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Draft Red Herring Prospectus
100% Book Building Offer
Dated: February 12, 2024
Please read Section 32 of the Companies Act, 2013

GEM ENVIRO MANAGEMENT LIMITED

Corporate Identity Numbers: U93000DL2013PLC247767

| REGISTERED OFFICE | | CORPORATE OFFICE | CONTACT PERSON | TELEPHONE AND EMAIL | WEBSITE |
|--|--|--|---|--|--|
| Unit No.203, Plaza- P 3, Central Square, Bara Hindu Rao, Delhi 110006 | | N.A. | Mr. Vijay Kumar Sharma Company Secretary & Compliance Officer | Tel No: 011-49068377 Email Id: vijay.sharma@gemrecycling.com | www.gemrecycling.com |
| PROMOTER OF OUR COMPANY: MR. SACHIN SHARMA, MRS. SANGEETA PAREEKH, MR. DINESH PAREEKH, MR. SARTHAK AGARWAL AND BLP EQUITY RESEARCH PRIVATE LIMITED | | | | | |
| DETAILS OF THE ISSUE | | | | | |
| TYPE | FRESH ISSUE SIZE (IN ₹ LAKHS) | OFS SIZE (BY NO. OF SHARES OR BY AMOUNT IN ₹) | TOTAL ISSUE SIZE | ELIGIBILITY | |
| Fresh Issue | Up to 14,97,600 Equity Shares aggregating to ₹ [●] Lakhs | Up to 44,92,800 Equity Shares aggregating to ₹ [●] Lakhs | Up to 59,90,400 Equity Shares aggregating to ₹ [●] Lakhs | THIS ISSUE IS BEING MADE IN TERMS OF REGULATION 229(2) AND 253(1) OF CHAPTER IX OF THE SEBI (ICDR) REGULATIONS, 2018 AS AMENDED. | |
| <i>OFS: Offer for sale</i> | | | | | |
| DETAILS OF OFS BY PROMOTER(S)/ PROMOTER GROUP/ OTHER SELLING SHAREHOLDERS | | | | | |
| NAME | Type | NO. OF SHARES OFFERED | WACA PER EQUITY SHARES (IN ₹)* | | |
| Mr. Sachin Sharma | Promoter | 11,23,200 Equity Shares | 0.41 | | |
| Mrs. Sangeeta Pareekh | Promoter | 9,29,600 Equity Shares | 0.15 | | |
| BLP Equity Research Private Limited | Promoter | 13,16,800 Equity Shares | 0.41 | | |
| Mr. Sarthak Agarwal | Promoter | 11,23,200 Equity Shares | 0.24 | | |
| <i>*As certified by M/s Rajiv Mehrotra & Associates, Chartered Accountants, by way of their certificate dated December 29, 2023.</i> | | | | | |
| RISK IN RELATION TO THE FIRST ISSUE | | | | | |
| The face value of the Equity Shares is ₹ 5/- each. The Floor Price, the Cap Price and the Issue Price to be determined by our Company and Selling Shareholders in consultation with the sass 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 Offer Price" on page 98 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 Delhi 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 31 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 BSE SME Platform of BSE Limited (BSE SME) in terms of the Chapter IX of the SEBI (ICDR) Regulations, 2018 as amended from time to time. For this Issue, the Designated Stock Exchange will be the BSE Limited ("BSE"). | | | | | |
| BOOK RUNNING LEAD MANAGERS TO THE ISSUE | | | | | |
| NAME AND LOGO | CONTACT PERSON | | EMAIL & TELEPHONE | | |
| SHARE INDIA CAPITAL SERVICES PRIVATE LIMITED | Mr. Anand Srivastava | | Email: anand.srivastava@shareindia.co.in Tel. No: +91-120-4910000 | | |
| FINTELLECTUAL CORPORATE ADVISORS PRIVATE LIMITED | Mr. Amit Puri/ Mr. Pramod Negi | | E-mail: info@fintellectualadvisors.com Tel. No: +91-11-48016991 | | |
| REGISTRAR TO THE ISSUE | | | | | |
| NAME AND LOGO | CONTACT PERSON | | EMAIL & TELEPHONE | | |
| SKYLINE FINANCIAL SERVICES PRIVATE LIMITED | Mr. Anuj Rana | | Email: ipo@skylinerta.com Tel. No: 011-40450193-97 | | |
| BID/OFFER PERIOD | | | | | |
| BID/OFFER OPENS ON: [●] | | | BID/OFFER CLOSSES ON: [●] | | |

Our Company and Selling Shareholders in consultation with the Book Running Lead Managers may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/ Offer Opening Date.



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GEM ENVIRO MANAGEMENT LIMITED

Corporate Identity Numbers: U93000DL2013PLC247767

Draft Red Herring Prospectus
Dated: February 12, 2024
100% Book Building Offer
Please read Section 32 of the Companies Act, 2013

Our Company was originally incorporated as a private limited company under the Companies Act, 1956 in the name and style of “Ganesha Enviro Management Private Limited” bearing Corporate Identification Number U93000DL2013PTC247767 dated February 01, 2013, issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana. Thereafter, the name of the Company was changed from “Ganesha Enviro Management Private Limited” to “GEM Enviro Management Private Limited” pursuant to special resolution passed by the shareholders at the Extra Ordinary General Meeting held on October 09, 2013, and consequent to name change a fresh Certificate of Incorporation was granted to our Company on November 04, 2013, by the Registrar of Companies, National Capital Territory of Delhi and Haryana. Subsequently, our Company was converted into a Public Limited Company vide Special Resolution passed by the Shareholders at the Annual General Meeting, held on August 31, 2023, and consequently the name of our Company was changed from “GEM Enviro Management Private Limited” to “GEM Enviro Management Limited” vide a fresh certificate of incorporation dated October 18, 2023, issued by the Registrar of Companies, Delhi bearing CIN U93000DL2013PLC247767.

