading at discount-30 <sup>th</sup> calendar days from listing			No. of IPOs trading at Premium-30 <sup>th</sup> calendar days from listing			No. of IPOs trading at discount- 180 <sup>th</sup> calendar days from listing			No. of IPOs trading at Premium- 180 <sup>th</sup> calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2022-23	NIL													
2023-24														
2024-25														

**Note:**

1. Issue opening date is considered for calculation of total number of IPO's in the respective financial year.
2. In the event any day falls on a holiday, the price/index of the immediately preceding working day has been considered. If the stock was not traded on the said calendar days from the date of listing, the share price is taken of the immediately preceding trading day

**PROMIS VIS-À-VIS PERFORMANCE**

Since, neither our Company nor our Promoters' Group Companies/Entities have made any previous rights or public issues during last five years, Promise vis-a-vis Performance is not applicable.

**STOCK MARKET DATA FOR OUR EQUITY SHARES**

This being an Initial Public Issue of the Equity Shares of our Company, the Equity Shares are not listed on any Stock Exchange.

## MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES

The Registrar Agreement provides for the retention of records with the Registrar to the Issue for a period of at least eight years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges, subject to agreement with our Company for storage of such records for longer period, to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22 dated February 15<sup>th</sup>, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16<sup>th</sup>, 2021, as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2<sup>nd</sup>, 2021 and subject to applicable law, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within 3 (three) months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 (Fifteen) days, failing which the concerned SCSB would have to pay interest at the rate of 15% (Fifteen) per annum for any delay beyond this period of 15 (Fifteen) days. Further, the investors shall be compensated by the SCSBs at the rate higher of ₹100 (Hundred) per day or 15% (Fifteen) per annum of the application amount in the events of delayed or withdrawal of applications, blocking of multiple amounts for the same UPI application, blocking of more amount than the application amount, delayed unblocking of amounts for non-allotted/partially allotted applications for the stipulated period. In an event there is a delay in redressal of the investor grievance in relation to unblocking of amounts, the Book Running Lead Managers shall compensate the investors at the rate higher of ₹100 (Hundred) per day or 15% (Fifteen) per annum of the application amount.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application and the bank branch or collection center where the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB or the member of the Syndicate (in Specified Cities) or the Sponsor Bank, as the case may be, where the Application Form was submitted by the ASBA Bidder or through UPI Mechanism, giving full details such as name, address of the applicant, application number, UPI Id, number of Equity Shares applied for, amount blocked on application and designated branch or the collection center of the SCSBs or the member of the Syndicate (in Specified Cities), as the case may be, where the Application Form was submitted by the ASBA Bidder or Sponsor Bank.

Our Company has obtained authentication on the SCORES in terms of SEBI circular no. CIR/OIAE/1/2013 dated April 17<sup>th</sup>, 2013 and comply with the SEBI circular (CIR/OIAE/1/2014/CIR/OIAE/1/2013) dated December 18<sup>th</sup>, 2014 in relation to redressal of investor grievances through SCORES. Our Company has not received any complaints as on the date of this Draft Red Herring Prospectus - **Notes for Compliance**.

## DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY

Our Company estimates that the average time required by our Company or the Registrar to the Issue or the SCSB (in case of ASBA Bidders) or Sponsor Bank (in case of UPI Mechanism) or for redressal of routine investor grievances including through SEBI Complaint Redress System (SCORES) shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has constituted Stakeholders Relationship Committee comprising of

Name of the Directors	Designation in Committee	Nature of Directorship
Mr. Nikhil Kaushik	Chairman	Independent Director
Mr. Amit Gupta	Member	Chairman and Managing Director
Mr. Sumit Gupta	Member	Whole Time Director

Our Company has appointed Mr. Somil Rathore as the Company Secretary and Compliance Officer who may be contacted in case of any pre-Issue or post-Issue related problems at the following address:

**Mr. Somil Rathore;**

**C/o.: Badri Cotsyn Limited;**

**Address:** Plot No.33 New Industrial Area- II Ward No 2, Tehsil Goharganj, Mandideep, Bhopal, Huzur, Madhya Pradesh, India, 462046;

**Telephone No.:** +91 25323 82484 / 5051;

**Web site:** <https://badrigroup.com>

**E-Mail:** [compliance@badrigroup.com](mailto:compliance@badrigroup.com);

Till date of this Draft Red Herring Prospectus, our Company has not received any investor complaint and no complaints is pending for resolution.

## PUBLIC ISSUE EXPENSES

The total expenses of the Issue are estimated to be approximately ₹[●] Lakhs. The expenses of this include, among others, underwriting and management fees, printing and distribution expenses, advertisement expenses, legal fees and listing fees. The estimated Issue expenses are as follows:

Expenses	Expenses (₹ in Lakh)	Expenses (% of total Issue expenses)	Expenses (% of Gross Issue Proceeds)
Book Running Lead Manger Fees	[●]	[●]	[●]
Fees Payable to Registrar to the Issue	[●]	[●]	[●]
Fees Payable Advertising and Printing Expenses	[●]	[●]	[●]
Fees Payable to Regulators including Stock Exchanges and other Intermediaries	[●]	[●]	[●]
Fees payable to Peer Review Auditor and Legal Advisor	[●]	[●]	[●]
Fees Payable to Market Maker	[●]	[●]	[●]
Escrow Bank Fees	[●]	[●]	[●]
Others (Fees payable for marketing & distributing expenses, selling commission, brokerage, processing fees, underwriting fees and miscellaneous expenses)	[●]	[●]	[●]
<b>Total Estimated Issue Expenses</b>	<b>[●]</b>	<b>100.00</b>	<b>[●]</b>

## FEES PAYABLE TO BOOK RUNNER LEAD MANAGER TO THE ISSUE

The total fees payable to the Book Runner Lead Manager will be as per the Engagement Letter, a copy of which is available for inspection at the Registered Office of our Company.

## FEES PAYABLE TO THE REGISTRAR TO THE ISSUE

The fees payable to the Registrar to the Issue, for processing of application, data entry, printing of refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the Agreement between the Company and the Registrar to the Issue.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, communication expenses etc. Adequate funds will be provided to the Registrar to the Issue to enable it to send refund orders or Allotment advice by registered post/speed post or email.

## FEES PAYABLE TO OTHERS

The total fees payable to the Sponsor Bank, Legal Advisor, Statutory Auditor, Peer Review Auditor, Market Maker and Advertiser, etc. will be as per the terms of their respective engagement letters.

## COMMISSION PAYABLE TO SCSBS

1. SCSBs will be entitled to a processing fee of ₹10/- per Application Form for processing of the Application Forms only for the Successful Allotments procured by other Application Collecting Intermediary and submitted to them.
2. Selling commission payable to Registered Broker, SCSBs, RTAs, CDPs on the portion directly procured from Retail Individual Investors and Non-Institutional Investors, would be 0.01% on the Allotment Amount.
3. No additional uploading/processing charges shall be payable to the SCSBs on the applications directly procured by them.
4. The processing fees for applications made by Retail Individual Bidders using the UPI Mechanism may be released to the remitter banks (SCSBs) only after such banks provide a written confirmation on compliance with SEBI Circular No: SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02<sup>nd</sup>, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16<sup>th</sup>, 2021 and SEBI Circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20<sup>th</sup>, 2022.

5. Amount Allotted is the product of the number of Equity Shares Allotted and the Issue Price.

#### PREVIOUS ISSUES OF EQUITY SHARES OTHERWISE THAN FOR CASH

Except as stated in the chapter titled “*Capital Structure*” beginning on page no. 56 of this Draft Red Herring Prospectus, our Company has not issued any Equity Shares for consideration otherwise than for cash.

#### LISTED VENTURES OF PROMOTER

There is no listed company of our promoters as on date of filing of this Draft Red Herring Prospectus.

#### OUTSTANDING DEBENTURES OR BONDS AND REDEEMABLE PREFERENCE SHARES AND OTHER INSTRUMENTS

There are no outstanding debentures or bonds or redeemable preference shares and other instruments issued by the Company as on the date of this Draft Red Herring Prospectus.

#### CHANGES IN AUDITORS

Except as stated below, there has been no change in the Auditors of our Company during the last three years:

Name of Auditor	Appointment/Resignation	Date of Appointment / Resignation	Reason
<b>M/s S.L. Chhajed &amp; Co LLP. LLP, CHARTERED ACCOUNTANTS;</b> <b>Address:</b> R-12, Maharana Pratap Nagar,(MP Nagar) Zone-I, Bhopal-462001 <b>Phone No</b> :+91 9893697670; <b>Email Id:</b> <a href="mailto:vijit2000@gmail.com">vijit2000@gmail.com</a> <b>Contact Person:</b> Saloni Rathi; <b>Membership No.:</b> 406044; <b>Peer Review No.:</b> 016389 <b>F.R.N:</b> 000709C/C400277	Appointment	31 <sup>st</sup> December 2020	Appointed at the 2 <sup>nd</sup> AGM held for Financial Year 2020-21 Until the conclusion of 6 <sup>th</sup> Annual general meeting to be held in 2024-25.

#### CAPITALIZATION OF RESERVES OR PROFITS DURING LAST THREE YEARS

Except as disclosed under section titled “*Capital Structure*” beginning on page no. 56 of this DRHP, our Company has not capitalized its reserves or profits at any time since incorporation.

#### REVALUATION OF ASSETS DURING THE LAST THREE YEARS

Our Company has not revalued its assets during last 3 three years.

## SECTION XIII – ISSUE RELATED INFORMATION

### TERMS OF THE ISSUE

*The Equity Shares being offered are subject to the provisions of the Companies Act, 2013, SCRR, 1957, SEBI (ICDR) Regulations, 2018, our Memorandum and Articles of Association, the terms of the Draft Red Herring Prospectus, Red Herring Prospectus, Prospectus, Application Form, the Revision Form, the Confirmation of Allocation Note (CAN), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the Issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, the FIPB, the RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable.*

Please note that, in accordance with the Regulation 256 of the SEBI (ICDR), Regulations, 2018 read with SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants has to compulsorily apply through the ASBA Process. As an alternate payment mechanism, Unified Payments Interface (UPI) has been introduced (vide SEBI Circular Ref: SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018) as a payment mechanism in a phased manner with ASBA for applications in public Issues by retail individual investors through intermediaries (Syndicate members, Registered Stock-Brokers, Registrar and Transfer agent and Depository Participants).

Further vide the said circular Registrar to the Issue and Depository Participants have been also authorised to collect the Application forms. Investors may visit the official website of the concerned stock exchange for any information on operationalization of this facility of form collection by Registrar to the Issue and DPs as and when the same is made available.

For details in relation to Issue expenses, see “*Objects of the Issue*” and “*Other Regulatory and Statutory Disclosures*” on page nos. 78 and 218, respectively.

### THE ISSUE

The Issue comprises of a Fresh Issue by our Company.

### AUTHORITY FOR THE ISSUE

The present Public Issue of Upto 57,00,000 Equity Shares which have been authorized by a resolution of the Board of Directors of our Company at their meeting held on January 17<sup>th</sup>, 2025 and was approved by the Shareholders of the Company by passing Special Resolution at the Extra-Ordinary General Meeting held on January 18<sup>th</sup>, 2025 in accordance with the provisions of Section 62 (1) (c) of the Companies Act, 2013.

### RANKING OF EQUITY SHARES

The Equity Shares being offered shall be subject to the provisions of the Companies Act, 2013 and our Memorandum and Articles of Association and shall rank pari-passu in all respects with the existing Equity Shares of our Company including in respect of the rights to receive dividends and other corporate benefits, if any, declared by us after the date of Allotment. For further details, please refer to “*Description of Equity Shares and Terms of The Articles of Association*” on page no. 270 of the Draft Red Herring Prospectus.

### MODE OF PAYMENT OF DIVIDEND

The declaration and payment of dividend will be as per the provisions of Companies Act, the Articles of Association, the provision of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and recommended by the Board of Directors and the Shareholders at their discretion and will depend on a number of factors, including but not limited to earnings, capital requirements and overall financial condition of our Company. We shall pay dividends in cash and as per provisions of the Companies Act. For further details, please refer to “*Dividend Policy*” on page no. 190 of the Draft Red Herring Prospectus.

### FACE VALUE, ISSUE PRICE AND PRICE BAND

The face value of each Equity Share is ₹10/- and the Floor Price is ₹[●]/- per Equity Share and the Cap Price is ₹[●]/- per Equity Share.

The Price Band and the minimum Bid Lot size will be decided by our Company in consultation with the BRLM, and will be advertised, at least Two Working Days prior to the Bid/ Issue Opening Date, in all editions of [●], an English national

daily newspaper and all editions of [●], a Hindi national daily newspaper and [●] edition of [●], a regional newspaper each with wide circulation and shall be made available to the Stock Exchange for the purpose of uploading on its website. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre filled in the Bid cum Application Forms available on the website of the Stock Exchange. The Issue Price shall be determined by our Company in consultation with the BRLM, after the Bid/Issue Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process. At any given point of time there shall be only one denomination of the Equity Shares of our Company, subject to applicable laws.

### COMPLIANCE WITH SEBI (ICDR) REGULATIONS

Our Company shall comply with all requirements of the SEBI (ICDR) Regulations, 2018. Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

### RIGHTS OF THE EQUITY SHAREHOLDERS

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, the equity shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to receive Annual Reports and notices to members;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offer for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation; subject to any statutory or preferential claims being satisfied;
- Right of free transferability of the Equity Shares; and
- Such other rights, as may be available to a shareholder of a listed Public Limited Company under the Companies Act, terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2018 and the Memorandum and Articles of Association of our Company.

For a detailed description of the main provision of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/ or consolidation/ splitting, etc., please refer to Section titled “Description of Equity Shares and Terms of The Articles of Association” beginning on page no. 270 of this Draft Red Herring Prospectus.

### ALLOTMENT ONLY IN DEMATERIALIZED FORM

In terms of Section 29 of Companies Act, 2013, the Equity Shares shall be allotted only in dematerialised form. As per the SEBI Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar and Share Transfer Agent to the Issue:

1. Tripartite agreement dated January, 06 2025 between our Company, NSDL and the Registrar and Share Transfer Agent to the Issue.
2. Tripartite agreement dated January 28<sup>th</sup>, 2025 between our Company, CDSL and the Registrar and Share Transfer Agent to the Issue.

### MINIMUM APPLICATION VALUE, MARKET LOT AND TRADING LOT

The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares and the same may be modified by the NSE Emerge (SME Platform of NSE) from time to time by giving prior notice to investors at large.

Allocation and allotment of Equity Shares through this Issue will be done in multiples of [●] Equity Shares and is subject to a minimum allotment of [●] Equity Shares to the successful applicants in terms of the SEBI circular No. CIR/MRD/DSA/06/2012 dated February 21, 2012.

*Further, in accordance with SEBI (ICDR) Regulations the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.*

### MINIMUM NUMBER OF ALLOTTEES

In accordance with Regulation 268 of SEBI (ICDR) Regulations, 2018 the minimum number of allottees in the Issue shall be 50 shareholders. In case the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the monies collected shall be unblocked forthwith.



## JOINT HOLDERS

Where 2 (two) or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint-holders with benefits of survivorship.

## NOMINATION FACILITY TO INVESTOR

In accordance with Section 72 of the Companies Act, 2013 the sole or first applicant, along with other joint applicant, may nominate any one person in whom, in the event of the death of sole applicant or in case of joint applicant, death of all the applicants, as the case may be, the Equity Shares allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 72 of the Companies Act, 2013 be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at the Registered Office of our Company or to the Registrar and Transfer Agents of our Company.

In accordance with Section 72 of the Companies Act, 2013 any Person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- To register himself or herself as the holder of the Equity Shares; or
- To make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 (ninety) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in the Issue is in dematerialized form, there is no need to make a separate nomination with us. Nominations registered with the respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

## PERIOD OF OPERATION OF SUBSCRIPTION LIST OF PUBLIC ISSUE

<b>ISSUE OPENS ON</b>	[●]	<b>ISSUE CLOSSES ON</b>	[●]
<b>ANCHOR INVESTOR BID/ISSUE*</b>	[●]		[●]

\*The Company may, in consultation with the BRLM, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Issue Period shall be One Working Day prior to the Bid/Issue Opening Date.

An indicative timetable in respect of the Issue is set out below:

Event	Indicative Date
Issue Opening Date	[●]
Issue Closing Date	[●]
Finalization of Basis of Allotment with NSE	On or before [●]
Initiation of Allotment / Refunds / Unblocking of Funds from ASBA Account or UPI ID linked bank account	On or before [●]
Credit of Equity Shares to Demat accounts of Allottees	On or before [●]
Commencement of trading of the Equity Shares on NSE	On or before [●]

Note - Our Company in consultation with the BRLM, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Issue Period shall be One Working Day prior to the Bid/Offer Opening Date in accordance with the SEBI ICDR Regulations.

The above time table is indicative and does not constitute any obligation on our Company. Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on NSE is taken within 3 (Three) Working Days from the Issue Closing Date, the timetable may change due to various factors, such as extension of the Issue Period by our Company or any delays in receiving the final listing and trading approval from the Stock Exchange. The Commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchange and in accordance with the applicable laws.



The BRLM will be required to submit reports of compliance with listing timelines and activities, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

In terms of the UPI Circulars, in relation to the Issue, the BRLM will submit report of compliance with T+3 listing timelines and activities, identifying non-adherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

Bid-Cum-Application Forms and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (IST) during the Issue Period. On the Bid/ Issue Closing Date, the Bid-Cum- Application Forms will be accepted only between 10.00 a.m. to 5.00 p.m. (IST) for retail and non-retail Bidders. The time for applying for Retail Individual Bidders on Bid/ Issue Closing Date may be extended in consultation with the BRLM, RTA and NSE Emerge taking into account the total number of applications received up to the closure of timings.

Due to the limitation of time available for uploading the Bid-Cum-Application Forms on the Bid/ Issue Closing Date, Bidders are advised to submit their applications one (1) day prior to the Bid/ Issue Closing Date and, in any case, not later than 5:00 p.m. (IST) on the Bid/ Issue Closing Date. All times mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bid-Cum-Application Forms are received on the Bid/ Issue Closing Date, as is typically experienced in public Issue, some Bid-Cum-Application Forms may not get uploaded due to the lack of sufficient time. Such Bid-Cum-Application Forms that cannot be uploaded will not be considered for allocation under this Issue. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor the BRLM are liable for any failure in uploading the Bid-Cum-Application Forms due to faults in any software/hardware system or otherwise.

In accordance with SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are not allowed to withdraw or lower the size of their Application (in terms of the quantity of the Equity Shares or the Application amount) at any stage. Retail Individual Bidders can revise or withdraw their Bid-Cum-Application Forms prior to the Bid/ Issue Closing Date. Allocation to Retail Individual Bidders, in this Issue will be on a proportionate basis.

In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid-Cum-Application Form, for a particular Bidder, the details as per the file received from Stock Exchange may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid-Cum-Application Form, for a particular ASBA Bidder, the Registrar to the Issue shall ask the relevant SCSBs /RTAs / DPs / stock brokers, as the case may be, for the rectified data.

Our Company in consultation with the BRLM, reserves the right to revise the Price Band during the Bid/ Issue Period. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. The Floor Price shall not be less than the face value of the Equity Shares.

In case of revision in the Price Band, the Bid/ Issue Period shall be extended for at least 1 (One) additional Working Day after such revision, subject to the Bid/ Issue Period not exceeding 10 (Ten) Working Days. Any revision in Price Band, and the revised Bid/ Issue Period, if applicable, shall be widely disseminated by notification to the Stock Exchange, by issuing a press release and also by indicating the change on the website of the BRLM and at the terminals of syndicate members.

## **MINIMUM SUBSCRIPTION**

In accordance with Regulation 260(1) of the SEBI (ICDR) Regulations, our Fresh Issue shall be hundred percent underwritten. Thus, the underwriting obligations shall be for the entire hundred percent of the offer through the Draft Red Herring Prospectus and shall not be restricted to the minimum subscription level. Further, in accordance with Regulation 267(2) of the SEBI ICDR Regulations, our Company shall ensure that the minimum application size shall not be less than Rs. 1,00,000 (Rupees One Lakh) per application.

If the Issuer does not receive the subscription of 100% of the Issue through this Issue document including devolvement of Underwriter within 60 (Sixty Days) from the date of closure of the Issue, the Issuer shall forthwith refund the entire subscription amount received within the time limit as prescribed under the SEBI (ICDR) Regulations and Companies Act, 2013.

In terms of Regulation 272(2) of SEBI ICDR Regulations, in case the Company fails to obtain listing or trading permission from the stock exchanges where the specified securities are proposed to be listed, it shall refund through verifiable means the entire monies received within 4 (Four) days of receipt of intimation from stock exchange(s) rejecting the application for listing of specified securities, and if any such money is not repaid within 4 (Four) days after the issuer becomes liable to repay it, the issuer and every director of the company who is an officer in default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at the rate of 15% (fifteen per cent) per annum.

In accordance with SEBI ICDR Regulations, the minimum number of allottees in this Issue shall be 50 shareholders. In case

the minimum number of prospective allottees is less than 50, no allotment will be made pursuant to this Issue and the amounts in the ASBA Account shall be unblocked forthwith.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

#### **ARRANGEMENTS FOR DISPOSAL OF ODD LOTS**

The trading of the Equity Shares will happen in the minimum contract size of [●] shares in terms of the SEBI circular No.: CIR/MRD/DSA/06/2012 dated February 21, 2012. However, the Market Maker shall buy the entire shareholding of a shareholder in one lot, where value of such shareholding is less than the minimum contract size allowed for trading on the SME Exchange.

#### **APPLICATION BY ELIGIBLE NRIS, FPIS OR VCFS REGISTERED WITH SEBI**

It is to be understood that there is no reservation for Eligible NRIs, FPIs or VCF registered with SEBI. Such Eligible NRIs, FPIs or VCF registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

#### **AS PER THE EXTENT GUIDELINES OF THE GOVERNMENT OF INDIA, OCBS CANNOT PARTICIPATE IN THIS ISSUE**

The current provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, provides a general permission for the NRIs, FPIs and foreign venture capital investors registered with SEBI to invest in shares of Indian companies by way of subscription in an IPO. However, such investments would be subject to other investment restrictions under the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000, RBI and/or SEBI regulations as may be applicable to such investors.

The Allotment of the Equity Shares to Non-Residents shall be subject to the conditions, if any, as may be prescribed by the Government of India/RBI while granting such approvals.

#### **RESTRICTIONS ON TRANSFER AND TRANSMISSION OF SHARES OR DEBENTURES AND ON THEIR CONSOLIDATION OR SPLITTING**

Except for lock-in of the Pre-Issue Equity Shares and Promoter minimum contribution in the Issue as detailed in the section titled “*Capital Structure*” beginning on page no. 56 of this Draft Red Herring Prospectus, and except as provided in the Articles of Association of our Company, there are no restrictions on transfers of Equity Shares. There are no restrictions on transfer and transmission of shares/ debentures and on their consolidation/ splitting except as provided in the Articles of Association. For further details, please refer sub-heading “*Description of Equity Shares and Terms of The Articles of Association*” on page no. 270 of this Draft Red Herring Prospectus.

*The above information is given for the benefit of the Applicants. The Applicants are advised to make their own enquiries about the limits applicable to them. Our Company and the Book Running Lead Manager do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Book Running Lead Manager are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares Applied for do not exceed the applicable limits under laws or regulations.*

#### **ALLOTMENT OF SECURITIES IN DEMATERIALIZED FORM**

In accordance with the SEBI ICDR Regulations, Allotment of Equity Shares to successful applicants will only be in the dematerialized form. Applicants will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only on the dematerialized segment of the Stock Exchange.

#### **MIGRATION TO MAIN BOARD**

In accordance with the NSE Circular dated March 10, 2014, which is further revised vide circular no. NSE/SME/37551 dated April 18, 2018, NSE/SME/47077 dated January 21, 2021 and NSE/SME/56427 dated April 20, 2023. our Company will have to be mandatorily listed and traded on the SME Platform of the NSE for a period of 3 (Three) years from the date of listing and only after that it can migrate to the Main Board of the NSE as per the guidelines specified by SEBI and as per the procedures laid down under Chapter IX of the SEBI (ICDR) Regulations.

As per the provisions of the Chapter IX of the SEBI (ICDR) Regulation, 2018, our Company may migrate to the main board

of NSE from the SME Exchange on a later date subject to the following:

- The paid-up equity capital of the company shall not be less than ₹10 crores and the capitalisation of the company's equity shall not be less than ₹25 crores\*\*  
*\*\*Explanation for this purpose, capitalisation will be the product of the price (average of the weekly high and low of the closing prices of the related shares quoted on the stock exchange for 3 months preceding the application date) and the post issue number of equity shares.*
- The Company should have positive cash accruals (Earnings before Interest, Depreciation and Tax) from operations for each of the 3 financial years preceding the migration application and has positive PAT in the immediate Financial Year of making the migration application to Exchange.
- The Company should have been listed on SME platform of the Exchange for at least 3 years.
- The Company has not referred to the Board of Industrial & Financial Reconstruction (BIFR) &/or No proceedings have been admitted under Insolvency and Bankruptcy Code against the issuer and Promoting companies.
- The Company has not received any winding up petition admitted by a NCLT.
- The net worth\* of the Company should be at least ₹75 crores.  
*\*Net Worth – as defined under SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.*
- Total number of public shareholders on the last day of preceding quarter from date of application should be at least 1,000.
- The Company desirous of listing its securities on the main board of the Exchange should also satisfy the Exchange on the following:
  - a. The Company should have made disclosures for all material Litigation(s) / dispute(s) / regulatory action(s) to the stock exchanges where its shares are listed in adequate and timely manner.
  - b. Cooling period of two months from the date the security has come out of trade-to-trade category or any other surveillance action, by other exchanges where the security has been actively listed.
  - c. Redressal mechanism of Investor grievance.
  - d. PAN and DIN no. of Director(s) of the Company.
  - e. Change in Control of a Company/Utilisation of funds raised from public.

## MARKET MAKING

The shares offered through this Issue are proposed to be listed on the SME platform of NSE, wherein the BRLM to this Issue shall ensure compulsory Market Making through the registered Market Makers of the SME Exchange for a minimum period of 3 (Three) years from the date of listing on the SME platform of NSE. For further details of the agreement entered into between the Company, the BRLM and the Market Maker please refer to “General Information” details of the Market Making Arrangements for this Issue on page no. 47 of this Draft Red Herring Prospectus.

In accordance with the SEBI Circular No. CIR/MRD/DSA/31/2012 dated November 27, 2012, it has been decided to make applicable limits on the upper side for the Market Makers during market making process taking into consideration the Issue size in the following manner:

Issue Size	Buy quote exemption threshold (including mandatory initial inventory of 5% of offer size)	Re-entry threshold for buy quotes (including mandatory initial inventory of 5% of offer size)
Upto ₹20 Crore	25%	24%
₹20 Crore to ₹50 Crore	20%	19%
₹50 Crore to ₹80 Crore	15%	14%
Above ₹80 Crore	12%	11%

Further, the Market Maker shall give (2) Two way quotes till it reaches the upper limit threshold, thereafter it has the option to give only sell quotes. Two (2) way quotes shall be resumed the moment inventory reaches the prescribed re-entry threshold.

In view of the Market Maker obligation, there shall be no exemption/threshold on downside. However, in the event the

Market Maker exhausts its inventory through market making process on the platform of the exchange, the concerned stock exchange may intimate the same to SEBI after due verification.

#### **NEW FINANCIAL INSTRUMENTS**

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company.

#### **PRE-ISSUE ADVERTISEMENT**

Subject to Section 30 of the Companies Act 2013, our Company shall, after registering the Red Herring Prospectus with the ROC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in (i) All Editions of English National Newspaper, [●]; (ii) All editions of Hindi National Newspaper, [●] and (iii) [●] edition of Regional Newspaper, [●] each with wide circulation. In the pre-Issue advertisement, we shall state the Bid/Issue Opening Date and the Bid/ Issue Closing Date and the floor price or price band along with necessary details subject to regulation 250 of SEBI ICDR Regulations. This advertisement, subject to the provisions of section 30 of the Companies Act, 2013, shall be in the format prescribed in Part - A of Schedule X of the SEBI Regulations.

*The above information is given for the benefit of the Bidders. The Bidders are advised to make their own enquiries about the limits applicable to them. Our Company and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the BRLM are not liable to inform the investors of any amendments or modifications or changes in applicable laws and regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws and regulations.*

#### **JURISDICTION**

Exclusive jurisdiction for the purpose of this Issue is with the competent courts / authorities in Madhya Pradesh.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and may not be offered or sold within the United States, except pursuant to an exemption from or in a transaction not subject to, registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered or sold outside the United States in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

## ISSUE STRUCTURE

This Issue is being made in terms of Regulation 229(2) of Chapter IX of SEBI (ICDR) Regulations, 2018, as amended from time to time, whereby, an issuer whose post issue paid up face value capital is more than ₹ 10 Crores and Upto ₹ 25 Crores, shall issue shares to the public and propose to list the same on the Small and Medium Enterprise Exchange (“SME Exchange”, in this case being the SME Platform of National Stock Exchange of India Limited i.e. NSE EMERGE). For further details regarding the salient features and terms of such an Issue please refer chapter titled “*Terms of The Issue*” and “*Issue Procedure*” on page nos. 230 and 241 of this Draft Red Herring Prospectus.

This Issue comprise of Upto 57,00,000 Equity Shares of Face Value of ₹10/- each fully paid (The “Equity Shares”) for cash at a price of ₹[●]/- per Equity Shares (including a premium of ₹[●]/- per equity share) aggregating to ₹[●] Lakhs (“The Issue”). The Issue and the Net Issue will constitute [●]% and [●]% respectively of the post Issue paid up Equity Share Capital of the Company.

The Issue is being made by way of Book Building Process.

Particulars <sup>(1)</sup>	Market Maker Reservation Portion	QIBs <sup>(2)</sup>	Non Institutional Applicants	Retail Individual Investors
Number of Equity Shares	Upto [●] Equity Shares.	Not more than [●] Equity Shares.	Not less than [●] Equity Shares.	Not less than [●] Equity Shares.
Percentage of Issue Size available for allocation	[●]% of the Issue Size.	Not more than 50% of the Net Issue being available for allocation to QIB Bidders. However, up to 5% of the Net QIB Portion will be available for allocation proportionately to Mutual Funds only.  Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining QIB Portion.  The unsubscribed portion in the Mutual Fund Portion will be added to the Net QIB Portion.	Not less than 15% of Net Issue.	Not less than 35% of Net Issue.
Basis of Allotment <sup>(3)</sup>	Firm Allotment	Proportionate as follows: Up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and Up to [●] Equity Shares shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above. Up to 60% of QIB Portion (of upto [●] Equity Shares) may be allocated on a discretionary basis to	Proportionate	Proportionate

Particulars <sup>(1)</sup>	Market Maker Reservation Portion	QIBs <sup>(2)</sup>	Non Institutional Applicants	Retail Individual Investors
		Anchor Investors of which one-third shall be available for allocation to Domestic Mutual Funds only, subject to valid Bid received from Mutual Funds at or above the Anchor Investor Allocation Price.		
<b>Mode of Bid</b>	Only through the ASBA process.	Only through the ASBA process.	Through ASBA Process through banks or by using UPI ID for payment.	Through ASBA process through banks or by using UPI ID for payment.
<b>Minimum Bid Size</b>	[●] Equity Shares in multiple of [●] Equity shares.	Such number of Equity Shares and in multiples of [●] Equity Shares that the Bid Amount exceeds ₹200,000.	Such number of Equity Shares and in multiples of [●] Equity Shares that the Bid Amount exceeds ₹200,000	Such number of Equity Shares and in multiples of [●] Equity Shares that the Bid Amount does not exceeds ₹200,000
<b>Maximum Bid</b>	[●] Equity Shares.	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Net Issue, subject to applicable limits.	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Issue (excluding the QIB portion), subject to limits as applicable to the Bidder.	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹ 2,00,000.
<b>Mode of Allotment</b>	Compulsorily in dematerialized mode.			
<b>Trading Lot</b>	[●] Equity Shares, however the Market Maker may accept odd lots if any in the market as required under the SEBI ICDR Regulations.	[●] Equity Shares and in multiples thereof	[●] Equity Shares and in multiples thereof	[●] Equity Shares.
<b>Terms of payment</b>	<p><b>In case of all Other Bidders:</b> Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder (other than Anchor Investors) or by the Sponsor Bank through the UPI Mechanism, that is specified in the ASBA Form at the time of submission of the ASBA Form.</p> <p><b>In case of Anchor Investors:</b> Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids<sup>(4)</sup></p>			
<b>Mode of Bid</b>	Only through the ASBA process (except for Anchor Investors).			

**Notes:**

- (1) This Issue is being made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time;
- (2) Our Company in consultation with the BRLM, may allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Issue Price, on a discretionary basis, subject to there being (i) a maximum of two Anchor Investors, where allocation in the Anchor Investor Portion is up to ₹200.00 Lakhs, (ii) minimum of two and maximum of fifteen Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹200.00 Lakhs but up to ₹2,500.00 Lakhs under the Anchor Investor Portion, subject to a minimum Allotment of ₹100.00 Lakhs per Anchor Investor, and (iii) in case of allocation above ₹2,500.00 Lakhs under the Anchor Investor Portion, a minimum of five such investors and a maximum of fifteen Anchor Investors for allocation up to ₹2,500.00 Lakhs and an additional ten Anchor Investors for every additional ₹2,500.00 Lakhs or part thereof will be permitted, subject to minimum allotment of ₹100.00 Lakhs per Anchor Investor. An Anchor Investor will make a minimum Bid of such number of Equity Shares, that the Bid Amount is at least ₹200.00 Lakhs. One-third of the Anchor Investor Portion will be reserved for domestic Mutual Funds, subject to valid Bids being received at or above the price at which allocation is made to Anchor



*Investors.*

- (3) *In terms of Rule 19(2) of the SCRR read with Regulation 252 of the SEBI (ICDR) Regulations, 2018 this is an Issue for atleast 25% of the post offer paid-up Equity share capital of the Company. This Issue is being made through Book Building Process, wherein allocation to the public shall be as per Regulation 252 of the SEBI (ICDR) Regulations.*
- (4) *Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the BRLM and the Designated Stock Exchange, subject to applicable laws;*
- (5) *Anchor Investors are not permitted to use the ASBA process;*
- (6) *Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investors Application Forms provided that any difference between the Anchor Investors Allocation Price and the Anchor Investors Issue Price shall be payable by the Anchor Investors Pay-In Date as indicated in the CAN;*
- (7) *SEBI vide its circular no. SEBI/HO/CFD/DIL2/P/CIR/2022/75 dated May 30, 2022 has mandated that ASBA applications in public issues shall be processed only after the application monies are blocked in the bank accounts of the Bidders. Accordingly, Stock Exchanges shall, for all categories of Bidders viz. QIBs, NIBs and RIBs and also for all modes through which the applications are processed, accept the ASBA applications in their electronic book building platform only with a mandatory confirmation on the application monies blocked.*

### WITHDRAWAL OF THE ISSUE

In accordance with SEBI (ICDR) Regulations, the Company, in consultation with the BRLM reserves the right not to proceed with the Issue at any time before the Bid/ Issue Opening Date, without assigning any reason thereof.

In case, the Company wishes to withdraw the Issue after Bid/ Issue Opening but before allotment, the Company will give public notice giving reasons for withdrawal of Issue. The public notice will appear in two widely circulated national newspapers (one each in English and Hindi) and one in regional newspaper.

The BRLM, through the Registrar to the Issue, will instruct the SCSBs, to unblock the ASBA Accounts within 1 (One) Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared and the Stock Exchange will also be informed promptly. If our Company withdraws the Issue after the Bid/ Issue Closing Date and subsequently decides to undertake a public offering of Equity Shares, our Company will file a fresh Draft Red Herring Prospectus with the stock exchange where the Equity Shares may be proposed to be listed.

Notwithstanding the foregoing, the Issue is subject to obtaining (i) the final listing and trading approvals of the Stock Exchange, which our Company will apply for only after Allotment; and (ii) the filling of Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus with RoC.