Registered Office: Unit No.203, Plaza- P 3, Central Square, Bara Hindu Rao, Delhi 110006, India
Website: www.gemrecycling.com; E-Mail: info@gemrecycling.com; Telephone No: 011-49068377
Company Secretary and Compliance Officer: Mr. Vijay Kumar Sharma

PROMOTER OF OUR COMPANY: MR. SACHIN SHARMA, MRS. SANGEETA PAREEKH, MR. DINESH PAREEKH, MR. SARTHAK AGARWAL AND BLP EQUITY RESEARCH PRIVATE LIMITED

INITIAL PUBLIC ISSUE OF UP TO 59,90,400 EQUITY SHARES OF FACE VALUE OF ₹ 5/- EACH OF GEM ENVIRO MANAGEMENT LIMITED (“GEM” 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 OFFER”), COMPRISING A FRESH ISSUE OF UP TO 14,97,600 EQUITY SHARES AGGREGATING UP TO ₹ [●] LAKHS BY OUR COMPANY (“FRESH ISSUE”) AND AN OFFER FOR SALE OF UP TO 44,92,800 EQUITY SHARES (“OFFERED SHARES”) AGGREGATING UP TO ₹ [●] LAKHS COMPRISING OF UP TO 11,23,200 EQUITY SHARES AGGREGATING UP TO ₹ [●] LAKHS BY MR. SACHIN SHARMA, UP TO 9,29,600 EQUITY SHARES AGGREGATING UP TO ₹ [●] LAKHS BY MRS. SANGEETA PAREEKH, UP TO 13,16,800 EQUITY SHARES AGGREGATING UP TO ₹ [●] LAKHS BY BLP EQUITY RESEARCH PRIVATE LIMITED, AND UP TO 11,23,200 EQUITY SHARES AGGREGATING UP TO ₹ [●] LAKHS BY MR. SARTHAK AGARWAL (COLLECTIVELY, “SELLING SHAREHOLDERS” AND SUCH OFFER FOR SALE OF EQUITY SHARES BY THE SELLING SHAREHOLDERS, “OFFER FOR SALE”). OUT OF THE OFFER, 3,42,400 EQUITY SHARES AGGREGATING TO ₹ [●] LAKHS WILL BE RESERVED FOR SUBSCRIPTION BY MARKET MAKER TO THE ISSUE (THE “MARKET MAKER RESERVATION PORTION”). THE OFFER LESS THE MARKET MAKER RESERVATION PORTION i.e. NET OFFER OF UP TO 56,48,000 EQUITY SHARES OF FACE VALUE OF ₹ 5/- 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 OFFER”. THE OFFER AND THE NET OFFER WILL CONSTITUTE 26.56% AND 25.05%, RESPECTIVELY, OF THE POST ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE FACE VALUE OF THE EQUITY SHARES IS ₹ 5/- EACH AND THE FLOOR PRICE AND CAP PRICE ARE [●] TIMES AND [●] TIMES OF THE FACE VALUE OF THE EQUITY SHARES, RESPECTIVELY.

The price band and the minimum bid lot will be decided by our company and Selling Shareholders in consultation with the Book Running Lead Managers and will be advertised in all editions of [●] (which are widely circulated English daily newspaper) and all editions of [●] (which are widely Hindi daily newspaper) and all editions of [●] the regional language of Delhi, where our registered office is located, at least two working days prior to the bid/ offer opening date and shall be made available to BSE limited (“BSE”, “stock exchange”) for the purpose of uploading on their respective website.

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 remainder 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 “Offer Procedure” on page 282.

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 “Offer Procedure” on page 282 of this Draft Red Herring Prospectus. A copy of the Red Herring 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 Equity Shares of the Company, there has been no formal market for the Equity Shares. The face value of each Equity Share is ₹ 5. The Floor Price, Cap Price and Offer Price determined by the Company and the Selling Shareholders in consultation with the Book Running Lead Managers, in accordance with the SEBI ICDR Regulations, and on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process as stated in “Basis for Offer Price” on page 98 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 Bidders should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Bidders are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, Bidders must rely on their own examination of the Company and the Offer, including the risks involved. The Equity Shares in the Offer 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 Bidders is invited to “Risk Factors” on page 31.

ISSUER’S AND SELLING SHAREHOLDERS’ ABSOLUTE RESPONSIBILITY

The Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to the Company and the Offer, which is material in the context of the Offer, 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 or inclusion 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. Further, each Selling Shareholder, severally and not jointly, accepts responsibility for and confirms only the statements specifically made or confirmed by such Selling Shareholder in this Draft Red Herring Prospectus solely in relation to itself and its respective portion of the Offered Shares and assumes responsibility that such statements are true and correct in all material respects and are not misleading in any material respect.

LISTING

The Equity Shares Issued through Draft Red Herring Prospectus are proposed to be listed on BSE SME Platform of BSE Limited (“BSE SME”), 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 BSE Limited (“BSE”) for using its name in Issue document for listing our shares on the BSE SME Platform of BSE Limited (“BSE SME”). For this Issue, the designated Stock Exchange is the BSE Limited (“BSE”).

BOOK RUNNING LEAD MANAGERS


SHARE INDIA CAPITAL SERVICES PRIVATE LIMITED
SEBI Registration Number: INM000012537
Address: A 15, Sector-64, Noida , Gautam Buddha Nagar, Uttar Pradesh- 201301
Telephone Number: +91-120-4910000
Contact Person: Mr. Anand Srivastava
Email Id: anand.srivastava@shareindia.co.in
Investors Grievance E-mail: info@shareindia.com
Website: www.shareindia.com
CIN: U65923UP2016PTC075987


FINTELLECTUAL CORPORATE ADVISORS PRIVATE LIMITED
SEBI Registration No.: INM000012944
Address: 204, Kanishka Shopping Complex, Mayur Vihar, Phase 1, Extension, Delhi – 110091
Telephone Number: +91-11-48016991
Contact Person: Mr. Amit Puri/ Mr. Pramod Negi
E-mail: info@fintellectualadvisors.com
Investor Grievance E-mail: investors@fintellectualadvisors.com
Website: www.fintellectualadvisors.com
CIN: U74999DL2021PTC377748

REGISTRAR TO THE ISSUE


SKYLINE FINANCIAL SERVICES PRIVATE LIMITED
SEBI Registration No.: INR000003241
Address: D-153A, 1st Floor, Okhla Industrial Area Phase-I, New Delhi – 110020, India
Tel. No.: 011-40450193-97,
Fax No.: NA
Contact Person: Mr. Anuj Rana
Email Id: ipo@skylinerta.com
Investor Grievance E-mail: info@skylinerta.com
Website: www.skylinerta.com
CIN: U74899DL1995PTC071324

BID/OFFER PERIOD

BID/OFFER OPENS ON: [●]

BID/OFFER CLOSES ON: [●]

Our Company and the Selling Shareholders in consultation with the Book Running Lead Managers may consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/ Offer Opening Date.

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates, requires or implies, the following terms shall have the following meanings in this Draft Red Herring Prospectus. References to statutes, rules, regulations, guidelines and policies will be deemed to include all amendments, modifications or re-enactments notified thereto.

Notwithstanding the foregoing, terms in “Main Provisions of the Articles of Association”, “Statement of Tax Benefits”, “Industry Overview”, “Key Industry Regulations and Policies”, “Financial Information”, “Outstanding Litigations and Material Developments”, will have the meaning as described to such terms in these respective sections.

In case of any inconsistency between the definitions given below and the definitions contained in the General Information Document (as defined below), the definitions given below shall prevail.

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, the Securities and Exchange Board of India Act, 1992 (“SEBI Act”), the SEBI ICDR Regulations, the SCRA, the Depositories Act and the rules and regulations made thereunder, as applicable.

General Terms

| Term | Description |
|---|--|
| “GEM Enviro” or “GEM Enviro Management”, “We” or “us” or “our Company” or “the Issuer” or “the Company” | Unless the context otherwise requires, refers to GEM Enviro Management Limited, a company incorporated under the Companies Act, 1956, vide Corporate Identification Number U93000DL2013PLC247767 and having registered office at Unit No.203, Plaza- P 3, Central Square, Bara Hindu Rao, Delhi- 110006. |
| “we”, “us”, or “our” | Unless the context otherwise indicates or implies, refers to our Company. |
| “you”, “your”, or “yours” | Prospective Investor in this issue |

Company Related Terms

| Terms | Description |
|--|--|
| Additional Director | An Additional Director of our Company. |
| Articles / Articles of Association AOA | The Articles/ Articles of Association of our Company, as amended from time to time. |
| Associate Companies | A body corporate in which any other company has a significant influence, but which is not a subsidiary of the company having such influence and includes a joint venture company. |
| Audit Committee | The committee of the Board of Directors constituted as the Company’s Audit Committee is in accordance with Section 177 of the Companies Act, 2013 and rules made thereunder and disclosed as such in the chapter titled “Our Management” on page 155 of this Draft Red Herring Prospectus. |



| Terms | Description |
|---|---|
| Auditor/ Statutory Auditor/ Peer Review Auditor | Statutory and peer review auditor of our Company, namely M/s. Rajiv Mehrotra & Associates, Chartered Accountants (FRN: 002253C) having their office at 3/3A, Vishnu Puri, Kanpur- 208002, and Peer Review Number-012998 |
| Board of Directors / Board/ Director(s) | Board of Directors of our company or a duly constituted committee thereof. |
| Central Registration Centre (CRC) | It's an initiative of Ministry of Corporate Affairs (MCA) in Government Process Reengineering (GPR) with the specific objective of providing speedy incorporation related services in line with global best practices. For more details, please refer http://www.mca.gov.in/MinistryV2/central+registration+centre+content+page.html |
| Chairman | The Chairman of our Board of Directors |
| Companies Act | The Companies Act, 2013 including provisions of the Companies Act, 1956, to the extent not repealed. |
| Company Secretary and Compliance Officer | Mr. Vijay Kumar Sharma, the Company Secretary and the Compliance Officer of our Company. |
| Chief Financial Officer/ CFO | Mr. Amar Jeet, the Chief Financial Officer of our Company |
| Depositories Act | The Depositories Act, 1996, as amended from time to time. |
| Director(s) | The director(s) on the Board of our Company as described in "Our Management" beginning on page 155 of this Draft Red Herring Prospectus |
| Equity Shares | Equity shares of our Company of face value of ₹ 5/- each. |
| Equity Shareholders | Persons holding equity shares of our Company. |
| Executive Directors | Whole-time directors/ executive directors on our Board |
| Group Companies | In terms of SEBI ICDR Regulations, the term "Our Group Companies" includes companies (other than 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 any other companies as considered material by our Board, in accordance with the Materiality Policy, as described in "Our Group Companies" on page 183 of this Draft Red Herring Prospectus. |
| Independent Director(s) | The independent director(s) of our Company, in terms of Section 2(47) and Section 149(6) of the Companies Act, 2013. |
| Indian GAAP | Generally Accepted Accounting Principles in India |
| ISIN | International Securities Identification Number i.e. INE0RUJ01013 |
| Key Managerial Personnel / KMP | Key Management Personnel of our Company in terms of the Companies Act, 2013 and the SEBI ICDR Regulations as described in the section titled "Our Management" on page 155 of this Draft Red Herring Prospectus. |
| Managing Director | Mr. Sachin Sharma is the Managing Director of our Company. |
| Materiality Policy | The policy adopted by our Board on December 06, 2023 for identification of material Group Companies, material outstanding litigation and material dues outstanding to creditors in respect of our Company, pursuant to the disclosure requirements under the SEBI ICDR Regulations. |
| MOA/Memorandum of Association | Memorandum of Association of our company, as amended from time to time. |
| Nomination and Remuneration Committee | The nomination and remuneration committee of our Board, as described in "Our Management" beginning on page 155 of this Draft Red Herring Prospectus. |