### BID/ISSUE PROGRAMME

Events	Indicative Dates
Bid/Offer Opening Date	[●]
Bid/Offer Closing Date	[●]
Finalization of Basis of Allotment with the Designated Stock Exchange	On or before [●]
Initiation of Allotment / Refunds / Unblocking of Funds from ASBA Account or UPI ID linked bank account	On or before [●]
Credit of Equity Shares to Demat accounts of Allottees	On or before [●]
Commencement of trading of the Equity Shares on the Stock Exchange	On or before [●]

*Note - Our Company in consultation with the BRLM, may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investors Bid/Issue Period shall be 1 (One) Working Day prior to the Bid/Issue Opening Date in accordance with the SEBI ICDR Regulations.*

Bids and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (IST) during the Issue Period at the Bidding Centres mentioned in the Bid cum Application Form. Standardization of cut-off time for uploading of bids on the Bid/Issue closing date:

- a) A standard cut-off time of 3.00 p.m. for acceptance of bids;
- b) A standard cut-off time of 4.00 p.m. for uploading of bids received from other than retail individual applicants;
- c) A standard cut-off time of 5.00 p.m. for uploading of bids received from only retail individual applicants, which may be extended up to such time as deemed fit by NSE after taking into account the total number of bids received up to the closure of timings and reported by BRLM to NSE within half an hour of such closure.



It is clarified that Bids not uploaded in the book, would be rejected. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid form for a particular bidder, the details as per physical bid cum application form of that Bidder may be taken as the final data for the purpose of allotment. Bids will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).

## ISSUE PROCEDURE

All Bidders should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020 notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 as amended and modified by the circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, and SEBI Circular bearing number (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018 and Circular (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 01, 2018, notified by SEBI (“General Information Document”) and SEBI Circular No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019, included below under Section “PART B – General Information Document”, which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the ICDR Regulations. The General Information Document is available on the websites of the Stock Exchanges and the BRLM. Please refer to the relevant portions of the General Information Document which are applicable to this Issue.

All Designated Intermediaries in relation to the Issue should ensure compliance with the SEBI circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, as amended and modified by the SEBI circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 and SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018 and (SEBI/HO/CFD/DIL2/CIR/P/2018/138) dated November 1, 2018, in relation to clarifications on streamlining the process of public issue of equity shares and convertibles as amended and modified by the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019 circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019.

Additionally, all Bidders may refer to the General Information Document for information, in addition to what is stated herein, in relation to (i) category of Bidders eligible to participate in the Issue; (ii) maximum and minimum Application size; (iii) price discovery and allocation; (iv) payment instructions for Bidders applying through ASBA process and Retail Individual Investors applying through the United Payments Interface channel; (v) issuance of Confirmation of Allocation Note (“CAN”) and Allotment in the Issue; (vi) general instructions (limited to instructions for completing the Bid Cum Application Form); (vii) Designated Date; (viii) disposal of Applications; (ix) submission of Bid Cum Application Form; (x) other instructions (limited to joint Applications in cases of individual, multiple Applications and instances when an Application would be rejected on technical grounds); (xi) applicable provisions of Companies Act, 2013 relating to punishment for fictitious Applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund.

With effect from July 1, 2019, with respect to Applications by RIIs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Applications with existing timeline of T+6 days will continue for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase II”), Further pursuant to SEBI Circular SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 UPI Phase II was extended till March 31, 2020. Subsequently, the final reduced timeline will be made effective using the UPI Mechanism for applications by RIBs (“UPI Phase III”), as may be prescribed by SEBI.

Subsequently, for applications by Retail Individual Investors through Designated Intermediaries, the process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism with existing timeline of T+6 days is applicable for a period of three months or launch of five main board public issues, whichever is later (“UPI Phase II”), with effect from July 1, 2019, by SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2019/76) dated June 28, 2019, read with circular (SEBI/HO/CFD/DIL2/CIR/P/2019/85) dated July 26, 2019. Further, as per the SEBI circular (SEBI/HO/CFD/DCR2/CIR/P/2019/133) dated November 8, 2019, the UPI Phase II had been extended until March 31, 2020. However, due to the outbreak of COVID-19 pandemic, UPI Phase II has been further extended by SEBI until further notice, by its circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020. Thereafter, the final reduced timeline of T+3 days may be made effective using the UPI Mechanism for applications by Retail Individual Investors (“UPI Phase III”), as may be prescribed by SEBI. Accordingly, the Issue has been undertaken under UPI Phase II, till any further notice issued by SEBI. Accordingly, the Issue has been considered to be made under UPI Phase II, till any further notice issued by SEBI. Further, SEBI, vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, and circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. This circular is effective for initial public offers opening on/or after May 1, 2021, except as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, and SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2022/51 dated April 20, 2022, and the provisions of this circular are deemed to form part of this Draft Red Herring Prospectus. Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all individual Investors in initial public offerings (opening on or after May 1, 2022) whose application sizes are up to ₹ 5,00,000 shall use the UPI Mechanism.

Furthermore, SEBI vide press release bearing number 12/2023 has approved the proposal for reducing the time period for

listing of shares in public issue from existing 6 working days to 3 working days from the date of the closure of the issue. The revised timeline of T+3 days shall be made applicable in two phases i.e. voluntary for all public issues opening on or after September 01, 2023 and mandatory on or after December 01, 2023. Further, SEBI has vide its circular no. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 09, 2023 reduced the time taken for listing of specified securities after the closure of a public issue to 3 (Three) Working Days. This shall be applicable voluntarily for all public issues opening on or after September 01, 2023 and shall be mandatory for all public issues opening on or after December 01, 2023. This issue will be made under UPI Phase II of the UPI Circulars.

The list of Banks that have been notified by SEBI as Issuer Banks for UPI are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>. The list of Stockbrokers, Depository Participants (DP), Registrar to an Issue and Share Transfer Agent (RTA) that have been notified by SME Platform of National Stock Exchange of India Limited (“NSE EMERGE”) to act as intermediaries for submitting Application Forms are provided on [www.nseindia.com](http://www.nseindia.com). For details on their designated branches for submitting Application Forms, please see the above mentioned website of Platform of National Stock Exchange of India Limited (“NSE EMERGE”).

Please note that the information stated/covered in this section may not be complete and/or accurate and as such would be subject to modification/change. Our Company, BRLM do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document. Our Company, BRLM would not be able to include any amendment, modification or change in applicable law, which may occur after the date of the Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Application do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus and the Red Herring Prospectus.

This section applies to all the Bidders, please note that all the Bidders are required to make payment of the Full Application Amount along with the Bid Cum Application Form.

## BOOK BUILDING PROCEDURE

In terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (the “SCRR”) read with Regulation 252 of SEBI ICDR Regulations, 2018, the Issue is being made for at least 25% of the post-Issue paid-up Equity Share capital of our Company. The Issue is being made under Regulation 229(2) of Chapter IX of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 via book building process wherein not more than 50% of the Issue shall be allocated on a proportionate basis to QIBs, provided that our Company and may, in consultation with the BRLM, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from Domestic Mutual Funds at or above the Anchor Investor allocation price. In the event of under-subscription, or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Portion. Further, 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non Institutional Investors and not less than 35% of the Issue shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid bids being received at or above the Issue Price.

Subject to valid bids being received at or above the Issue Price, under-subscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or a combination of categories at the discretion of our Company in consultation with the BRLM, and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spillover from other categories or a combination of categories.

**The Equity Shares, on allotment, shall be traded only in the dematerialised segment of the Stock Exchanges.**

Investors should note that the Equity Shares will be allotted to all successful bidders only in dematerialized form. The Bid cum Application Forms which do not have the details of the bidders’ depository account, including DP ID, Client ID, PAN and UPI ID, as applicable, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. However, they may get the Equity Shares rematerialized subsequent to Allotment of the Equity Shares in the Issue, subject to applicable laws.

### *Phased implementation of Unified Payments Interface:*

SEBI has issued a circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018 and circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 03, 2019 circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019 (collectively the “UPI Circulars”) in relation to

streamlining the process of public issue of equity shares and convertibles. Pursuant to the UPI Circulars, UPI will be introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by RIBs through intermediaries with the objective to reduce the time duration from public issue closure to listing from 6 (Six) Working Days to up to 3 (Three) Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI Mechanism, the UPI Circular proposes to introduce and implement the UPI Mechanism in three phases in the following manner:

**Phase I:** This phase has become applicable from January 01, 2019 until March 31, 2019 or floating of five main board public issues, whichever is later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, a Retail Individual Applicant had the option to submit the Application Form with any of the intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be 6 (Six) Working Days.

**Phase II:** This phase has become applicable from July 01, 2019 and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. Subsequently, it was decided to extend the timeline for implementation of Phase II until March 31, 2020. Further, as per SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, the current Phase II of Unified Payments Interface with Application Supported by Blocked Amount is continued till further notice. Under this phase, submission of the ASBA Form by RIIs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds will be discontinued and will be replaced by the UPI payment mechanism. However, the time duration from public issue closure to listing continues to be 6 (Six) Working Days during this phase.

**Phase III:** This phase has become applicable on a voluntary basis for all issues opening on or after September 1, 2023 and on a mandatory basis for all issues opening on or after December 1, 2023, vide SEBI circular bearing number SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 09, 2023 ("T+3 Notification"). In this phase, the time duration from public issue closure to listing has been reduced to 3 (Three) Working Days. The Issue shall be undertaken pursuant to the processes and procedures as notified in the T+3 Notification as applicable, subject to any circulars, clarification or notification issued by the SEBI from time to time, including any circular, clarification or notification which may be issued by SEBI.

The Issue is being made under Phase III of the UPI (on a mandatory basis).

All SCSBs offering facility of making application in public issues shall also provide facility to make application using the UPI Mechanism. The Issuers will be required to appoint one of the SCSBs as a sponsor bank to act as a conduit between the Stock Exchanges and NPCI in order to facilitate collection of requests and / or payment instructions of the Retail Individual Applicants into the UPI mechanism.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLM.

#### Bid cum Application Form

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centres, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of the NSE, at least one day prior to the Bid/ Issue Opening Date.

Copies of the Anchor Investor Application Form will be available at the offices of the BRLM.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Issue only through the ASBA process. ASBA Bidders must provide either (i) the bank account details or authorisation to block funds in the ASBA Form, or (ii) the UPI ID, as applicable, in the relevant space provided in the ASBA Form. The ASBA Forms that do not contain such details are liable to be rejected. Applications made by the RIIs using third party bank account or using third party linked bank account UPI ID are liable for rejection. Anchor Investors are not permitted to participate in the Issue through the ASBA process. ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the relevant Designated Intermediary, submitted at the relevant Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. Since the Issue is made under Phase II of the UPI Circulars, ASBA Bidders may submit the ASBA Form in the manner below:

RIIs (other than the RIIs using UPI Mechanism) may submit their ASBA Forms with SCSBs (physically or online, as applicable), or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

RIIs using the UPI Mechanism, may submit their ASBA Forms with the Syndicate, sub-syndicate members, Registered

Brokers, RTAs or CDPs, or online using the facility of linked online trading, demat and bank account (3 in 1 type accounts), provided by certain brokers.

QIBs and NIBs may submit their ASBA Forms with SCSBs, Syndicate, sub-syndicate members, Registered Brokers, RTAs or CDPs.

Anchor Investors are not permitted to participate in the Issue through the ASBA process.

For Anchor Investors, the Anchor Investor Application Form will be available at the office of the BRLM. ASBA Bidders are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount which can be blocked by the SCSB.

The prescribed colour of the Bid cum Application Form for various categories is as follows:

Category	Colour of Application Form
Anchor Investor**	White
Resident Indians, including resident QIBs, Non-Institutional Investors, Retail Individual Investors and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents including eligible NRI's, FPI's, FIIs, FVCIs, etc. applying on a repatriation basis (ASBA)	Blue

\*Electronic Bid cum Application Form will also be available for download on the website of the NSE ([www.nseindia.com](http://www.nseindia.com)).

\*\* Bid cum application for Anchor Investor shall be made available at the Office of the BRLM.

Designated Intermediaries (other than SCSBs) after accepting Bid Cum Application Form submitted by RIIs (without using UPI for payment), NIIs and QIBs shall capture and upload the relevant details in the electronic bidding system of stock exchange(s) and shall submit/deliver the Bid Cum Application Forms to respective SCSBs where the Bidders has a bank account and shall not submit it to any Non-SCSB Bank.

Further, for applications submitted to designated intermediaries (other than SCSBs), with use of UPI for payment, after accepting the Bid Cum Application Form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange(s).

Bidders shall only use the specified Bid Cum Application Form for making an Application in terms of the Draft Red Herring Prospectus.

The Bid Cum Application Form shall contain information about the Bidder and the price and the number of Equity Shares that the Bidders wish to apply for. Bid Cum Application Forms downloaded and printed from the websites of the Stock Exchange shall bear a system generated unique application number. Bidders are required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Application Amount can be blocked by the SCSB or Sponsor Bank at the time of submitting the Application.

An Investor, intending to subscribe to this Issue, shall submit a completed Bid Cum Application Form to any of the following intermediaries (Collectively called – “Designated Intermediaries”).

S. No.	Designated Intermediaries
1.	An SCSB, with whom the bank account to be blocked, is maintained
2.	A syndicate member (or sub-syndicate member)
3.	A stock broker registered with a recognized stock exchange (and whose name is mentioned on the website of the stock Exchange as eligible for this activity) ('broker')
4.	A depository participant ('DP') (whose name is mentioned on the website of the stock exchange as eligible for this activity)
5.	A registrar to an Issue and share transfer agent ('RTA') (whose name is mentioned on the website of the stock exchange as eligible for this activity)

Retail Investors submitting application with any of the entities at (ii) to (v) above (hereinafter referred as “Intermediaries”), and intending to use UPI, shall also enter their UPI ID in the Bid Cum Application Form.

The aforesaid intermediary shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form, in physical or electronic mode, respectively.

The upload of the details in the electronic bidding system of stock exchange will be done by:



<b>For Applications submitted by Investors to SCSB:</b>	After accepting the form, SCSB shall capture and upload the relevant details in the electronic bidding system as specified by the stock exchange and may begin blocking funds available in the bank account specified in the form, to the extent of the application money specified.
<b>For applications submitted by investors to intermediaries other than SCSBs:</b>	After accepting the Bid Cum Application Form, respective Intermediary shall capture and upload the relevant details in the electronic bidding system of the stock exchange. Post uploading, they shall forward a schedule as per prescribed format along with the Bid Cum Application Forms to designated branches of the respective SCSBs for blocking of funds within one day of closure of Issue.
<b>For applications submitted by investors to intermediaries other than SCSBs with use of UPI for payment:</b>	After accepting the Bid Cum Application Form, respective intermediary shall capture and upload the relevant application details, including UPI ID, in the electronic bidding system of stock exchange. Stock exchange shall share application details including the UPI ID with sponsor bank on a continuous basis, to enable sponsor bank to initiate mandate request on investors for blocking of funds. Sponsor bank shall initiate request for blocking of funds through NPCI to investor. Investor to accept mandate request for blocking of funds, on his/her mobile application, associated with UPI ID linked bank account.

Stock exchange shall validate the electronic bid details with depository's records for DP ID/Client ID and PAN, on a real time basis and bring the inconsistencies to the notice of intermediaries concerned, for rectification and re-submission within the time specified by stock exchange.

Stock exchange shall allow modification of selected fields viz. DP ID/Client ID or Pan ID (Either DP ID/Client ID or Pan ID can be modified but not BOTH), Bank code and Location code, in the bid details already uploaded.

Upon completion and submission of the Bid Cum Application Form to Application Collecting intermediaries, the Bidders are deemed to have authorized our Company to make the necessary changes in the Draft Red Herring Prospectus, without prior or subsequent notice of such changes to the Bidders.

#### AVAILABILITY OF DRAFT RED HERRING PROSPECTUS AND BID CUM APPLICATION FORMS

Copies of the Bid cum Application Form and the abridged prospectus will be available at the offices of the BRLM, the Designated Intermediaries at Bidding Centers, and Registered Office of our Company. An electronic copy of the Bid cum Application Form will also be available for download on the websites of SCSBs (via Internet Banking) and NSE ([www.nseindia.com](http://www.nseindia.com)) at least one day prior to the Bid/Issue Opening Date.

#### WHO CAN APPLY?

As per the existing RBI regulations, OCBs are not eligible to participate in this Issue. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 08, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No. 20/2000-RB dated May 03, 2000 under FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of RBI if the investment is through Automatic Route on case to case basis. OCBs may invest in this Issue provided it obtains prior approval from the RBI or prior approval from Government, as the case may be. On submission of such approval along with the Application Form, the OCB shall be eligible to be considered for share allocation.

Each Applicant should check whether it is eligible to apply under applicable law. Furthermore, certain categories of Applicants, such as NRIs, FPIs and FVCIs may not be allowed to apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Applicants are requested to refer to the Draft Red Herring Prospectus for more details.

**Subject to the above, an illustrative list of Applicants is as follows:**

- a) Indian nationals resident in India who are not incompetent to contract under the Indian Contract Act, 1872, as amended, in single or as a joint application and minors having valid demat account as per Demographic Details provided by the Depositories. Furthermore, based on the information provided by the Depositories, our Company shall have the right to accept the Applications belonging to an account for the benefit of minor (under guardianship);
- b) Hindu Undivided Families or HUFs, in the individual name of the Karta. The Applicant should specify that the application is being made in the name of the HUF in the Application Form as follows: "Name of Sole or First applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Applications by HUFs would be considered at par with those from individuals;
- c) Companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in the Equity Shares under their respective constitutional and charter documents;
- d) QIBs;

- e) Mutual Funds registered with SEBI;
- f) Eligible NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this Issue;
- g) Indian Financial Institutions, scheduled commercial banks, regional rural banks, co-operative banks (subject to RBI permission, and the SEBI Regulations and other laws, as applicable);
- h) FIIs and sub-accounts of FIIs registered with SEBI, other than a sub-account which is a foreign corporate or a foreign individual under the QIB Portion;
- i) Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
- j) Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals only under the Non-Institutional applicant's category;
- k) Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI; State Industrial Development Corporations;
- l) Foreign Venture Capital Investors registered with the SEBI;
- m) Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorized under their constitution to hold and invest in equity shares;
- n) Scientific and/or Industrial Research Organizations authorized to invest in equity shares;
- o) Insurance Companies registered with Insurance Regulatory and Development Authority, India;
- p) Provident Funds with minimum corpus of ₹25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- q) Pension Funds with minimum corpus of ₹25 Crores and who are authorized under their constitution to hold and invest in equity shares;
- r) National Investment Fund set up by Resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
- s) Insurance funds set up and managed by army, navy or air force of the Union of India;
- t) Multilateral and bilateral development financial institution;
- u) Eligible QFIs;
- v) Insurance funds set up and managed by army, navy or air force of the Union of India;
- w) Insurance funds set up and managed by the Department of Posts, India;
- x) Any other person eligible to applying in this Issue, under the laws, rules, regulations, guidelines and policies applicable to them.