| Terms | Description |
|---|---|
| NRIs / Non-Resident Indians | A person resident outside India, as defined under FEMA Regulation and who is a citizen of India or a Person of Indian Origin under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 as amended from time to time. |
| Person or Persons | Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, Company, partnership, limited liability Company, joint venture, or trust or any other entity or organization validity constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires. |
| Non-executive Directors | Non-executive Directors of our company. |
| Promoters | The promoters of our Company, namely Mr. Sachin Sharma, Mrs. Sangeeta Pareekh, Mr. Dinesh Pareekh, Mr. Sarthak Agarwal and BLP Equity Research Private Limited as disclosed in "Our Promoters" beginning on page 173 of this Draft Red Herring Prospectus. |
| Promoters Group | The persons and entities constituting the promoter group of our Company in terms of Regulation 2(1) (pp) of the SEBI ICDR Regulations. For details, see "Our Promoter Group" on page 181 of this Draft Red Herring Prospectus. |
| Registered Office | The registered office of our Company situated at Unit No. 203, Plaza- P3, Central Square, Bara Hindu Rao, Delhi-110006, India |
| Registrar of Companies/ ROC | The Registrar of Companies, Delhi, situated at 4th Floor, IFCI Tower, 61, Nehru Place, New Delhi – 110019. |
| Restated Financial Statements/ Restated Financial Information | The Restated Financial statements of our Company, which comprises the restated statement of Assets and Liabilities for the period ended September 30, 2023 and year ended as at March 31, 2023; March 31, 2022 and March 31, 2021 and the restated statements of profit and loss and the restated cash flows for the period ended September 30, 2023 and period ended March 31, 2023, March 31, 2022 and March 31, 2021 of our Company prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI (ICDR) Regulations, 2018 and the Revised Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, together with the schedules, notes and annexure thereto. |
| SEBI | 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 (ICDR) Regulations | SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended. |
| SEBI (LODR) Regulations | SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. |
| SEBI (Takeover) Regulations | SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997 and 2011, as amended from time to time. |
| SEBI Insider Trading Regulations | The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended, including instructions and clarifications issued by SEBI from time to time. |
| Shareholders | The holders of the Equity Shares, from time to time |
| Stakeholders' Relationship Committee | The committee of the Board of Directors constituted as our Company's Stakeholders' Relationship Committee in accordance with Regulation 20 of the SEBI Listing Regulations. For details, see "Our Management" on page 155 of this Draft Red Herring Prospectus. |
| WTD | Whole Time Director |



Offer Related Terms

| Terms | Description |
|--|---|
| Abridged Prospectus | Abridged Prospectus to be issued under Regulation 255 of SEBI ICDR Regulations and appended to the Application Form. |
| Acknowledgement Slip | The slip or document issued by a Designated Intermediary to a Bidder as proof of registration of the Bid cum Application Form |
| Allotment/ Allot/ Allotted | Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Fresh Issue to the successful Applicants, including transfer of the Equity Shares pursuant to the Issue to the successful applicants. |
| Allotment Advice | Note or advice or intimation of Allotment sent to the Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange. |
| Allottee | The successful applicant to whom the Equity Shares are being / have been allotted. |
| 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/ Red Herring Prospectus and who has 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/ Red Herring Prospectus and the Prospectus, which will be decided by our Company in consultation with the Book Running Lead Managers during the Anchor Investor Bid/Offer 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 Draft Red Herring Prospectus/ Red Herring Prospectus and the Prospectus. |
| Anchor Investor Bidding Date | The day, being one Working Day prior to the Bid/Offer Opening Date, on which Bids by Anchor Investors shall be submitted, prior to and after which the Book Running Lead Managers will not accept any Bids from Anchor Investors, and allocation to Anchor Investors shall be completed. |
| Anchor Investor Offer Price | The final price at which the Equity Shares will be issued and Allotted to 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 Offer Price but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company in consultation with the BRLMs. |
| Anchor Investor Portion | Up to 60% of the QIB Portion, which may be allocated by our Company, in consultation with the BRLMs, to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, out 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 accordance with the SEBI ICDR Regulations. |
| Applicant | Any prospective investor who makes an application for Equity Shares of our Company in terms of this Draft Red Herring Prospectus. |
| Application Amount | The amount at which the Applicant makes an application for Equity Shares of our Company in terms of this Draft Red Herring Prospectus. |
| Application Form | The Form in terms of which the prospective investors shall apply for our Equity Shares in the Issue. |
| ASBA/ Application Supported by Blocked Amount. | An application whether physical or electronic, used by ASBA Applicant to make an application authorizing an SCSB to block the Application Amount in the specified Bank Account maintained with such SCSB and will include amounts blocked by RIIs using the UPI mechanism. |



| Terms | Description |
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| ASBA Account | A bank account maintained with an SCSB and specified in the Application Form submitted by the Applicants or the account of the RII Applicants blocked upon acceptance of UPI Mandate Request by RIIs using the UPI mechanism, to the extent of the Application Amount specified by the Applicant |
| ASBA Application Location(s)/ Specified Cities | Locations at which ASBA Applications can be uploaded by the SCSBs, namely Mumbai, New Delhi, Chennai, Kolkata, Ahmedabad, Hyderabad, Pune, Baroda and Surat. |
| ASBA Applicant(s) | Any prospective investor who makes an application pursuant to the terms of the Draft Red Herring Prospectus and the Application Form including through UPI mode (as applicable). |
| ASBA Form | An application form (with and without the use of UPI, as may be applicable), whether physical or electronic, used by the ASBA Applicant and which will be considered as an application for Allotment in terms of the Prospectus. |
| Banker(s) to the Issue/ Refund Banker. | The banks which are Clearing Members and registered with SEBI as Banker to an Issue with whom the Escrow Agreement is entered and in this case being [●]. |
| Basis of Allotment | The basis on which Equity Shares will be Allotted to the successful Applicants under the Offer and which is described under chapter titled “Offer Procedure” beginning on page 282 of this Draft Red Herring Prospectus. |
| Bid | An indication to make an offer during the Bid/Offer 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 Red Herring Prospectus and the relevant Bid cum Application Form. The term “Bidding” shall be construed accordingly. |
| Bidder | Any investor who makes a Bid pursuant to the terms of the Draft Red Herring Prospectus/ Red Herring Prospectus and the Bid cum Application Form, and unless otherwise stated or implied, includes an Anchor Investor. |
| Bid Amount | The amount at which the bidder makes a bid for the Equity Shares of our Company in terms of Draft Red Herring Prospectus. |
| Bid Cum Application Form | The form in terms of which the bidder shall make a bid, including ASBA Form, and which shall be considered as the bid for the Allotment pursuant to the terms of this Draft Red Herring Prospectus. |
| Bid Lot | [●] Equity Shares and in multiples of [●] Equity Shares thereafter. |
| Bidding/Collection Centres | Centres at which the Designated intermediaries shall accept the ASBA Forms, i.e. Designated SCSB Branch for SCSBs, specified locations for syndicate, broker centre for registered brokers, designated RTA Locations for RTAs and designated CDP locations for CDPs. |
| Book Running Process | Book building process, as provided in Part A of Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer is being made. |
| BRLMs/ Book Running Lead Managers | Book Running Lead Managers to the offer, in this case being Share India Capital Services Private Limited and Fintellectual Corporate Advisors Private Limited. |
| Broker Centers | Broker centers notified by the Stock Exchanges, where the Applicants can submit the Application Forms to a Registered Broker. The details of such broker centers, along with the name and contact details of the Registered Brokers, are available on the website of the Stock Exchange www.bseindia.com . |
| Business Day | Monday to Friday (except public holidays). |
| 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 |



| Terms | Description |
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| | designated Stock Exchange |
| Cap Price | The higher end of the Price Band, above which the Offer Price and Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted. The Cap Price shall be at least 105% of the Floor Price. |
| Client ID | Client Identification Number of the Applicant's beneficiary account |
| Collecting Depository Participant(s)/ CDP(s) | A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI as per the list available on the website of BSE (www.bseindia.com). |
| Corporate Social Responsibility Committee | Corporate social responsibility committee of our Company constituted in accordance with the applicable provisions of the Companies Act, 2013 and as described in "Our Management" on page 155. |
| Controlling Branch | Such branches of SCSBs which coordinate Applications under the Issue with the Registrar and the Stock Exchange, a list of which is available on the website of SEBI at http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time. |
| Digital Personal Data Protection Act, 2023 | An Act to provide for the processing of digital personal data in a manner that recognises both the right of individuals to protect their personal data and the need to process such personal data for lawful purposes and for matters connected therewith or incidental thereto. |
| Data Principal | As per DPDP Act, 2023 means an Individual who provides personal data as per Digital Personal Data Protection Act, 2023. |
| Data Fiduciaries | As per DPDP Act, 2023 means a person who manages as determine the purpose for processing the personal data. |
| Demographic Details | The demographic details of the Applicants such as their address, PAN, occupation, bank account details and UPI ID (if applicable). |
| Designated Branches | Such branches of the SCSBs which shall collect the ASBA Forms from the ASBA Applicants and a list of which is available at www.sebi.gov.in , or at such other website as may be prescribed by SEBI from time to time. |
| Designated CDP Locations | Such locations of the CDPs where Applicants can submit the Application Forms and in case of RIIs only ASBA Forms with UPI. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Application Forms are available on the websites of the Stock Exchange. |
| Depository Participant | A Depository Participant as defined under the Depositories Act, 1996. |
| Designated Date | The date on which relevant amounts are transferred from the ASBA Accounts to the Public Issue Account or the Refund Account, as the case may be, and the instructions are issued to the SCSBs (in case of RIIs using UPI Mechanism, instruction issued through the Sponsor Bank) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Issue Account or the Refund Account, as the case may be, in terms of the Prospectus following which Equity Shares will be Allotted in the Issue. |
| Designated Intermediaries/ Collecting Agent | In relation to ASBA Forms submitted by RIIs authorising an SCSB to block the Application Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs. In relation to ASBA Forms submitted by RIIs where the Application Amount will be blocked upon acceptance of UPI Mandate Request by such RII using the UPI Mechanism, Designated Intermediaries shall mean syndicate members, sub- syndicate members, Registered Brokers, CDPs and RTAs. In relation to ASBA Forms submitted by QIBs and NIBs, Designated |