**Applications not to be made by:**

- |  |   |
|--|---|
| <b>1. Minors (except under guardianship)</b> | <b>2. Partnership firms or their nominees</b> |
| <b>3. Foreign Nationals (except NRIs)</b>    | <b>4. Overseas Corporate Bodies</b>           |

*The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be Issued or sold and applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.*

**MAXIMUM AND MINIMUM APPLICATION SIZE**

**1. For Retail Individual Bidders:**

The Application must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, so as to ensure that the Application Price payable by the Bidder does not exceed ₹2,00,000. In case of revision of Applications, the Retail Individual Bidders have to ensure that the Application Price does not exceed ₹2,00,000.

**2. For Other than Retail Individual Bidders (Non-Institutional Applicants and QIBs):**

The Application must be for a minimum of such number of Equity Shares that the Application Amount exceeds ₹2,00,000 and in multiples of [●] Equity Shares thereafter. An Application cannot be submitted for more than the Net Issuer Size. However, the maximum Application by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under existing SEBI Regulations, a QIB Bidder cannot withdraw its Application after the Issue Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non-Institutional Bidders, who are individuals, have to ensure that the Application Amount is greater than ₹2,00,000 for being considered for allocation in the Non-Institutional Portion.

Bidders are advised to ensure that any single Application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.

The above information is given for the benefit of the Bidders. The Company and the BRLM are not liable for any



amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

## METHOD OF BIDDING PROCESS

Our Company in consultation with the BRLM will decide the price band and the minimum bid lot size for the issue and the same shall be advertised in all editions of the [●], English national newspaper, all editions of Hindi national newspaper [●] and Marathi edition of regional newspaper [●] where the registered office of the company is situated, each with wide circulation at least 2 (Two) Working Days prior to the bid / issue opening date. The BRLM and the SCSBs shall accept Bids from the Bidders during the Bid / Issue Period.

- a) The Bid / Issue Period shall be for a minimum of 3 (Three) Working Days and shall not exceed 10 (Ten) Working Days. The Bid/ Issue Period maybe extended, if required, by an additional 1 (One) Working Days, subject to the total Bid/ Issue Period not exceeding 10 (Ten) Working Days. Any revision in the Price Band and the revised Bid / Issue Period, if applicable, will be published in all editions of the English national newspaper [●], all editions of Hindi national newspaper [●] and Marathi Edition of Regional newspaper [●] where the registered office of the company is situated, each with wide circulation and also by indicating the change on the websites of the BRLM.
- b) During the Bid/ Issue Period, Retail Individual Bidders, should approach the BRLM or their authorized agents to register their Bids. The BRLM shall accept bids from anchor investors and ASBA bidders in specified cities and it shall have the right to vet the bids during the bid/ issue period in accordance with the terms of the Draft Red Herring Prospectus. ASBA bidders should approach the designated branches or the BRLM (for the Bids to be submitted in the Specified Cities) to register their Bids.
- c) Each Bid cum Application Form will give the Bidder the choice to Bid for up to three optional prices (for details refer to the paragraph titled “Bids at Different Price Levels and Revision of Bids” below) within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder/Applicant at or above the Issue Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.
- d) The Bidder / Applicant cannot Bid through another Bid cum Application Form after Bids through one Bid cum Application Form have been submitted to a BRLM or the SCSBs. Submission of a second Bid cum Application Form to either the same or to another BRLM or SCSB will be treated as multiple bid and is liable to be rejected either before entering the bid into the electronic bidding system, or at any point of time prior to the allocation or allotment of equity shares in this issue. However, the bidder can revise the bid through the revision form, the procedure for which is detailed under the paragraph “buildup of the book and revision of bids”.
- e) Except in relation to the bids received from the anchor investors, the BRLM the SCSBs will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, (“TRS”), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form.
- f) The BRLM shall accept the Bids from the Anchor Investors during the Anchor Investor Bid/ Issue Period i.e. 1 (One) Working Day prior to the Bid/ Issue Opening Date. Bids by QIBs under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids.
- g) Along with the Bid cum Application Form, Anchor Investors will make payment in the manner described in “Escrow Mechanism - Terms of payment and payment into the Escrow Accounts” in the section “*Issue Procedure*” beginning on page no. 241 of this Draft Red Herring Prospectus
- h) Upon receipt of the Bid cum Application Form, submitted whether in physical or electronic mode, the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form, prior to uploading such Bids with the Stock Exchange.
- i) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchange.
- j) If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and will enter each Bid option into the electronic bidding system as a separate Bid and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.

- k) The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the Bid cum Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Bidders to the Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

#### **BIDS AT DIFFERENT PRICE LEVELS AND REVISION OF BIDS**

- a) Our Company in consultation with the BRLM, and without the prior approval of, or intimation, to the Bidders, reserves the right to revise the Price Band during the Bid/ Issue Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the floor price can move up or down to the extent of 20% of the floor price disclosed. If the revised price band decided, falls within two different price bands than the minimum application lot size shall be decided based on the price band in which the higher price falls into.
- b) Our Company in consultation with the BRLM, will finalize the Issue Price within the Price Band, without the prior approval of, or intimation, to the Bidders.
- c) The Bidders can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders may Bid at the Cut-off Price. However, bidding at the Cut-off Price is prohibited for QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.
- d) Retail Individual Bidders, who Bid at Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders shall submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount based on the Cap Price with the Syndicate. In case of ASBA Bidders (excluding Non-Institutional Bidders and QIB Bidders) bidding at Cut-off Price, the ASBA Bidders shall instruct the SCSBs to block an amount based on the Cap Price.
- e) The price of the specified securities offered to an anchor investor shall not be lower than the price offered to other applicants.

#### **PARTICIPATION BY ASSOCIATES /AFFILIATES OF BRLM AND THE SYNDICATE MEMBERS**

The BRLM and the Syndicate Members, if any, shall not be allowed to purchase in this Issue in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLM and the Syndicate Members, if any, may subscribe the Equity Shares in the Issue, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients.

Neither the BRLM nor any persons related to the BRLM (other than Mutual Funds sponsored by entities related to the BRLM), Promoters and Promoter Group can apply in the Issue under the Anchor Investor Portion.

#### **OPTION TO SUBSCRIBE IN THE ISSUE**

- a) As per Section 29(1) of the Companies Act 2013, allotment of Equity Shares shall be made in dematerialized form only. Investors will not have the option of getting allotment of specified securities in physical form.
- b) The Equity Shares, on allotment, shall be traded on the Stock Exchange in demat segment only.
- c) A single application from any investor shall not exceed the investment limit/minimum number of Equity Shares that can be held.
- d) by him/her/it under the relevant regulations/statutory guidelines and applicable law.

#### **INFORMATION FOR THE BIDDERS**

1. Our Company and the BRLM shall declare the Issue Opening Date and Issue Closing Date in the Red Herring Prospectus to be registered with the RoC and also publish the same in two national newspapers (one each in English and Hindi) and in a regional newspaper with wide circulation. This advertisement shall be in prescribed format.

2. Our Company will file the Red Herring Prospectus with the RoC at least 3 (Three) Working Days before the Issue Opening Date.
3. Copies of the Bid Cum Application Form along with Abridge Prospectus and copies of the Draft Red Herring Prospectus will be available with the, the BRLM, the Registrar to the Issue, and at the Registered Office of our Company. Electronic Bid Cum Application Forms will also be available on the websites of the Stock Exchange.
4. Any Bidder who would like to obtain the Draft Red Herring Prospectus and/ or the Bid Cum Application Form can obtain the same from our Registered Office.
5. Bidders who are interested in subscribing for the Equity Shares should approach Designated Intermediaries to register their applications.
6. Bid Cum Application Forms submitted directly to the SCSBs should bear the stamp of the SCSBs and/or the Designated Branch, or the respective Designated Intermediaries. Bid Cum Application Form submitted by Applicants whose beneficiary account is inactive shall be rejected.
7. The Bid Cum Application Form can be submitted either in physical or electronic mode, to the SCSBs with whom the ASBA Account is maintained, or other Designated Intermediaries (Other than SCSBs). SCSBs may provide the electronic mode of collecting either through an internet enabled collecting and banking facility or such other secured, electronically enabled mechanism for applying and blocking funds in the ASBA Account. The Retail Individual Applicants has to apply only through UPI Channel, they have to provide the UPI ID and validate the blocking of the funds and such Bid Cum Application Forms that do not contain such details are liable to be rejected.
8. Bidders applying directly through the SCSBs should ensure that the Bid Cum Application Form is submitted to a Designated Branch of SCSB, where the ASBA Account is maintained. Applications submitted directly to the SCSB's or other Designated Intermediaries (Other than SCSBs), the relevant SCSB, shall block an amount in the ASBA Account equal to the Application Amount specified in the Bid Cum Application Form, before entering the ASBA application into the electronic system.
9. Except for applications by or on behalf of the Central or State Government and the Officials appointed by the courts and by investors residing in the State of Sikkim, the Bidders, or in the case of application in joint names, the first Bidder (the first name under which the beneficiary account is held), should mention his/her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participating transacting in the securities market, irrespective of the amount of transaction. Any Bid Cum Application Form without PAN is liable to be rejected. The demat accounts of Bidders for whom PAN details have not been verified, excluding person resident in the State of Sikkim or persons who may be exempted from specifying their PAN for transacting in the securities market, shall be "suspended for credit" and no credit of Equity Shares pursuant to the Issue will be made into the accounts of such Bidders.
10. The Bidders may note that in case the PAN, the DP ID and Client ID mentioned in the Bid Cum Application Form and entered into the electronic collecting system of the Stock Exchange Designated Intermediaries do not match with PAN, the DP ID and Client ID available in the Depository database, the Bid Cum Application Form is liable to be rejected.

## **BIDS BY ANCHOR INVESTORS**

Our Company in consultation with the BRLM, may consider participation by Anchor Investors in the Issue for up to 60% of the QIB Portion in accordance with the SEBI Regulations. Only QIBs as defined in Regulation 2(1)(ss) of the SEBI Regulations and not otherwise excluded pursuant to Schedule XIII of the SEBI Regulations are eligible to invest. The QIB Portion will be reduced in proportion to allocation under the Anchor Investor Portion. In the event of under-subscription in the Anchor Investor Portion, the balance Equity Shares will be added to the QIB Portion. In accordance with the SEBI Regulations, the key terms for participation in the Anchor Investor Portion are provided below.

- 1) Anchor Investor Bid cum Application Forms will be made available for the Anchor Investors at the offices of the BRLM.
- 2) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount is at least ₹200.00 Lakhs. A Bid cannot be submitted for over 60% of the QIB Portion. In case of a Mutual Fund, separate Bids by individual schemes of a Mutual Fund will be aggregated to determine the minimum application size of ₹200.00 Lakhs.
- 3) One-third of the Anchor Investor Portion will be reserved for allocation to domestic Mutual Funds.
- 4) Bidding for Anchor Investors will open 1 (One) Working Day before the Bid/ Issue Opening Date and be completed

on the same day.

- 5) Our Company in consultation with the BRLM, will finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum and maximum number of Allottees in the Anchor Investor Portion will be, as mentioned below:
  - where allocation in the Anchor Investor Portion is up to ₹200.00 Lakhs, maximum of 2 (two) Anchor Investors;
  - where the allocation under the Anchor Investor Portion is more than ₹200.00 Lakhs but upto ₹2,500.00 Lakhs, minimum of 2 (two) and maximum of 15 (fifteen) Anchor Investors, subject to a minimum Allotment of ₹100.00 Lakhs per Anchor Investor; and
  - where the allocation under the Anchor Investor portion is more than ₹2,500.00 Lakhs: (i) minimum of 5 (five) and maximum of 15 (fifteen) Anchor Investors for allocation upto ₹2,500.00 Lakhs; and (ii) an additional 10 Anchor Investors for every additional allocation of ₹2,500.00 Lakhs or part thereof in the Anchor Investor Portion; subject to a minimum Allotment of ₹100.00 Lakhs per Anchor Investor.
- 6) Allocation to Anchor Investors will be completed on the Anchor Investor Bid/ Issue Period. The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made will be made available in the public domain by the BRLM before the Bid/ Issue Opening Date, through intimation to the Stock Exchange.
- 7) Anchor Investors cannot withdraw or lower the size of their Bids at any stage after submission of the Bid.
- 8) If the Issue Price is greater than the Anchor Investor Allocation Price, the additional amount being the difference between the Issue Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors within 2 (two) Working Days from the Bid/ Issue Closing Date. If the Issue Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Issue Price.
- 9) At the end of each day of the bidding period, the demand including allocation made to anchor investors, shall be shown graphically on the bidding terminals of syndicate members and website of stock exchange offering electronically linked transparent bidding facility, for information of public.
- 10) The BRLM, our Promoters, Promoter Group or any person related to them (except for Mutual Funds sponsored by entities related to the BRLM) will not participate in the Anchor Investor Portion. The parameters for selection of Anchor Investors will be clearly identified by the BRLM and made available as part of the records of the BRLM for inspection by SEBI.
- 11) Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.
- 12) Anchor Investors are not permitted to Bid in the Issue through the ASBA process.

#### **BIDS BY ELIGIBLE NRI'S**

Eligible NRIs may obtain copies of Bid cum Application Form from the offices of the BRLM and the Designated Intermediaries. Eligible NRI Bidders bidding on a repatriation basis by using the Non- Resident Forms should authorize their SCSB to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") ASBA Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary ("NRO") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form.

Eligible NRIs bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour).

Eligible NRIs bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour).

#### **BIDS BY FPI INCLUDING FII'S**

In terms of the SEBI FPI Regulations, any qualified foreign investor or FII who holds a valid certificate of registration from SEBI shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or a sub-account may participate in this Issue, in accordance with Schedule 2 of the FEMA Regulations, until the expiry of its registration with SEBI as an FII or a sub-account. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued by the designated depository participant

under the FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company reserves theright to reject any Bid without assigning any reason. An FII or subaccount may, subject to payment of conversion fees under the SEBI FPI Regulations, participate in the Issue, until the expiry of its registration as a FII or sub-account, or until it obtains a certificate of registration as FPI, whichever is earlier. Further, in case of Bids made by SEBI-registered FIIs or sub-accounts, which are not registered as FPIs, a certified copy of the certificate of registration as an FII issued by SEBI is required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason.

In terms of the SEBI FPI Regulations, the Issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectorial cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included. The existing individual and aggregate investment limits an FII or sub account in our Company is 10% and 24% of the total paid-up Equity Share capital of our Company, respectively.

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.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue 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 who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with know your client norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

FPIs who wish to participate in the Issue are advised to use the Bid cum Application Form for Non- Residents (blue in colour).

### **BIDS BY SEBI REGISTERED VCF'S, AIF'S AND FVCI'S**

The SEBI FVCI Regulations and the SEBI AIF Regulations inter-alia prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among others, the investment restrictions on AIF's.

The holding by any individual VCF registered with SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one Investee Company. A category III AIF cannot invest more than 10% of the corpus in one Investee Company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulation until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All FIIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of Bank charges and commission.

Our Company or the BRLM will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

### **BIDS BY HUF'S**

Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the Application is



being made in the name of the HUF in the Bid cum Application Form as follows: “Name of sole or first Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta”. Bid cum Applications by HUFs may be considered at par with Bid cum Applications from individuals.

#### **BIDS BY MUTUAL FUNDS**

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 index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company’s paid-up share capital carrying voting rights.

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid cum Application in whole or in part, in either case, without assigning any reason thereof.

In case of a mutual fund, a separate Bid cum 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 Bids clearly indicate the scheme concerned for which the Bids has been made.

The Bids made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

#### **BIDS BY SYSTEMATICALLY IMPORTANT NON BANKING FINANCIAL COMPANIES**

In case of Applications made by Systemically Important Non-Banking Financial Companies, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s), must be attached to the Bid cum Application Form. Failing this, our Company reserve the right to reject any Application, without assigning any reason thereof. Systemically Important Non-Banking Financial Companies participating in the Issue shall comply with all applicable legislations, regulations, directions, guidelines and circulars issued by RBI from time to time.

#### **BIDS BY LIMITED LIABILITY PARTNERSHIPS**

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any bid without assigning any reason thereof.

Limited liability partnerships can participate in the Issue only through the ASBA process.

#### **APPLICATION BY INDIAN PUBLIC INCLUDING ELIGIBLE NRIs APPLYING ON NON-REPATRIATION**

Application must be made only in the names of individuals, limited companies or statutory corporations / institutions and not in the names of minors (other than minor having valid depository accounts as per demographic details provided by the depository), foreign nationals, trusts, (unless the trust is registered under the Societies Registration Act, 1860 or any other applicable trust laws and is authorized under its constitution to hold shares and debentures in a company), Hindu Undivided Families (HUF), partnership firms or their nominees. In case of HUFs, application shall be made by the Karta of the HUF.

Eligible NRIs applying on a non-repatriation basis may make payments by inward remittance in foreign exchange through normal banking channels or by debits to NRE / FCNR accounts as well as NRO accounts.

An applicant in the Net Public Category cannot make an application for that number of Equity Shares exceeding the number of Equity Shares Issued to the public.

#### **APPLICATION BY MUTUAL FUNDS**

**As per the current regulations, the following restrictions are applicable for investments by mutual funds:**

- No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any Company.

Provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds.



- No mutual fund under all its schemes should own more than 10% of any Company's paid up share capital carrying voting rights.

The Applications made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

With respect to Applications by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

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.