| Terms | Description |
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| | Intermediaries shall mean SCSBs, syndicate members, sub-syndicate members, Registered Brokers, CDPs and RTAs. |
| Designated RTA Locations | Such locations of the RTAs where Applicants can submit the Application Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Application Forms are available on the websites of the Stock Exchange. |
| Designated SCSB Branches | Such branches of the SCSBs which shall collect the ASBA Forms (other than ASBA Forms submitted by RIIs where the Application Amount will be blocked upon acceptance of UPI Mandate Request by such RII using the UPI Mechanism), a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes . Intermediaries or at such other website as may be prescribed by SEBI from time to time. |
| DP ID | Depository Participant's identification number. |
| Designated Stock Exchange | BSE SME i.e. SME platform of BSE Limited. |
| Designated Market Maker | Share India Securities Limited will act as the Market Maker and has agreed to receive or deliver the specified securities in the market making process for a period of three years from the date of listing of our Equity Shares or for a period as may be notified by amendment to SEBI ICDR Regulations. |
| Draft Red Herring Prospectus/DP | This Draft Red Herring Prospectus dated February 12, 2024 issued in accordance with Section 23, 26, 28 and 32 of the Companies Act, 2013 and SEBI ICDR Regulation. |
| Eligible NRIs | 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 Application Form and the Prospectus will constitute an invitation to purchase the equity shares. |
| Electronic Transfer of Funds | Refunds through ECS, NEFT, Direct Credit or RTGS as applicable. |
| SME Platform of BSE | The SME Platform of BSE Limited for listing equity shares offered under Chapter IX of the SEBI (ICDR) Regulation which was approved by SEBI as an SME Exchange. |
| Equity Listing Agreements | The listing agreements to be entered into by our Company with the Stock Exchange in relation to our Equity Shares. |
| Escrow Account | Account to be opened with the Escrow Collection Bank and in whose favors the Anchor Investors will transfer money through NACH/direct credit/NEFT/RTGS in respect of the Bid Amount when submitting a Bid. |
| 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 [●]. |
| FII/ Foreign Institutional Investors | Foreign Institutional Investor (as defined under SEBI (Foreign Institutional Investors) Regulations, 1995, as amended) registered with SEBI under applicable laws in India. |
| First/ Sole Applicant | The Applicant whose name appears first in the Application Form or Revision Form and in case of a joint Application and whose name shall also appear as the first holder of the beneficiary account held in joint names or any revisions thereof. |
| Floor Price | The lower end of the Price Band, subject to any revision thereto, at or above which the Offer Price and the Anchor Investor Offer Price will be finalized and below which no Bids will be accepted. |
| General Information Document/ GID | The General Information Document for investing in public issues prepared and issued in accordance with the circular no. SEBI / HO / CFD / DIL1 / CIR / P / 2020 / 37 dated March 17, 2020 and the circular no. SEBI / HO / CFD / DIL2 / CIR / P / 2020 / 50 dated March 30, 2020, as amended by SEBI from time to time and the UPI Circulars. The General Information Document shall be available on the website of the Stock Exchange and the BRLMs. |



| Terms | Description |
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| Listing Agreement | The Equity Listing Agreement to be signed between our Company and the BSE Limited. |
| Market Maker | Market Makers of the Company, in this case being Share India Securities Limited |
| Market Making Agreement | The Agreement among the Market Maker, the Book Running Lead Managers and our Company dated February 07, 2024. |
| Market Maker Reservation Portion | The Reserved portion of 3,42,400 Equity shares of ₹ 5.00/- each at an Offer Price of ₹ [●] aggregating to ₹ [●] lakhs for Designated Market Maker in the Public Issue of our Company. |
| Mobile App(s) | The mobile applications listed on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as may be updated from time to time, which may be used by RIIs to submit Applications using the UPI Mechanism. |
| Mutual Fund(s) | A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time. |
| Net Offer/ Issue | The Offer (excluding the Market Maker Reservation Portion) of 56,48,000 Equity Shares of ₹ 5/- each of Issuer at ₹ [●] /- (including share premium of ₹ [●] /- per equity share aggregating to ₹ [●] /- lakhs. |
| Net Proceeds | Proceeds of the Fresh Issue less our Company's share of the Offer expenses. For further details regarding the use of the Net Proceeds and the Offer related expenses, see "Objects of the Offer" on page 91 of this Draft Red Herring Prospectus. |
| Non-Institutional Applicants/ Investors | All Applicants, including Eligible FPIs, that are not QIBs or Retail Individual Applicants and who have applied for Equity Shares for an amount of more than ₹ 2,00,000 (but not including NRIs other than Eligible NRIs, OFIs other than eligible QFIs). |
| Non-Resident/ NR | A person resident outside India, as defined under FEMA and includes a non-resident Indian, FPIs and FVCIs. |
| OCB / Overseas Corporate Body | A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trust in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under Foreign Exchange Management (Deposit) Regulations, 2000. OCBs are not allowed to invest in this Issue. |
| Offer | Initial public offering of up to 59,90,400 Equity Shares of face value of ₹ 5 per Equity Share at an Offer Price of ₹ [●] per Equity Share aggregating up to ₹ [●] lakhs comprising the Fresh Issue and the Offer for Sale. |
| Offer Agreement/ Memorandum of Understanding (MOU) | The agreement dated January 04, 2024 entered into among our Company, the Selling Shareholders and the Book Running Lead Managers, pursuant to which certain arrangements are agreed to in relation to the Issue. |
| Offer Closing Date | The date on which Offer closes for subscription. i.e. [●] |
| Offer for Sale | The Offer for Sale component of the Offer, comprising of an offer for sale of up to 44,92,800 Equity Shares at ₹ 5 per Equity Share aggregating to ₹ [●] by the Selling Shareholders. |
| Offer Opening Date | The date on which Offer opens for subscription. i.e. [●] |
| Offer Period | The period between the Offer Opening Date and the Issue Closing Date inclusive of both the days during which prospective investors may submit their application. |
| Offer Price | The final price at which Equity Shares will be Allotted to successful ASBA Bidders in terms of the Draft Red Herring Prospectus/ Red Herring Prospectus which will be decided by our Company in consultation with the BRLMs, on the Pricing Date, in accordance with the Book-Building Process and in terms of the Draft Red Herring Prospectus/ Red Herring Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price, which will be decided by our Company in consultation with the BRLMs, on the Pricing Date, in accordance with the Book-Building Process and in terms of the Draft Red |