#### **APPLICATIONS BY INSURANCE COMPANIES**

In case of applications made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Application Form. Failing this, our Company reserves the right to reject any application, without assigning any reason thereof. The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended (The "IRDA Investment Regulations"), are broadly set forth below:

- a. Equity shares of a Company: the least of 10% of the investee Company's subscribed capital (face value) or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- b. The entire group of the investee Company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- c. The industry sector in which the investee company belong to: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be. Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

#### **APPLICATION UNDER POWER OF ATTORNEY**

In case of applications made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FPI's, Mutual Funds, insurance companies and provident funds with minimum corpus of ₹25 Crores (subject to applicable law) and pension funds with a minimum corpus of ₹25 Crores, a certified copy of the power of attorney or the relevant Resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged with the Application Form. Failing this, our Company reserves the right to accept or reject any application in whole or in part, in either case, without assigning any reason therefore.

In addition to the above, certain additional documents are required to be submitted by the following entities:

- a. With respect to applications by VCFs, FVCIs, FPIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.
- b. With respect to applications by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged with the Application Form as applicable. Failing this, our Company reserves the right to accept or reject any application, in whole or in part, in either case without assigning any reasons thereof.
- c. With respect to applications made by provident funds with minimum corpus of ₹25 Crores (subject to applicable law) and pension funds with a minimum corpus of ₹25 Crores, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Application Form. Failing this, our Company reserves the right to accept or reject such application, in whole or in part, in either case without assigning any reasons thereof.
- d. With respect to Applications made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Application Form.

The Company in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power

of attorney along with the Application Form, subject to such terms and conditions that the Company and the lead manager may deem fit.

The Company, in its absolute discretion, reserves the right to permit the holder of the power of attorney to request the Registrar to the Issue that, for the purpose of printing particulars on the refund order and mailing of the Allotment Advice / CANs / letters notifying the unblocking of the bank accounts of ASBA applicants, the Demographic Details given on the Application Form should be used (and not those obtained from the Depository of the application). In such cases, the Registrar to the Issue shall use Demographic Details as given on the Application Form instead of those obtained from the Depositories.

*The above information is given for the benefit of the Applicants. The Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of the Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.*

*The Applicants should note that in case the PAN, the DP ID and Client ID mentioned in the Application Form and entered into the electronic system of the Stock Exchanges does not match with the PAN, DP ID and Client ID available in the database of Depositories, the Application Form is liable to be rejected.*

### **BIDS BY PROVIDENT FUNDS / PENSION FUNDS**

In case of Bids made by provident funds with minimum corpus of ₹25 Crore (subject to applicable law) and pension funds with minimum corpus of ₹25 Crore, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Bid cum Application Form. Failing this, the Company reserves the right to accept or reject any bid in whole or in part, in either case, without assigning any reason thereof.

### **BIDS BY BANKING COMPANY**

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid by a banking company without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949, as amended (the "Banking Regulation Act"), and the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company not being its subsidiary engaged in non-financial services or 10% of the banks' own paid-up share capital and reserves, whichever is lower. However, a banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid up share capital of such investee company if (i) the investee company is engaged in non-financial activities permitted for banks in terms of Section 6(1) of the Banking Regulation Act, or (ii) the additional acquisition is through restructuring of debt / corporate debt restructuring / strategic debt restructuring, or to protect the banks' interest on loans / investments made to a company. The bank is required to submit a time bound action plan for disposal of such shares within a specified period to RBI. A banking company would require a prior approval of RBI to make

- (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exception prescribed), and
- (ii) investment in a nonfinancial services company in excess of 10% of such investee company's paid up share capital as stated in 5(a)(v)(c)(i) of the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016.

### **BIDS BY SCSB'S**

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making Bid cum Applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making Bid cum application in public issues and clear demarcated funds should be available in such account for such Bid cum applications.

### **ISSUANCE OF A CONFIRMATION NOTE ("CAN") AND ALLOTMENT IN THE ISSUE**

1. Upon approval of the basis of allotment by the Designated Stock Exchange, the BRLM or Registrar to the Issue shall send to the SCSBs a list of their Bidders who have been allocated Equity Shares in the Issue.
2. The Registrar will then dispatch a CAN to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder.

### **ISSUE PROCEDURE FOR APPLICATION SUPPORTED BY BLOCKED ACCOUNT (ASBA) BIDDERS**

In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Bidders have to compulsorily apply through the ASBA Process. Our Company and the BRLM are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. ASBA Bidders are advised to make their independent investigations and to ensure that the ASBA Bid Cum Application Form is correctly filled up, as described in this section.

The lists of banks that have been notified by SEBI to act as SCSB (Self Certified Syndicate Banks) for the ASBA Process are provided on <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>. For details on designated branches of SCSB collecting the Bid Cum Application Form, please refer the above-mentioned SEBI link.

## TERMS OF PAYMENT

The entire Issue price of ₹[●]/- per share is payable on application. In case of allotment of lesser number of Equity Shares than the number applied, the Registrar shall instruct the SCSBs to unblock the excess amount paid on Application to the Bidders.

SCSBs will transfer the amount as per the instruction of the Registrar to the Public Issue Account, the balance amount after transfer will be unblocked by the SCSBs.

The Bidders should note that the arrangement with Bankers to the Issue or the Registrar is not prescribed by SEBI and has been established as an arrangement between our Company, Banker to the Issue and the Registrar to the Issue to facilitate collections from the Bidders.

## PAYMENT MECHANISM

The Bidders shall specify the bank account number in their Bid Cum Application Form and the SCSBs shall block an amount equivalent to the Application Amount in the bank account specified in the Bid Cum Application Form. The SCSB shall keep the Application Amount in the relevant bank account blocked until withdrawal/ rejection of the Application or receipt of instructions from the Registrar to unblock the Application Amount. However, Non-Retail Bidders shall neither withdraw nor lower the size of their applications at any stage. In the event of withdrawal or rejection of the Bid Cum Application Form or for unsuccessful Bid Cum Application Forms, the Registrar to the Issue shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Application Amount shall remain blocked in the ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Application by the ASBA Bidder, as the case may be.

Please note that, in terms of SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, all the investors applying in a public Issue shall use only Application Supported by Blocked Amount (ASBA) process for application providing details of the bank account which will be blocked by the Self-Certified Syndicate Banks (SCSBs) for the same. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, Retail Individual Investors applying in public Issue have to use UPI as a payment mechanism with Application Supported by Blocked Amount for making application.

## PAYMENT INTO ESCROW ACCOUNT FOR ANCHOR INVESTORS

All the investors other than Anchor Investors are required to bid through ASBA Mode. Anchor Investors are requested to note the following:

Our Company in consultation with the BRLM, in its absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:

- a. In case of resident Anchor Investors: “[●] IPO - Anchor Account - R”.
- b. In case of Non - Resident Anchor Investors: “[●] IPO - Anchor Account - NR”.
- c. Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Syndicate, the Escrow Collection Bank and the Registrar to the Issue to facilitate collections from the Anchor Investors.

## ELECTRONIC REGISTRATION OF APPLICATIONS

1. The Designated Intermediaries will register the applications using the on-line facilities of the Stock Exchange.

2. The Designated Intermediaries will undertake modification of selected fields in the application details already uploaded before 5:00 p.m. of the Issue Closing Date.
3. The Designated Intermediaries shall be responsible for any acts, mistakes or errors or omissions and commissions in relation to:
  - a. the applications accepted by them;
  - b. the applications uploaded by them;
  - c. the applications accepted but not uploaded by them; or
  - d. With respect to applications by Bidders, applications accepted and uploaded by any Designated Intermediary other than SCSBs, the Bid Cum Application Form along with relevant schedules shall be sent to the SCSBs or the Designated Branch of the relevant SCSBs for blocking of funds and they will be responsible for blocking the necessary amounts in the ASBA Accounts. In case of Application accepted and Uploaded by SCSBs, the SCSBs or the Designated Branch of the relevant SCSBs will be responsible for blocking the necessary amounts in the ASBA Accounts.
4. Neither the BRLM nor our Company nor the Registrar to the Issue, shall be responsible for any acts, mistakes or errors or omission and commissions in relation to:
  - (i) The applications accepted by any Designated Intermediaries;
  - (ii) The applications uploaded by any Designated Intermediaries; or
  - (iii) The applications accepted but not uploaded by any Designated Intermediaries.
5. The Stock Exchange will offer an electronic facility for registering applications for the Issue. This facility will be available at the terminals of Designated Intermediaries and their authorized agents during the Issue Period. The Designated Branches or agents of Designated Intermediaries can also set up facilities for off - line electronic registration of applications subject to the condition that they will subsequently upload the off - line data file into the online facilities on a regular basis. On the Issue Closing Date, the Designated Intermediaries shall upload the applications till such time as may be permitted by the Stock Exchange. This information will be available with the BRLM on a regular basis.
6. With respect to applications by Bidders, at the time of registering such applications, the Syndicate Bakers, DPs and RTAs shall forward a Schedule as per format given below along with the Bid Cum Application Forms to Designated Branches of the SCSBs for blocking of funds:

S. No.	Details*
1.	Symbol
2.	Intermediary Code
3.	Location Code
4.	Application No.
5.	Category
6.	PAN
7.	DP ID
8.	Client ID
9.	Quantity
10.	Amount

*\*Stock Exchanges shall uniformly prescribe character length for each of the above-mentioned fields*

7. With respect to applications by Bidders, at the time of registering such applications, the Designated Intermediaries shall enter the following information pertaining to the Bidders into in the on-line system:
  - Name of the Bidder;
  - IPO Name;
  - Bid Cum Application Form Number;
  - Investor Category;
  - PAN (of First Bidder, if more than one Bidder);
  - DP ID of the demat account of the Bidder;
  - Client Identification Number of the demat account of the Bidder;
  - Number of Equity Shares Applied for;
  - Bank Account details;
  - Locations of the Banker to the Issue or Designated Branch, as applicable, and bank code of the SCSB branch

- where the ASBA Account is maintained; and
  - Bank account number.
8. In case of submission of the Application by a Bidder through the Electronic Mode, the Bidder shall complete the above-mentioned details and mention the bank account number, except the Electronic ASBA Bid Cum Application Form number which shall be system generated.
  9. The aforesaid Designated Intermediaries shall, at the time of receipt of application, give an acknowledgment to the investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form in physical as well as electronic mode. The registration of the Application by the Designated Intermediaries does not guarantee that the Equity Shares shall be allocated / allotted either by our Company.
  10. Such acknowledgment will be non-negotiable and by itself will not create any obligation of any kind.
  11. In case of Non-Retail Bidders and Retail Individual Bidders, applications would not be rejected except on the technical grounds as mentioned in the Draft Red Herring Prospectus. The Designated Intermediaries shall have no right to reject applications, except on technical grounds.
  12. The permission given by the Stock Exchanges to use their network and software of the Online IPO system should not in anyway be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the BRLM are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our company; our Promoter, our management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Draft Red Herring Prospectus, nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
  13. The Designated Intermediaries will be given time till 5:00 p.m. on the Bid/ Issue Closing Date to verify the DP ID and Client ID uploaded in the online IPO system during the Issue Period, after which the Registrar to the Issue will receive this data from the Stock Exchange and will validate the electronic application details with Depository's records. In case no corresponding record is available with Depositories, which matches the three parameters, namely DP ID, Client ID and PAN, then such applications are liable to be rejected.
  14. The SCSBs shall be given one day after the Bid/ Issue Closing Date to send confirmation of Funds blocked (Final certificate) to the Registrar to the Issue.
  15. The details uploaded in the online IPO system shall be considered as final and Allotment will be based on such details for applications.

### **BUILD OF THE BOOK**

- a. Bids received from various Bidders through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchange on a regular basis. The book gets built up at various price levels. This information may be available with the BRLM at the end of the Bid/ Issue Period.
- b. Based on the aggregate demand and price for Bids registered on the Stock Exchange Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchange may be made available at the Bidding centres during the Bid/ Issue Period.

### **WITHDRAWAL OF BIDS**

- a. RIIs can withdraw their Bids until Bid/ Issue Closing Date. In case a RII wishes to withdraw the Bid during the Bid/ Issue Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.
- b. The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

### **PRICE DISCOVERY AND ALLOCATION**

- a. Based on the demand generated at various price levels, our Company in consultation with the BRLM, shall finalize the Issue Price and the Anchor Investor Issue Price.
- b. The SEBI ICDR Regulations, 2018 specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in



- the RHP. For details in relation to allocation, the Bidder may refer to the RHP.
- c. Under-subscription in any category (except QIB Category) is allowed to be met with spillover from any other category or combination of categories at the discretion of the Issuer and the in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations. Unsubscribed portion in QIB Category is not available for subscription to other categories.
  - d. In case of under subscription in the Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Issue. For allocation in the event of an under-subscription applicable to the Issuer, Bidders may refer to the RHP.
  - e. In case if the Retail Individual Investor category is entitled to more than the allocated portion on proportionate basis, the category shall be allotted that higher percentage.
  - f. Allocation to Anchor Investors shall be at the discretion of our Company and in consultation with the BRLM, subject to compliance with the SEBI Regulations.

Illustration of the Book Building and Price Discovery Process: Bidders should note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes Bidding by Anchor Investors. Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹ 20/- to ₹ 24/- per share, Issue size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

Bid Quantity	Bid Amount (₹)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Issue the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹ 22.00/- in the above example. The Issuer, in consultation with the BRLM, may finalise the Issue Price at or below such Cut-Off Price, i.e., at or below ₹22.00/-. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

#### **SIGNING OF UNDERWRITING AGREEMENT AND REGISTERING OF RED HERRING PROSPECTUS/PROSPECTUS WITH ROC**

- a. Our company has entered into an Underwriting Agreement dated [●].
- b. A copy of Red Herring Prospectus will be registered with the ROC and copy of Prospectus will be registered with ROC in terms of Section 32 of Companies Act, 2013 and Section 26 of Companies Act, 2013.

#### **PRE - ISSUE ADVERTISEMENT**

Subject to Section 30 of the Companies Act 2013, our Company shall, after filling the Red Herring Prospectus with the ROC, publish a Pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in (i) English National Newspaper; (ii) Hindi National Newspaper and (iii) Regional Newspaper each with wide circulation. In the pre-Issue advertisement, we shall state the Bid Opening Date and the Bid/ Issue Closing Date and the floor price or price band along with necessary details subject to regulation 250 of SEBI ICDR Regulations. This advertisement, subject to the provisions of section 30 of the Companies Act, 2013, shall be in the format prescribed in Part - A of Schedule - X of the SEBI Regulations.

#### **ADVERTISEMENT REGARDING ISSUE PRICE AND PROSPECTUS**

Our Company will Issue a statutory advertisement after the filing of the Red Herring Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the final derived Issue Price. Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

#### **GENERAL INSTRUCTIONS**

Please note that the NIIs are not permitted to withdraw their bids or lower the size of Bids in terms of quantity of Equity Shares or Bid Amount) at any stage. Retail Individual Investor can revise their Bids during the Bid/ Issue period and withdraw their Bids until Bid/ Issue Closing date.



**Anchor investors are not allowed to withdraw their Bids after Anchor Investors bidding date.**

**Do's:**

1. Check if you are eligible to apply as per the terms of the Draft Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
4. Ensure that the details about the PAN, DP ID, Client ID, UPI ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialized form only;
5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre;
6. If the first applicant is not the account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
7. In case of Joint bids, ensure the first bidder is the ASBA Account holder (or the UPI linked bank account holder, as the case may be) and the signature of the first bidder is included in the Bid cum Application Form;
8. QIBs, Non-Institutional Bidders and the Retail Bidders should submit their Bids through the ASBA process only. However, pursuant to SEBI circular dated November 01, 2018, RII may submit their bid by using UPI mechanism for payment.
9. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
10. Ensure that you request for and receive a stamped acknowledgement of the Bid cum Application Form for all your Bid options;
11. Ensure that you have funds equal to the Bid Amount in the Bank Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process or application forms submitted by RIIs using UPI mechanism for payment, to the respective member of the Syndicate (in the Specified Locations), the SCSBs, the Registered Broker (at the Broker Centers), the RTA (at the Designated RTA Locations) or CDP (at the Designated CDP Locations);
12. Submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
13. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
14. Ensure that the Demographic Details are updated, true and correct in all respects;
15. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
16. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
17. Ensure that the category and the investor status is indicated;
18. Ensure that in case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are submitted;
19. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
20. Bidders should note that in case the DP ID, Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchange by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Bids are liable to be rejected. Where the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in the same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form;
21. Ensure that the Bid cum Application Forms are delivered by the Bidders within the time prescribed as per the Bid cum Application Form and the Red Herring Prospectus;
22. Ensure that you have mentioned the correct ASBA Account number or UPI ID in the Bid cum Application Form;
23. Ensure that you have mentioned the details of your own bank account for blocking of fund or your own bank account linked UPI ID to make application in the Public Issue;
24. Ensure that on receipt of the mandate request from sponsor bank, you have taken necessary step in timely manner for

- blocking of fund on your account through UPI ID using UPI application;
25. Ensure that you have correctly signed the authorization / undertaking box in the Bid cum Application Form, or have otherwise provided an authorization to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid;
  26. Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Bid cum Application Form; and
  27. The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

**The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.**

#### **Don'ts:**

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid / revise Bid Amount to less than the Floor Price or higher than the Cap Price;
3. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
4. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
5. Do not submit the Bid cum Application Forms to any non-SCSB bank or our Company;
6. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
7. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
8. Do not instruct your respective Banks to release the funds blocked in the ASBA Account under the ASBA process;
9. Do not Bid for a Bid Amount exceed ₹2,00,000/- (for Applications by Retail Individual Bidders);
10. Do not fill up the Bid cum Application Form such that the Equity Shares Application exceeds the Issue size and / or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;
11. Do not submit the General Index Register number instead of the PAN;
12. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are blocked in the relevant ASBA Account;
13. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Applicant;
14. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
15. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
16. Do not submit a Bid by using details of the third party's bank account or UPI ID which is linked with bank account of the third party. Kindly note that Bids made using third party bank account or using third party linked bank account UPI ID are liable for rejection.

**The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.**

#### **OTHER INSTRUCTIONS FOR THE BIDDERS JOINT BIDS**

In the case of Joint Bids, the Bids should be made in the name of the Bidders whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidders would be required in the Bid cum Application Form/Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders. All payments may be made out in favour of the Bidder whose name appears in the Bid cum Application Form or the Revision Form and all communications may be addressed to such Bidder and may be dispatched to his or her address as per the Demographic Details received from the Depositories.