| Terms | Description |
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| | Herring Prospectus/ Red Herring Prospectus |
| Offer Proceeds | Proceeds from the Offer will be ₹ [●] lakhs. |
| Prospectus | The Prospectus, to be filed with the RoC containing, inter alia, the Issue opening and closing dates and other information. |
| Payment through electronic transfer of funds | Payment through ECS / NECS, Direct Credit, RTGS or NEFT, as applicable. |
| Price Band | The price band ranges from the Floor Price of ₹ [●] per Equity Share to the Cap Price of ₹ [●] per Equity Share, including any revisions thereto. The Price Band and minimum Bid Lot, as decided by our Company in consultation with the BRLMs, will be advertised in all editions of [●] (a widely circulated English national daily newspaper) and all editions of [●] (a widely circulated Hindi national daily newspaper, all editions of [●] being the regional language of Delhi, where our Registered Office is located), at least two Working Days prior to the Bid/Offer Opening Date with the relevant financial ratios calculated at the Floor Price and at the Cap Price, and shall be made available to the Stock Exchanges for the purpose of uploading on their respective websites. |
| Pricing Date | The date on which our Company, in consultation with the BRLMs, will finalise the Offer Price. |
| Public Issue Account | Account opened with Bankers to the Issue for the purpose of transfer of monies from the SCSBs from the bank accounts of the ASBA Applicants on the Designated Date. |
| Public Issue Account Bank | A bank which is a clearing member and registered with SEBI as a banker to an issue and with which the Public Issue Account for collection of Application Amounts from Escrow Account(s) and ASBA Accounts will be opened, in this case being [●]. |
| Qualified Foreign Investors/ QFIs | Non-resident investors other than SEBI registered FIIs or sub-accounts or SEBI registered FVCIs who meet 'know your client' requirements prescribed by SEBI. |
| Qualified Institutional Buyers / QIBs | As defined under the SEBI ICDR Regulations, including public financial institutions as specified in Section 4A of the Companies Act, scheduled commercial banks, mutual fund registered with SEBI, FII and sub-account (other than a sub-account which is a foreign corporate or foreign individual) registered with SEBI, multilateral and bilateral development financial institution, venture capital fund registered with SEBI, foreign venture capital investor registered with SEBI, state industrial development corporation, insurance company registered with Insurance Regulatory and Development Authority, provident fund with minimum corpus of ₹ 2,500 Lakh, pension fund with minimum corpus of ₹ 2,500 Lakh, NIF and insurance funds set up and managed by army, navy or air force of the Union of India, Insurance funds set up and managed by the Department of Posts, India. |
| Red Herring Prospectus or RHP | The Red Herring Prospectus of our Company to be filed in accordance with Section 32 of the Companies Act and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be issued and the size of the Offer including any addenda or corrigenda thereto. The Red Herring Prospectus shall be filed with the RoC at least three days before the Bid/Offer Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date |
| Refund Account | Account(s) to which monies to be refunded to the Applicants shall be transferred from the Public Issue Account in case listing of the Equity Shares does not occur. |
| Refund Bank | The bank(s) which is/are clearing members and registered with SEBI as Banker(s) to the Issue, at which the Refund Account for the Issue will be opened in case listing of the Equity Shares does not occur, in this case being [●]. |



| Terms | Description |
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| Refunds through electronic transfer of funds | Refunds through electronic transfer of funds means refunds through ECS, Direct Credit or RTGS or NEFT or the ASBA process, as applicable. |
| Registered Brokers | Stockbrokers registered with the stock exchanges having nationwide terminals |
| Registrar Agreement | The agreement dated February 07, 2024 entered into between our Company, the Promoter Selling Shareholders and the Registrar to the Offer, in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer. |
| Registrar and Share Transfer Agents/ RTAs | The registrar and the share transfer agents registered with SEBI and eligible to procure Applications at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the UPI Circulars issued by SEBI as per the list available on the website of BSE. |
| Registrar to the Issue / Registrar | Registrar to the Issue being Skyline Financial Services Private Limited. |
| Retail Individual Investors | Applicants (including HUFs, in the name of Karta and Eligible NRIs) whose Application Amount for Equity Shares in the Issue is not more than ₹ 2.00 Lakhs |
| Revision Form | The Form used by the Applicants to modify the quantity of the Equity Shares or the Applicant Amount in any of their ASBA Form(s) or any previous Revision Form(s). QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their applications (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Applicants can revise their Application during the Issue Period and withdraw their Applications until Issue Closing Date. |
| SCSB/ Self-certified syndicate Banks | The banks registered with SEBI, offering services (i) in relation to ASBA (other than through UPI mechanism), a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35 , as applicable, or such other website as updated from time to time, and (ii) in relation to ASBA (through UPI mechanism), a list of which is available on the website of SEBI at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as updated from time to time. |
| Selling Shareholders | The Selling Shareholders are Mr. Sachin Sharma, Mrs. Sangeeta Pareekh, BLP Equity Research Private Limited and Mr. Sarthak Agarwal. |
| Shareholders | Shareholders of our Company from time to time. |
| Shares Escrow Agent | The share escrow agent to be appointed pursuant to the Share Escrow Agreement, namely, [●]. |
| Share Escrow Agreement | The agreement to be entered into between our Company, the Selling Shareholders and the Share Escrow Agent in connection with the transfer of the Offered Shares by the Selling Shareholders and credit of such Equity Shares to the demat account of the Allottees in accordance with the Basis of Allotment. |
| Sponsor Bank | A Banker to the Offer/ Issue which is registered with SEBI and is eligible to act as a Sponsor Bank in a public issue in terms of applicable SEBI requirements and has been appointed by the Company, in consultation with the BRLMs to act as a conduit between the Stock Exchanges and NPCI to push the UPI Mandate Request in respect of RIIs as per the UPI Mechanism, in this case being [●]. |
| Syndicate Agreement | Agreement to be entered into among our Company, the Registrar to the Offer, |