#### **MULTIPLE BIDS**

Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of Bids at three different price levels in the Bid cum Application Form and such options are not considered as multiple Bids. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate, SCSB or Registered Broker and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

#### **INVESTOR GRIEVANCE**

In case of any Pre - Issue or Post Issue related problems regarding demat credit / refund orders/ unblocking etc. the Investors can contact the Compliance Officer of our Company.

#### **NOMINATION FACILITY TO BIDDERS**

Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders should inform their respective DP.

## SUBMISSION OF BIDS

- a. During the Bid/ Issue Period, Bidders may approach any of the Designated Intermediaries to register their Bids.
- b. In case of Bidders (excluding NIIs and QIBs) Bidding at cut-off price, the Bidders may instruct the SCSBs to block Bid Amount based on the Cap Price less Discount (if applicable).
- c. For details of the timing on acceptance and upload of Bids in the Stock Exchange platform Bidders are requested to refer to the Draft Read Herring Prospectus.

## GROUNDINGS OF TECHNICAL REJECTIONS

**Bidders are advised to note that Bids are liable to be rejected inter alia on the following technical grounds:**

- Amount blocked does not tally with the amount payable for the Equity Shares applied for;
- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm assuch shall be entitled to apply;
- Bid by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;
- PAN not mentioned in the Bid cum Application Form;
- Bids at a price less than the Floor Price and Bids at a price more than the Cap Price;
- GIR number furnished instead of PAN;
- Bid for lower number of Equity Shares than specified for that category of investors;
- Bids at Cut-off Price by NIIs and QIBs;
- Bids for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the Draft Red Herring Prospectus;
- The amounts mentioned in the Bid cum Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
- Bids for lower number of Equity Shares than the minimum specified for that category of investors;
- Category not ticked;
- Multiple Bids as defined in the Draft Red Herring Prospectus;
- In case of Bids under power of attorney or by limited companies, corporate, trust etc., where relevant documents are not submitted;
- Bid accompanied by Stock invest/ money order/ postal order/ cash/ cheque/ demand draft/ pay order;
- Signature of sole Bidder is missing;
- Bid cum Application Forms not delivered by the Bidder within the time prescribed as per the Bid cum Application Forms, Bid/ Issue Opening Date advertisement and the Draft Red Herring Prospectus and as per the instructions in the Draft Red Herring Prospectus and the Bid cum Application Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's account number;
- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Bid by OCBs;
- Bids by US persons other than in reliance on Regulation S or "qualified institutional buyers" as defined in Rule 144A under the Securities Act;
- Inadequate funds in the bank account to block the Bid Amount specified in the Bid cum Application Form/Application Form at the time of blocking such Bid Amount in the bank account;
- Bids not uploaded on the terminals of the Stock Exchanges;
- Where no confirmation is received from SCSB for blocking of funds;
- Bids by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form. Bids not duly signed by the sole/First Bidder;
- Bids by any persons outside India if not in compliance with applicable foreign and Indian laws;
- Bids that do not comply with the securities laws of their respective jurisdictions are liable to be rejected;
- Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- Bids by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines, and approvals; and
- Details of ASBA Account not provided in the Bid cum Application form.

For details of instructions in relation to the Bid cum Application Form, Bidders may refer to the relevant section the GID.

**BIDDERS SHOULD NOTE THAT IN CASE THE PAN, THE DP ID AND CLIENT ID MENTIONED IN THE BID CUM APPLICATION FORM AND ENTERED INTO THE ELECTRONIC APPLICATION SYSTEM OF THE STOCK EXCHANGES BY THE BIDS COLLECTING INTERMEDIARIES DO NOT MATCH WITH PAN, THE DP ID AND CLIENT ID AVAILABLE IN THE DEPOSITORY DATABASE, THE BID CUM APPLICATION FORM IS LIABLE TO BE REJECTED.**

### **BASIS OF ALLOCATION**

- a) The SEBI (ICDR) Regulations specify the allocation or Allotment that may be made to various categories of Bidders in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the Draft Red Herring Prospectus. For details in relation to allocation, the Bidder may refer to the Draft Red Herring Prospectus.
- b) Under-Subscription in any category (except QIB Category) is allowed to be met with spill over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI (ICDR) Regulations, Unsubscribed portion in QIB Category is not available for subscription to other categories.
- c) In case of under subscription in the Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Issue. For allocation in the event of an under-subscription applicable to the Issuer, Bidders may refer to the Red Herring Prospectus.

### **ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT**

The Allotment of Equity Shares to Bidders other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders may refer to Draft Red Herring Prospectus. No Retail Individual Investor will be allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Issue.

#### **Flow of Events from the closure of bidding period (T DAY) Till Allotment:**

- On T Day, RTA to validate the electronic bid details with the depository records and also reconcile the final certificates received from the Sponsor Bank for UPI process and the SCSBs for ASBA and Syndicate ASBA process with the electronic bid details.
- RTA identifies cases with mismatch of account number as per bid file / Final Certificate and as per applicant's bank account linked to depository demat account and seek clarification from SCSB to identify the applications with third party account for rejection.
- Third party confirmation of applications to be completed by SCSBs on T+1 day.
- RTA prepares the list of final rejections and circulate the rejections list with BRLM(s)/ Company for their review/ comments.
- Post rejection, the RTA submits the basis of allotment with the Designated Stock Exchange (DSE).
- The Designated Stock Exchange (DSE), post verification approves the basis and generates drawal of lots wherever applicable, through a random number generation software.
- The RTA uploads the drawal numbers in their system and generates the final list of allottees as per process mentioned below:

#### **Process for generating list of allottees:**

- Instruction is given by RTA in their Software System to reverse category wise all the application numbers in the ascending order and generate the bucket /batch as per the allotment ratio. For example, if the application number is 78654321 then system reverses it to 12345687 and if the ratio of allottees to applicants in a category is 2:7 then the system will create lots of 7. If the drawal of lots provided by Designated Stock Exchange (DSE) is 3 and 5 then the system will pick every 3rd and 5th application in each of the lot of the category and these applications will be allotted the shares in that category.
- In categories where there is proportionate allotment, the Registrar will prepare the proportionate working based on the oversubscription times.
- In categories where there is undersubscription, the Registrar will do full allotment for all valid applications.
- On the basis of the above, the RTA will work out the allottees, partial allottees and non- allottees, prepare the fund transfer letters and advice the SCSBs to debit or unblock the respective accounts.

### **BASIS OF ALLOTMENT**

#### **a. For Retail Individual Bidders:**

Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Issue Price.

The Issue size less Allotment to Non-Institutional and QIB Bidders shall be available for Allotment to Retail Individual Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregated demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.

If the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, the Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment, refer below.

#### **b. For Non-Institutional Bidders**

Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non- Institutional Bidders will be made at the Issue Price.

The Issue size less Allotment to QIBs and Retail shall be available for Allotment to Non-Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price. If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.

In case the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. For the method of proportionate Basis of Allotment refer below.

#### **c. For QIBs**

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI ICDR Regulations or Red Herring Prospectus / Prospectus. Bids received from QIBs Bidding in the QIB Category (net of Anchor Portion) at or above the Issue Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price. Allotment may be undertaken in the following manner: Allotment shall be undertaken in the following manner:

- a) In the first instance allocation to Mutual Funds for [●]% of the QIB Portion shall be determined as follows:
  - In the event that Bids by Mutual Fund exceeds [●]% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for [●]% of the QIB Portion.
  - In the event that the aggregate demand from Mutual Funds is less than [●]% of the QIB Portion then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Issue Price.
  - Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for Allotment to all QIB Bidders as set out in (b) below;
- b) In the second instance Allotment to all QIBs shall be determined as follows:
  - In the event that the oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter for [●]% of the QIB Portion.
  - Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis, upto a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter, along with other QIB Bidders.
  - Under-subscription below [●]% of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis. The aggregate Allotment to QIB Bidders shall not be more than [●] Equity Shares.

#### **d. ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE):**

- a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Allocation Price will be at the discretion of the Issuer, in consultation with the BRLM, subject to compliance with the following requirements:
  - i) not more than 60% of the QIB Portion will be allocated to Anchor Investors;
  - ii) one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other



- Anchor Investors; and
- iii) allocation to Anchor Investors shall be on a discretionary basis and subject to:
- a maximum number of two Anchor Investors for allocation up to ₹2 crores;
  - a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹2 crores and up to ₹25 crores subject to minimum allotment of ₹1 crores per such Anchor Investor; and
  - in case of allocation above ₹25 crores; a minimum of 5 such investors and a maximum of 15 such investors for allocation up to ₹25 crores and an additional 10 such investors for every additional ₹25 crores or part thereof, shall be permitted, subject to a minimum allotment of ₹1 crores per such investor.
- b) A physical book is prepared by the Registrar on the basis of the Anchor Investor Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the Issuer, in consultation with the BRLM, selected Anchor Investors will be sent a CAN and if required, a revised CAN.
- c) In the event that the Issue Price is higher than the Anchor Investor Allocation Price:
- Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Issue Price and the Anchor Investor Allocation Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors.
- d) In the event the Issue Price is lower than the Anchor Investor Allocation Price:
- Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.
- e) Basis of Allotment for QIBs (other than Anchor Investors) and NIIs in case of Over Subscribed:

**Issue:**

In the event of the Issue being Over-Subscribed, the Issuer may finalise the Basis of Allotment in consultation with the NSE Emerge (The Designated Stock Exchange). The allocation may be made in marketable lots on proportionate basis as set forth hereunder:

- a. The total number of Shares to be allocated to each category as a whole shall be arrived at on a proportionate basis i.e. the total number of Shares applied for in that category multiplied by the inverse of the oversubscription ratio (number of Bidders in the category multiplied by number of Shares applied for).
- b. The number of Shares to be allocated to the successful Bidders will be arrived at on a proportionate basis in marketable lots (i.e. Total number of Shares applied for into the inverse of the over subscription ratio).
- c. For Bids where the proportionate allotment works out to less than [●] equity shares the allotment will be made as follows:
  - Each successful Bidder shall be allotted [●] equity shares; and
  - The successful Bidder out of the total bidders for that category shall be determined by draw of lots in such a manner that the total number of Shares allotted in that category is equal to the number of Shares worked out as per (b) above.
- d. If the proportionate allotment to a Bidder works out to a number that is not a multiple of [●] equity shares, the Bidder would be allotted Shares by rounding off to the nearest multiple of [●] equity shares subject to a minimum allotment of [●] equity shares.
- e. If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the Bidders in that category, the balance available Shares or allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful Bidder in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising Bidder applying for the minimum number of Shares. If as a result of the process of rounding off to the nearest multiple of [●] Equity Shares, results in the actual allotment being higher than the shares offered, the final allotment may be higher at the sole discretion of the Board of Directors, up to 110% of the size of the Issue specified under the Capital Structure mentioned in this Draft Red Herring Prospectus.



Retail Individual Investor' means an investor who applies for shares of value of not more than ₹2,00,000/-. Investors may note that in case of over subscription allotment shall be on proportionate basis and will be finalized in consultation with NSE.

The Designated Person of NSE - the Designated Stock Exchange in addition to BRLM and Registrar to the Public Issue shall be responsible to ensure that the basis of allotment is finalized in a fair and proper manner in accordance with the SEBI (ICDR) Regulations.

#### **Issuance of Allotment Advice**

- 1) Upon approval of the Basis of Allotment by the Designated Stock Exchange.
- 2) On the basis of approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Bidders are advised to instruct their Depository Participants to accept the Equity Shares that may be allotted to them pursuant to the Issue.
- 3) The BRLM or the Registrar to the Issue will dispatch an Allotment Advice to their Bidders who have been allocated Equity Shares in the Issue. The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Allotment to such Bidder.
- 4) Issuer will make the allotment of the Equity Shares and initiate corporate action for credit of shares to the successful Bidders Depository Account within 2 (Two) Working Days of the Issue Closing date. The Issuer also ensures the credit of shares to the successful Bidders Depository Account is completed within 1 (One) Working Day from the date of allotment, after the funds are transferred from ASBA Public Issue Account to Public Issue account of the issuer.

#### **Designated Date**

On the Designated date, the SCSBs shall transfer the funds represented by allocations of the Equity Shares into Public Issue Account with the Bankers to the Issue.

The Company will Issue and dispatch letters of allotment/ or letters of regret along with refund order or credit the allotted securities to the respective beneficiary accounts, if any within a period of 2 (Two) Working Days of the Bid/ Issue Closing Date. The Company will intimate the details of allotment of securities to Depository immediately on allotment of securities under relevant provisions of the Companies Act, 2013 or other applicable provisions, if any.

#### **Instructions for Completing the Bid Cum Application Form**

The Applications should be submitted on the prescribed Bid Cum Application Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Bid Cum Application Form. Applications not so made are liable to be rejected. Applications made using a third-party bank account or using third party UPI ID linked bank account are liable to be rejected. Bid Cum Application Forms should bear the stamp of the Designated Intermediaries. ASBA Bid Cum Application Forms, which do not bear the stamp of the Designated Intermediaries, will be rejected.

SEBI, vide Circular No. CIR/CFD/14/2012 dated October 04, 2012 has introduced an additional mechanism for investors to submit Bid Cum Application Forms in public issues using the stock broker (Broker) network of Stock Exchanges, who may not be syndicate members in an Issue with effect from January 01, 2013. The list of Broker Centre is available on the websites of BSE i.e. [Error! Hyperlink reference not valid.](#) NSE i.e. [Error! Hyperlink reference not valid.](#) With a view to broaden the reach of Investors by substantial, enhancing the points for submission of applications, SEBI vide Circular No. CIR/CFD/POLICY CELL/11/2015 dated November 10, 2015 has permitted Registrar to the Issue and Share Transfer Agent and Depository Participants registered with SEBI to accept the Bid Cum Application Forms in Public Issue with effect from January 01, 2016. The List of ETA and DPs centres for collecting the application shall be disclosed is available on the websites of BSE i.e. [Error! Hyperlink reference not valid.](#) NSE i.e. [www.nseindia.com](http://www.nseindia.com).

#### **Bidder's Depository Account and Bank Details**

Please note that, providing bank account details, PAN No's, Client ID and DP ID in the space provided in the Bid Cum Application Form is mandatory and applications that do not contain such details are liable to be rejected.

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Bid Cum Application Form as entered into the Stock Exchange online system, the Registrar to the Issue will obtain from the Depository the demographic details including address, Bidders bank account details, MICR code and occupation (hereinafter referred to as 'Demographic Details'). These Demographic Details would be used for all correspondence with the Bidders including mailing of the Allotment Advice. The Demographic Details given by Bidders in the Bid Cum Application Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Bid Cum Application Form, the Bidder would be deemed to have authorized the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

### **Submission of Bid Cum Application Form**

All Bid Cum Application Forms duly completed shall be submitted to the Designated Intermediaries. The aforesaid intermediaries shall, at the time of receipt of application, give an acknowledgement to investor, by giving the counter foil or specifying the application number to the investor, as a proof of having accepted the Bid Cum Application Form, in physical or electronic mode, respectively.

### **Communications**

All future communications in connection with Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid Cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid Cum Application Form, name and address of the Designated Intermediary where the Application was submitted thereof and a copy of the acknowledgement slip.

Investors can contact the Compliance Officer 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 shares in the respective beneficiary accounts, etc.

### **Disposal of Application and Application Moneys and Interest in Case of Delay**

The Company shall ensure the dispatch of Allotment advice, and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchange within 2 (Two) working days of date of Allotment of Equity Shares.

The Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at NSE Emerge where the Equity Shares are proposed to be listed are taken within 3 (Three) Working Days from Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchange and the SEBI Regulations, the Company further undertakes that:

1. Allotment and Listing of Equity Shares shall be made within 3 (Three) Working Days of the Issue Closing Date;
2. Giving of Instructions for refund by unblocking of amount via ASBA not later than 2 (Two) Working Days of the Issue Closing Date, would be ensured; and
3. If such money is not repaid within prescribed time from the date our Company becomes liable to repay it, then our Company and every officer in default shall, on and from expiry of prescribed time, be liable to repay such application money, with interest as prescribed under SEBI (ICDR) Regulations, the Companies Act, 2013 and applicable law. Further, in accordance with Section 40 of the Companies Act, 2013, the Company and each officer in default may be punishable with fine and/or imprisonment in such a case.

### **Right to Reject Applications**

In case of QIB Bidders, the Company in consultation with the BRLM may reject Applications provided that the reasons for rejecting the same shall be provided to such Bidder in writing. In case of Non-Institutional Bidders, Retail Individual Bidders who applied, the Company has a right to reject Applications based on technical grounds.

### **Impersonation**

*Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:*

**“Any person who”**

- (a) Makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- (b) 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
- (c) 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.”

### **Undertakings by Our Company**

**We undertake as follows:**

- 1) That the complaints received in respect of the Issue shall be attended expeditiously and satisfactorily;
- 2) That all steps will be taken for the completion of the necessary formalities for listing and commencement of trading on Stock Exchange where the Equity Shares are proposed to be listed within 3 (Three) Working Days from Issue Closure date;
- 3) That the funds required for making refunds as per the modes disclosed or dispatch of allotment advice by registered post or speed post shall be made available to the Registrar and Share Transfer Agent to the Issue by our Company;
- 4) Where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 2 (Two) Working Days from the Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- 5) That our Promoter 's contribution in full has already been brought in;
- 6) That no further Issue of Equity Shares shall be made till the Equity Shares Issued through the Prospectus are listed or until the Application monies are refunded on account of non-listing, under-subscription etc.;
- 7) That adequate arrangement shall be made to collect all Applications Supported by Blocked Amount while finalizing the Basis of Allotment;
- 8) If our Company does not proceed with the Issue the Bid/ Issue Opening Date but before allotment, then the reason thereof shall be given as a public notice to be issued by our Company within 2 (Two) Days of the Bid/ Issue Closing Date. The public notice shall be issued in the same newspapers where the Pre-Issue advertisements were published. The stock exchange on which the Equity Shares are proposed to be listed shall also be informed promptly;
- 9) If our Company withdraws the Issue after the Bid/ Issue Closing Date, our Company shall be required to file a fresh Draft Red Herring Prospectus with the Stock exchange/RoC/SEBI, in the event our Company subsequently decides to proceed with the Issue;
- 10) If allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/ unblocked within the time prescribed under applicable law. If there is delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI Regulations and applicable law for the delayed period.

**Utilization of Issue Proceeds**

**The Board of Directors of our Company certifies that:**

- 1) All monies received out of the Issue shall be credited/ transferred to a separate bank account other than the bank account referred to in sub section (3) of Section 40 of the Companies Act 2013;
- 2) Details of all monies utilized out of the Issue referred above shall be disclosed and continue to be disclosed till the time any part of the Issue proceeds remains unutilized, under an appropriate head in our balance sheet of our company indicating the purpose for which such monies have been utilized;
- 3) Details of all unutilized monies out of the Issue, if any shall be disclosed under the appropriate separate head in the balance sheet of our company indicating the form in which such unutilized monies have been invested and
- 4) Our Company shall comply with the requirements of SEBI Listing Regulations, 2015 in relation to the disclosure and monitoring of the utilization of the proceeds of the Issue.
- 5) Our Company shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from the Stock Exchange where listing is sought has been received.
- 6) The BRLM undertakes that the complaints or comments received in respect of the Issue shall be attended by our Company expeditiously and satisfactorily.

**Equity Shares in Dematerialized Form with NSDL or CDSL:**

To enable all shareholders of our Company to have their shareholding in electronic form, the Company has signed the following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- a. Tripartite Agreement dated January 06, 2025 between NSDL, the Company and the Registrar to the Issue;
- b. Tripartite Agreement dated January 28, 2025 between CDSL, the Company and the Registrar to the Issue.

The Company's equity shares bear an ISIN No.: INE1DY001015

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## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 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. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of 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. Foreign investment is allowed up to 100% under automatic route in our Company.

The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment. The Government has from time to time made policy pronouncements on foreign direct investment (“FDI”) through press notes and press releases. The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (earlier known as the Department of Industrial Policy and Promotion) (“DPIIT”), issued the FDI Policy, which, with effect from October 15, 2020 consolidated, subsumed and superseded all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect prior to October 15, 2020. In terms of FDI Policy, FDI to an extent of 51% is allowed in multi brand retail trading with government approval. The FDI Policy will be valid until the DPIIT issues an updated circular. FDI in companies engaged in sectors/ activities which are not listed in the FDI Policy is permitted up to 100% of the paid-up share capital of such company under the automatic route, subject to compliance with certain prescribed conditions.

Under the current FDI Policy and the FEMA Non-Debt Rules, foreign direct investment is not permitted in companies engaged in (a) multi-brand retail trading, undertaking retail trading by means of e-commerce, and (b) inventory-based model of e-commerce. In accordance with the FEMA Non-debt Rules, participation by non-residents in the Issue is restricted to participation by (i) FPIs under Schedule II of the FEMA Non-debt Rules, subject to limit of the individual holding of an FPI below 10% of the post-Issue paid-up capital of our Company and the aggregate limit for FPI investment currently not exceeding the sectoral cap i.e. 51% of the post issue paid up share capital; and (ii) Eligible NRIs applying only on a non-repatriation basis under Schedule IV of the FEMA Non-debt Rules. Further, other non-residents applying on a repatriation basis, FVCIs and multilateral and bilateral development financial institutions are not permitted to participate in the Issue. As per the existing policy of the Government of India, OCBs cannot participate in this issue. See “*Issue Procedure*” beginning on page no. 241 of this Draft Red Herring Prospectus.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (DIPP), issued consolidated FDI Policy, which with effect from August 28, 2017 consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on August 27, 2017. The Government proposes to update the consolidated circular on FDI Policy once every year and therefore, the Consolidation FDI Policy will be valid until the DIPP issues an updated circular.

The transfer of shares by an Indian resident to a Non-Resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the Consolidated FDI Policy and transfer does not attract the provisions of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (ii) the non-resident shareholding is within the sectoral limits under the Consolidated FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI/RBI.

The foreign investment in our Company is governed by, inter-alia, the FEMA, the FEMA Non-debt Rules, the FDI Policy issued and amended by way of press notes.

Further, in terms of the FEMA Non-debt Rules, the aggregate FPI investment limit is the sectoral cap applicable to Indian company as prescribed in the FEMA Non-Debt Instruments Rules with respect to its paid-up equity capital on a fully diluted basis. See “*Issue Procedure*” beginning on page no. 241 of this Draft Red Herring Prospectus.

Further, in accordance with the FDI Policy, the Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the FEMA Non-debt Rules, 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 Non-debt 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 Non-Debt Rules. Each Bidder should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval of the Government of India is required, and such approval has been obtained, the Bidder shall intimate our Company and the Registrar in writing about such approval along with a copy thereof within the Bid/Issue Period.

The Equity Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares are only being offered and sold outside the United States in offshore transactions in reliance on Regulation S and the applicable laws of the jurisdiction where those Issues and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Applicants. Our Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that the Applications are not in violation of laws or regulations applicable to them.

**SECTION XIV- DESCRIPTION OF EQUITY SHARES AND TERMS OF THE ARTICLES OF ASSOCIATION**

Article No	Description
	<b>Interpretation</b>
I	<p>(1) In these regulations the Act means the Companies Act 2013 the seal means the common seal of the company. Unless the context otherwise requires words or expressions contained in these regulations shall bear the same meaning as in the Act or any statutory modification thereof in force at the date at which these regulations become binding on the company. No regulation contained in Table F in the First Schedule to Companies Act 2013 shall apply to this Company but the regulations for the Management of the Company and for the observance of the Members thereof and their representatives shall be as set out in the relevant provisions of the Companies Act 2013 and subject to any exercise of the statutory powers of the Company with reference to the repeal or alteration of or addition to its regulations by Special Resolution as prescribed by the said Companies Act 2013 be such as are contained in these Articles unless the same are repugnant or contrary to the provisions of the Companies Act 2013 or any amendment thereto.</p> <p>DEFINITIONS AND INTERPRETATION-(a) The Act means the Companies Act 2013 and includes any statutory modification or reenactment thereof for the time being in force. (b) These Articles means Articles of Association for the time being in force or as may be altered from time to time vide Special Resolution. (c) Auditors means and includes those persons appointed as such for the time being of the Company. (d) Capital means the share capital for the time being raised or authorized to be raised for the purpose of the Company. (e) Company or this Company shall mean <b>BADRI COTSYN LIMITED</b>. (f) Executor or Administrator means a person who has obtained a probate or letter of administration as the case may be from a Court of competent jurisdiction and shall include a holder of a Succession Certificate authorizing the holder thereof to negotiate or transfer the Share or Shares of the deceased Member and shall also include the holder of a Certificate granted by the Administrator General under section 31 of the Administrator General Act 1963.(g) Legal Representative means a person who in law represents the estate of a deceased Member.(h) Words importing the masculine gender also include the feminine gender. (i) In Writing and Written includes printing lithography and other modes of representing or reproducing words in a visible form. (j) The marginal notes hereto shall not affect the construction thereof. (k) Meeting or General Meeting means a meeting of members. (l) Month means a calendar month. (m) Annual General Meeting means a General Meeting of the Members held in accordance with the provision of section 96 of the Act.(n) Extra Ordinary General Meeting means an Extraordinary General Meeting of the Members duly called and constituted and any adjourned holding thereof.(o) National Holiday means and includes a day declared as National Holiday by the Central Government. (p) Non retiring Directors means a director not subject to retirement by rotation. (q) Office means the registered Office for the time being of the Company. (r) Ordinary Resolution and Special Resolution shall have the meanings assigned thereto by Section 114 of the Act. (s) Person shall be deemed to include corporations and firms as well as individuals. (t) Proxy means an instrument whereby any person is authorized to vote for a member at General Meeting or Poll and includes attorney duly constituted under the power of attorney.(u) The Register of Members means the Register of Members to be kept pursuant to Section 88(1) (a) of the Act. (v) Seal means the common seal for the time being of the Company. (w) Words importing the Singular number include where the context admits or requires the plural number and vice versa. (x) The Statutes means the Companies</p>



	<p>Act 2013 and every other Act for the time being in force affecting the Company. (y) These presents means the Memorandum of Association and the Articles of Association as originally framed or as altered from time to time. (z) Variation shall include abrogation and vary shall include abrogate. (aa) Year means the calendar year and Financial Year shall have the meaning assigned thereto by Section 2(41) of the Act. Save as aforesaid any words and expressions contained in these Articles shall bear the same meanings as in the Act or any statutory modifications thereof for the time being in force.</p>
	<p><b>Share capital and variation of rights</b></p>
II	<p>Subject to the provisions of the Act and these Articles the shares in the capital of the company shall be under the control of the Directors who may issue allot or otherwise dispose of the same or any of them to such persons in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.</p>
1	
2	<p>(i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided, --</p> <p>(a) one certificate for all his shares without payment of any charges; or</p> <p>(b) several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.</p> <p>(ii) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.</p> <p>(iii) In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders</p>
3	<p>(i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.</p> <p>(ii) The provisions of Articles (2) and (3) shall mutatis mutandis apply to debentures of the company.</p>
4	<p>Except as required by law, no person shall be recognized by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.</p>
5	<p>(i) The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.</p> <p>(ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.</p> <p>(iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.</p>

6	<p>(i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.</p> <p>(ii) To every such separate meeting, the provisions of these regulations relating to general meetings shall mutatis mutandis apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.</p>
7	<p>The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking <i>pari passu</i> therewith.</p>
8	<p>Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.</p>
	<p><b>Lien</b></p>
9	<p>(i) The company shall have a first and paramount lien --</p> <p>(a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and</p> <p>(b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company:</p> <p>Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.</p> <p>(ii) The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.</p>
10	<p>The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien: Provided that no sale shall be made --</p> <p>(a) unless a sum in respect of which the lien exists is presently payable; or</p> <p>(b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.</p>
11	<p>(i) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof</p> <p>(ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.</p> <p>(iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.</p>
12	<p>(i) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.</p> <p>(ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.</p>
	<p><b>Calls on shares</b></p>
13	<p>(i) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their</p>

	<p>shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:</p> <p>Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.</p> <p>(ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.</p> <p>(iii) A call may be revoked or postponed at the discretion of the Board.</p>
14	A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by instalments.
15	The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
16	<p>(i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent per annum or at such lower rate, if any, as the Board may determine.</p> <p>(ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.</p>
17	<p>(i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.</p> <p>(ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.</p>
18	<p>The Board --</p> <p>(a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and</p> <p>(b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance.</p>
	<b>Transfer of shares</b>
19	<p>The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee. The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof. Dematerialization of Securities</p> <p>a) Definitions For the purpose of this Article Beneficial Owner means a person or persons whose name is recorded as such with a depository SEBI means the Securities and Exchange Board of India Depository means a company formed and registered under the Companies Act 2013 and which has been granted a certificate of registration to act as a depository under the Securities and Exchange Board of India Act 1992 and Security means such security as may be specified by SEBI from time to time. b) Dematerialization of securities Notwithstanding anything contained in these Articles the Company shall be entitled to dematerialize or rematerialize its securities and to offer securities in a dematerialized form pursuant to the Depositories Act 1996 and the rules framed thereunder if any. c) Options for investors Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository if permitted</p>

	<p>by law in respect of any security in the manner provided by the Depositories Act and the Company shall in the manner and within the time prescribed issue to the beneficial owner the required certificates of securities. If a person opts to hold his security with a depository the Company shall intimate such depository the details of allotment of the security and on receipt of the information the depository shall enter in its record the name of the allottee as the beneficial owner of the security. d) Securities in depositories to be in fungible form All securities held by a depository shall be dematerialised and be in fungible form. Nothing contained in Sections 89 and 186 of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners. e) Rights of depositories and beneficial owners (i). Notwithstanding anything to the contrary contained in the Act or these Articles a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner. (ii). Save as otherwise provided in (a) above the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it. (iii). Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of the securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository. f) Service of documents Notwithstanding anything in the Act or these Articles to the contrary where securities are held in a depository the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs. g) Transfer of securities Nothing contained in Section 56 of the Act or these Articles shall apply to transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository. h) Allotment of securities dealt with in a depository Notwithstanding anything in the Act or these Articles where securities are dealt with in a depository the Company shall intimate the details thereof to the depository immediately on allotment of such securities. i) Distinctive numbers of securities held in a depository Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers of securities issued by the Company shall apply to securities held in a depository. j) Register and Index of Beneficial owners. The Register and Index of Beneficial Owners maintained by a depository under the Depositories Act 1996 shall be deemed to be the Register and Index of Members and Security Holders for the purposes of these Articles. k) Company to recognise the rights of registered holders as also the beneficial owners in the records of the depository. Save as herein otherwise provided the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share as also the beneficial owner of the shares in records of the depository as the absolute owner thereof as regards receipt of dividends or bonus or services of notices and all or any other matters connected with the Company and accordingly the Company shall not except as ordered by a Court of competent jurisdiction or as by law required be bound to recognise any benami trust or equity or equitable contingent or other claim to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof.</p>
20	<p>The Board may, subject to the right of appeal conferred by section 58 decline to register --          (a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or          (b) any transfer of shares on which the company has a lien.</p>
21	<p>The Board may decline to recognise any instrument of transfer unless --          (a) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56;          (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and</p>

	(c) the instrument of transfer is in respect of only one class of shares.
22	<p>On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:</p> <p>Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.</p>
	<b>Transmission of shares</b>
23	<p>(i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the company as having any title to his interest in the shares</p> <p>(ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.</p>
24	<p>(i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either --</p> <p>(a) to be registered himself as holder of the share; or</p> <p>(b) to make such transfer of the share as the deceased or insolvent member could have made.</p> <p>(ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.</p>
25	<p>(i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.</p> <p>(ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.</p> <p>(iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.</p>
26	<p>A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:</p> <p>Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.</p>
	<b>Forfeiture of shares</b>
27	<p>If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.</p>
28	<p>The notice aforesaid shall --</p> <p>(a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice)</p>

	<p>on or before which the payment required by the notice is to be made; and</p> <p>(b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.</p>
29	<p>If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.</p>
30	<p>(i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.</p> <p>(ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.</p>
31	<p>(i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.</p> <p>(ii) The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.</p>
32	<p>(i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;</p> <p>(ii) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;</p> <p>(iii) The transferee shall thereupon be registered as the holder of the share; and</p> <p>(iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.</p>
33	<p>The provisions of these regulations as to forfeiture shall apply in the case of nonpayment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.</p>
	<p><b>Alteration of capital</b></p>
34	<p>The company may from time to time by ordinary resolution increase the share capital by such sum to be divided into shares of such amount as may be specified in the resolution. The new Shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe and in particular such Shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with a right of voting at General Meeting of the Company in conformity with Section 47 of the Act. Whenever the capital of the Company has been increased under the provisions of this Article the Directors shall comply with the provisions of Section 64 of the Act. The Authorized Share Capital of the Company shall be such amount as may be mentioned in Clause 5 of Memorandum of Association of the Company from time to time.</p>
35	<p>Subject to the provisions of section 61 the company may by ordinary resolution consolidate and divide all or any of its share capital into shares of larger amount than its existing shares convert all or any of its fully paid-up shares into stock and reconvert that stock into fully paid-up shares of any denomination sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum cancel any shares</p>



which at the date of the passing of the resolution have not been taken or agreed to be taken by any person. Subject to the provisions of the Act and these Articles the Board of Directors may issue redeemable preference shares to such persons on such terms and conditions and at such times as Directors think fit either at premium or at par and with full power to give any person the option to call for or be allotted shares of the company either at premium or at par such option being exercisable at such times and for such consideration as the Board thinks fit. The holder of Preference Shares shall have a right to vote only on Resolutions which directly affect the rights attached to his Preference Shares. The Company may (subject to the provisions of sections 52 55 66 both inclusive and other applicable provisions if any of the Act) from time to time by Special Resolution reduce(a) the share capital(b) any capital redemption reserve account or(c) any security premium account In any manner for the time being authorized by law and in particular capital may be paid off on the footing that it may be called up again or otherwise. This Article is not to derogate from any power the Company would have if it were omitted. Any debentures debenture stock or other securities may be issued at a discount premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption surrender drawing allotment of shares attending (but not voting) at the General Meeting appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution. The Company may exercise the powers of issuing sweat equity shares conferred by Section 54 of the Act of a class of shares already issued subject to such conditions as may be specified in that sections and rules framed thereunder. The Company may issue shares to Employees including its Directors other than independent directors and such other persons as the rules may allow under Employee Stock Option Scheme (ESOP) or any other scheme if authorized by a Special Resolution of the Company in general meeting subject to the provisions of the Act the Rules and applicable guidelines made there under by whatever name called. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force the company may purchase its own shares or other specified securities. Subject to compliance with applicable provision of the Act and rules framed thereunder the company shall have power to issue any kind of securities as permitted to be issued under the Act and rules framed thereunder. Shares may be registered in the name of any limited company or other corporate body but not in the name of a firm an insolvent person or a person of unsound mind. The Board shall observe the restrictions as regards allotment of shares to the public and as regards return on allotments contained in Section 39 of the Act. Power to issue share warrants-1. The Company may issue warrants subject to and in accordance with provisions of the Act and accordingly the Board may in its discretion with respect to any Share which is fully paid upon application in writing signed by the persons registered as holder of the Share and authenticated by such evidence(if any) as the Board may from time to time require as to the identity of the persons signing the application and on receiving the certificate (if any) of the Share and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require issue a share warrant.2. The Board may from time to time make byelaws as to terms on which (if it shall think fit) a new share warrant or coupon may be issued by way of renewal in case of defacement loss or destruction.3.The bearer of a share warrant may at any time deposit the warrant at the Office of the Company and so long as the warrant remains so deposited the depositor shall have the same right of signing a requisition for call in a meeting of the Company and of attending and voting and exercising the other privileges of a Member at any meeting held after the expiry of two clear days from the time of deposit as if his name were inserted in the Register of Members as the holder of the Share included in the deposit warrant.4. Not more than one person shall be recognized as depositor of the

	Share warrant.5. The Company shall on two days written notice return the deposited share warrant to the depositor.
36	<p>Where shares are converted into stock, --</p> <p>(a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:</p> <p>Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.</p> <p>(b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.</p> <p>(c) such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder" in those regulations shall include "stock" and "stock-holder" respectively.</p>
37	<p>The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law, --</p> <p>(a) its share capital;</p> <p>(b) any capital redemption reserve account; or</p> <p>(c) any share premium account.</p>
	<b>Capitalisation of profits</b>
38	<p>(i) The company in general meeting may, upon the recommendation of the Board, resolve --</p> <p>(a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company's reserve accounts, or to the credit of the, profit and loss account, or otherwise available for distribution; and</p> <p>(b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.</p> <p>(ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards --</p> <p>(A) paying up any amounts for the time being unpaid on any shares held by such members respectively;</p> <p>(B) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;</p> <p>(C) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B);</p> <p>(D) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;</p> <p>(E) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.</p>
39	<p>(i) Whenever such a resolution as aforesaid shall have been passed, the Board shall --</p> <p>(a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and</p> <p>(b) generally do all acts and things required to give effect thereto.</p>

	<p>(ii) The Board shall have power --</p> <p>(a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and</p> <p>(b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;</p> <p>(iii) Any agreement made under such authority shall be effective and binding on such members.</p>
	<b>Buy-back of shares</b>
40	Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.
	<b>General meetings</b>
41	All general meetings other than annual general meeting shall be called extraordinary general meeting.
42	<p>(i) The Board may, whenever it thinks fit, call an extraordinary general meeting.</p> <p>(ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.</p>
	<b>Proceedings at general meetings</b>
43	<p>(i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.</p> <p>(ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.</p>
44	The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.
45	If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.
46	If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting the members present shall choose one of their members to be Chairperson of the meeting. In the case of an equality of votes the Chairman shall both on a show of hands on a poll (if any) and evoting have casting vote in addition to the vote or votes to which he may be entitled as a Member.
	<b>Adjournment of meeting</b>
47	<p>(i) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.</p> <p>(ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.</p> <p>(iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.</p> <p>(iv) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of</p>

	an adjournment or of the business to be transacted at an adjourned meeting.
	<b>Voting rights</b>
48	Subject to any rights or restrictions for the time being attached to any class or classes of shares, -- (a) on a show of hands, every member present in person shall have one vote; and (b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.
49	A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once. Postal Ballot-Notwithstanding anything contained in the provisions of the Companies Act 2013 and the Rules made there under the Company may and in the case of resolutions relating to such business as may be prescribed by such authorities from time. Votes of joint members-In the case of joint holders the vote of the senior who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders. If more than one of the said persons remain present than the senior shall alone be entitled to speak and to vote in respect of such shares but the other or others of the joint holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased Member in whose name share stands shall for the purpose of these Articles be deemed joints holders thereof. For this purpose seniority shall be determined by the order in which the names stand in the register of members. Votes may be given by proxy or by representative-Votes may be given either personally or by attorney or by proxy or in case of a company by a representative duly Authorised as mentioned in Articles. Representation of a body corporate-A body corporate (whether a company within the meaning of the Act or not) may if it is member or creditor of the Company (including being a holder of debentures) authorised such person by resolution of its Board of Directors as it thinks fit in accordance with the provisions of Section 113 of the Act to act as its representative at any Meeting of the members or creditors of the Company or debentures holders of the Company.  A person authorised by resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate as if it were an individual member creditor or holder of debentures of the Company
50	(i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. (ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
51	A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.
52	Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
53	No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid
54	(i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes. (ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

	<b>Proxy</b>
55	The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
56	An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105
57	A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given: Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.
	<b>Board of Directors</b>
58	The number of the directors and the names of the first directors shall be determined in writing by the subscribers of the memorandum or a majority of them. Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 149 of the Act the number of Directors (including Debenture and Alternate Directors) shall not be less than three and not more than fifteen. Provided that a company may appoint more than fifteen directors after passing a special resolution. The First Directors of the Company are 1. Sumit Gupta 2. Deepika Gupta Nominee Directors-1. Subject to the provisions of the Companies Act 2013 and notwithstanding anything to the contrary contained in these Articles the Board may appoint any person as a director nominated by any institution in pursuance of the provisions of any law for the time being in force or of any agreement. 2. The Nominee Directors so appointed shall not be required to hold any qualification shares in the Company nor shall be liable to retire by rotation. The Board of Directors of the Company shall have no power to remove from office the Nominee Directors so appointed. The said Nominee Directors shall be entitled to the same rights and privileges including receiving of notices copies of the minutes sitting fees etc. as any other Director of the Company is entitled. 3. If the Nominee Directors is an officer of any of the financial institution the sitting fees in relation to such nominee Directors shall accrue to such financial institution and the same accordingly be paid by the Company to them. The Financial Institution shall be entitled to depute observer to attend the meetings of the Board or any other Committee constituted by the Board. 4. The Nominee Directors shall notwithstanding anything to the Contrary contained in these Articles be at liberty to disclose any information obtained by him them to the Financial Institution appointing him them as such Directors.
59	The remuneration of the directors shall in so far as it consists of a monthly payment be deemed to accrue from day-to-day. In addition to the remuneration payable to them in pursuance of the Act the directors may be paid all travelling hotel and other expenses properly incurred by them in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company or in connection with the business of the company. Sitting Fees-Until otherwise determined by the Company in General Meeting each Director other than the Managing Wholetime Director (unless otherwise specifically provided for) shall be entitled to sitting fees not exceeding a sum prescribed in the Act (as may be amended from time to time) for attending meetings of the Board or Committees thereof. Remuneration of Managing or Wholetime Director- The remuneration of a Managing Director or a Wholetime Director (subject to the provisions of the Act and of

	these Articles and of any contract between him and the Company) shall from time to time be fixed by the Directors and may be by way of fixed salary or commission on profits of the Company or by participation in any such profits or by any or all of these modes.
60	The Board may pay all expenses incurred in getting up and registering the company.
61	The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.
62	All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine
63	Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.
64	Subject to the provisions of section 149 the Board shall have power at any time and from time to time to appoint a person as an additional director provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles. Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act. Subject to the provisions of Section 161 of the Act if the office of any Director appointed by the Company in General Meeting vacated before his term of office will expire in the normal course the resulting casual vacancy may in default of and subject to any regulation in the Articles of the Company be filled by the Board of Directors at the meeting of the Board and the Director so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if had not been vacated as aforesaid
	<b>Proceedings of the Board</b>
65	The Board of Directors may meet for the conduct of business adjourn and otherwise regulate its meetings as it thinks fit. A director may and the manager or secretary on the requisition of a director shall at any time summon a meeting of the Board. Powers of the Board-The business of the Company shall be managed by the Board who may exercise all such powers of the Company and do all such acts and things as per Section 179 (3) of the Companies Act 2013 as may be necessary unless otherwise restricted by the Act or by any other law or by the Memorandum or by the Articles required to be exercised by the Company in General Meeting. However no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made
66	(i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes. (ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.
67	The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.
68	(i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office. (ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be



	Chairperson of the meeting.
69	The Board may subject to the provisions of the Act delegate any of its powers to committees consisting of such member or members of its body as it thinks fit and it may from time to time revoke and discharge any such committee either wholly or in part and either as to person or purposes but every Committee so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise shall have the like force and effect as if done by the board. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the Board .The Meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article
70	(i) A committee may elect a Chairperson of its meetings. (ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.
71	(i) A committee may meet and adjourn as it thinks fit. (ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.
72	All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.
73	Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.
	<b>Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer</b>
74	Subject to the provisions of the Act, -- (i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may thinks fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board; (ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer
75	A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.
	<b>The Seal</b>
76	(i) The Board shall provide for the safe custody of the seal. (ii) The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the

	Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.
	<b>Dividends and Reserve</b>
77	The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
78	Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.
79	(i) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, thinks fit.  (ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve
80	i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.  (ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.  (iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
81	The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.
82	(i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.  (ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
83	Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
84	Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
85	No dividend shall bear interest against the company.
	<b>Accounts</b>
86	(i) The Board shall from time to time determine whether and to what extent and at what times and places and

	<p>under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.</p> <p>(ii) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.</p>
	<p><b>Winding up</b></p>
87	<p>Subject to the provisions of Chapter XX of the Act and rules made thereunder --</p> <p>(i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.</p> <p>(ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.</p> <p>(iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.</p>
	<p><b>Indemnity</b></p>
88	<p>Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.</p>
	<p><b>Others</b></p>
89	<p>Power to borrow. Subject to the provisions of the Act and these Articles the Board may from time to time at its discretion by a resolution passed at a meeting of the Board generally raise or borrow money by way of deposits loans overdrafts cash credit or by issue of bonds debentures or debenture stock (perpetual or otherwise) or in any other manner or from any person firm company cooperative society anybody corporate bank institution whether incorporated in India or abroad Government or any authority or any other body for the purpose of the Company and may secure the payment of any sums of money so received raised or borrowed provided that the total amount borrowed by the Company (apart from temporary loans obtained from the Companys Bankers in the ordinary course of business) shall not without the consent of the Company in General Meeting exceed the aggregate of the paid up capital of the Company and its free reserves that is to say reserves not set apart for any specified purpose.</p>

## SECTION XV – OTHER INFORMATION

### MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

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 (2) years before the date of filing of this Draft Red Herring Prospectus) which are or may be deemed material have been entered or are to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Red Herring Prospectus, will be delivered to the ROC for registration of the Red Herring Prospectus and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company located at Plot No. 33, New Industrial Area-Ii, Ward No 14, Tehsil Goharganj, Mandideep, Bhopal, Huzur, Madhya Pradesh, India, 462046 from the date of filing the Red Herring Prospectus with ROC to Issue Closing Date on working days from 10.00 a.m. to 5.00 p.m.

#### A. MATERIAL CONTRACTS

1. Memorandum of understanding dated January 09<sup>th</sup>, 2025 between our Company and the Book Running Lead Manager;
2. Agreement dated January 18<sup>th</sup>, 2025 executed between our Company and the Registrar to the Issue;
3. Underwriting Agreement dated [●] between our Company, the Book Running Lead Manager and Underwriters;
4. Market Making Agreement dated [●] between our Company, the Book Running Lead Manager and Market Maker;
5. Tripartite agreement among the NSDL, our Company and Registrar to the Issue dated January, 06 2025;
6. Tripartite agreement among the CDSL, our Company and Registrar to the Issue dated January, 28 2025;
7. Syndicate Agreement dated [●] among our Company, the BRLM and Syndicate Member;
8. Banker's to the Issue Agreement dated [●] between our Company, the Book Running Lead Manager, Banker to the Issue, Sponser Bank and Refund Banker and the Registrar to the Issue.
9. Job Work Agreement dated 01<sup>st</sup> July, 2024 between our Company and Badri Ecofibers Private Limited.

#### B. MATERIAL DOCUMENTS

1. Certified true copy of the Memorandum and Articles of Association of our Company including certificates of incorporation, Certificate of incorporation after conversion.
2. Board Resolution dated January 17<sup>th</sup>, 2025, and Special Resolution passed pursuant to Section 62(1)(C) of the Companies Act, 2013 at the EoGM by the shareholders of our Company held on January 18<sup>th</sup>, 2025.
3. Statement of Tax Benefits dated 28<sup>th</sup>, January 2025 issued by our Statutory Auditors i.e. M/s S.L. Chhajed & Co LLP., Chartered Accountants.
4. Copy of Restated Financial Statement along with Report from the peer review certified auditor i.e. M/s. S.L. Chhajed & Co., Chartered Accountants for the period ended December 31<sup>st</sup>, 2024 and the financial year ended on March 31<sup>st</sup>, 2024, 2023 and 2022 included in the Draft Red Herring Prospectus/Red Herring Prospectus/Prospectus.
5. Copy of Audited Financial Statement for the period ended December 31<sup>st</sup>, 2024 and financial years ended on March 31<sup>st</sup>, 2024, 2023 and 2022.
6. Copy of Certificate from
7. .., Chartered Accountants dated January 28<sup>th</sup> 2024, regarding the source and deployment of funds towards the objects of the offer.
8. Certificate on Key Performance Indicators issued by the M/s S.L. Chhajed & Co LLP., Chartered Accountants dated January 28<sup>th</sup> 2024
9. Resolution of Audit Committee Meeting dated January 28<sup>th</sup> 2024 for approval of Key Performance Indicators.
10. Consent of Promoters, Board of Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditors and Peer review Auditor, Legal Advisor to the Issue, Bankers of our Company, Book Running Lead Manager to the Issue, Underwriter to the Issue, Market Maker to the Issue\*, Syndicate Member\*, Registrar to the Issue and Banker to the Issue\*, Monitoring Agency\* to include their names in the Draft Red Herring Prospectus/Red Herring Prospectus/Prospectus to act in their respective capacities.  
*\*to be obtained prior to filling of Final Prospectus.*
11. Industry Report by Avendus - Report on Circular Economy Recycling waste to wealth.
12. Due Diligence Certificate from Book Running Lead Manager dated [●].
13. Approval from NSE vide letter dated [●] to use the name of NSE in the Red Herring Prospectus/ Prospectus for listing of Equity Shares on the NSE Emerge (SME Platform) of the National Stock Exchange of India Limited.

Any of the contracts or documents mentioned in the Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, with the consent of shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

## DECLARATION

We, the undersigned, hereby certify and declare that all the relevant provisions of the Companies Act, 2013 (to the extent notified) and the guidelines issued by the Government of India or the regulations issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013 (to the extent notified), the Securities and Exchange Board of India Act, 1992 each as amended or rules made there under or regulations issued there under, as the case may be. We further certify that all disclosures and statements in this Draft Red Herring Prospectus are true and correct.

### **SIGNED BY THE DIRECTORS OF THE COMPANY:**

**Mr. Amit Gupta**  
**Chairman and Managing Director**  
**DIN: 06617576**

**Place:** Bhopal  
**Date:** January 28<sup>th</sup> 2025

## DECLARATION

We, the undersigned, hereby certify and declare that all the relevant provisions of the Companies Act, 2013 (to the extent notified) and the guidelines issued by the Government of India or the regulations issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013 (to the extent notified), the Securities and Exchange Board of India Act, 1992 each as amended or rules made there under or regulations issued there under, as the case may be. We further certify that all disclosures and statements in this Draft Red Herring Prospectus are true and correct.

### **SIGNED BY THE DIRECTORS OF THE COMPANY:**

**Mr. Sumit Gupta**  
**Whole - Time Director**  
**DIN: 02887007**

**Place:** Bhopal  
**Date:** January 28<sup>th</sup> 2025



## DECLARATION

We, the undersigned, hereby certify and declare that all the relevant provisions of the Companies Act, 2013 (to the extent notified) and the guidelines issued by the Government of India or the regulations issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013 (to the extent notified), the Securities and Exchange Board of India Act, 1992 each as amended or rules made there under or regulations issued there under, as the case may be. We further certify that all disclosures and statements in this Draft Red Herring Prospectus are true and correct.

### **SIGNED BY THE DIRECTORS OF THE COMPANY:**

\_\_\_\_\_  
**Mrs. Deepika Gupta**  
**Executive Director**  
**DIN: 08302423**

**Place:** Bhopal  
**Date:** January 28<sup>th</sup> 2025

## DECLARATION

We, the undersigned, hereby certify and declare that all the relevant provisions of the Companies Act, 2013 (to the extent notified) and the guidelines issued by the Government of India or the regulations issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013 (to the extent notified), the Securities and Exchange Board of India Act, 1992 each as amended or rules made there under or regulations issued there under, as the case may be. We further certify that all disclosures and statements in this Draft Red Herring Prospectus are true and correct.

### **SIGNED BY THE DIRECTORS OF THE COMPANY:**

\_\_\_\_\_  
**Mrs. Nainsi Gupta**  
**Non-Executive Director**  
**DIN: 09186299**

**Place:** Bhopal  
**Date:** January 28<sup>th</sup> 2025

## DECLARATION

We, the undersigned, hereby certify and declare that all the relevant provisions of the Companies Act, 2013 (to the extent notified) and the guidelines issued by the Government of India or the regulations issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013 (to the extent notified), the Securities and Exchange Board of India Act, 1992 each as amended or rules made there under or regulations issued there under, as the case may be. We further certify that all disclosures and statements in this Draft Red Herring Prospectus are true and correct.

### **SIGNED BY THE DIRECTORS OF THE COMPANY:**

\_\_\_\_\_  
**Mr. Nikhil Kaushik**  
**Independent Director**  
**DIN: 00040403**

**Place:** Bhopal  
**Date:** January 28<sup>th</sup> 2025

## DECLARATION

We, the undersigned, hereby certify and declare that all the relevant provisions of the Companies Act, 2013 (to the extent notified) and the guidelines issued by the Government of India or the regulations issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013 (to the extent notified), the Securities and Exchange Board of India Act, 1992 each as amended or rules made there under or regulations issued there under, as the case may be. We further certify that all disclosures and statements in this Draft Red Herring Prospectus are true and correct.

### **SIGNED BY THE DIRECTORS OF THE COMPANY:**

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**Mr. Rakesh Agrawal**  
**Independent Director**  
**DIN: 08930154**

**Place:** Bhopal  
**Date:** January 28<sup>th</sup> 2025

## DECLARATION

We, the undersigned, hereby certify and declare that all the relevant provisions of the Companies Act, 2013 (to the extent notified) and the guidelines issued by the Government of India or the regulations issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013 (to the extent notified), the Securities and Exchange Board of India Act, 1992 each as amended or rules made there under or regulations issued there under, as the case may be. We further certify that all disclosures and statements in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE CHIEF FINANCIAL OFFICER OF THE COMPANY:**

\_\_\_\_\_  
**Mr. Nitin Agrawal**  
**Chief Financial Officer**

**Place:** Bhopal

**Date:** January 28<sup>th</sup> 2025

## DECLARATION

We, the undersigned, hereby certify and declare that all the relevant provisions of the Companies Act, 2013 (to the extent notified) and the guidelines issued by the Government of India or the regulations issued by Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013 (to the extent notified), the Securities and Exchange Board of India Act, 1992 each as amended or rules made there under or regulations issued there under, as the case may be. We further certify that all disclosures and statements in this Draft Red Herring Prospectus are true and correct.

**SIGNED BY THE COMPANY SECRETARY & COMPLIANCE OFFICER OF THE COMPANY:**

\_\_\_\_\_  
**Mr. Somil Rathore**  
**Company Secretary & Compliance Officer**

**Place:** Bhopal  
**Date:** January 28<sup>th</sup> 2025