| Terms | Description |
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| | Selling Shareholder, the BRLMs and the Syndicate Members in relation to collection of Bid cum Application Forms by Syndicate. |
| Syndicate Members | Intermediaries registered with the SEBI and permitted to carry out activities as an underwriters. |
| Stock Exchange | BSE Limited |
| Systematically Important Non-Banking Financial Companies | Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations. |
| TRS/Transaction Registration Slip | The slip or document issued by a member of the Syndicate or an SCSB (only ondemand), as the case may be, to the Applicant, as proof of registration of the Application. |
| Underwriters | Underwriters to this Offer are Share India Capital Services Private Limited and Fintellectual Corporate Advisors Private Limited. |
| Underwriting Agreement | Agreement dated February 07, 2024 entered amongst our Company, Selling Shareholders and the Underwriters. |
| Unified Payments Interface or UPI | Unified Payment Interface is an instant payment system developed by National Payments Corporation of India, which enables merging several banking features, seamless fund routing and merchant payments into one hood. It allows instant transfer of money between any two persons bank accounts using a payment address which uniquely identifies a person's bank account. |
| UPI | Unified Payments Interface. |
| UPI Circulars /SEBI UPI Circulars | 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, SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBIcircular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBIcircular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated 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 02, 2021 and any subsequent circulars or notifications issued by SEBI or any other governmental authority in this regard. |
| UPI ID | ID created on UPI for single-window mobile payment system developed by the NPCI. |
| UP Mandate Request | A request (intimating the RBI by way of a notification on the UPI application and by way of a SMS directing the RBI to such UPI application) to the RBI initiated by the Sponsor Bank to authorize blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment. |
| UPI Mechanism | Process for applications by RBI submitted with intermediaries with UPI as mode of payment, in terms of the UPI Circulars. |
| UPI PIN | Password to authenticate UPI transaction. |
| Wilful Defaulter | A Company or person categorized as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI, including any company whose director or promoter is categorized as such. |
| Working Days | All days other than second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Mumbai are open for business; provided however, with reference to (a) announcement of the Offer Price; and (b) Offer Period, Term Description the term Working Day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and (c) the time period between the Offer Closing Date |

| Terms | Description |
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| | and the listing of the Equity Shares on the Stock Exchange. “Working Day” shall mean all trading days of the Stock Exchange, excluding Sundays and bank holidays, as per the circulars issued by SEBI, including the UPI Circulars. |

Conventional Terms / General Terms / Abbreviations

| Abbreviation | Full Form |
|-----------------------------------|--|
| “₹” or “Rs.” or “Rupees” or “INR” | Indian Rupees, the official currency of the Republic of India |
| A/c | Account |
| ACS | Associate Company Secretary |
| AGM | Annual General Meeting |
| AIF(s) | Alternative Investment Funds |
| AS | Accounting Standards as issued by the Institute of Chartered Accountants of India |
| ASBA | Applications Supported by Blocked Amount |
| Authorised Dealers | Authorized Dealers registered with RBI under the Foreign Exchange Management (Foreign Currency Accounts) Regulations, 2000 |
| AY | Assessment Year |
| BIS | Bureau of Indian Standards |
| BSE | BSE Limited |
| BSE SME | SME Platform of BSE |
| CAGR | Compounded Annual Growth Rate |
| Category I AIF | AIFs which are registered as “Category I Alternative Investment Funds” under the SEBI AIF Regulations |
| Category II AIF | AIFs which are registered as “Category II Alternative Investment Funds” under the SEBI AIF Regulations |
| Category III AIF | AIFs which are registered as “Category III Alternative Investment Funds” under the SEBI AIF Regulations |
| Category I FPI(s) | FPIs who are registered as “Category I foreign portfolio investors” under the SEBI FPI Regulations. |
| Category II FPI(s) | FPIs who are registered as “Category II foreign portfolio investors” under the SEBI FPI Regulations. |
| Category III FPI(s) | FPIs who are registered as Category III FPIs under the SEBI FPI Regulations, and shall include all other FPIs not eligible under category I and II foreign portfolio investors, such as endowments, charitable societies, charitable trusts, foundations, corporate bodies, trusts, individuals and family offices |
| CDSL | Central Depository Services (India) Limited |
| CFO | Chief Financial Officer |
| CIN | Corporate Identification Number |
| CIT | Commissioner of Income Tax |
| CLRA | Contract Labour (Regulation and Abolition) Act, 1970. |
| Companies Act | Companies Act, 1956 and / or the Companies Act, 2013 as applicable |
| Companies Act, 1956 | Companies Act, 1956, and the rules there under (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections). |
| Companies Act, 2013 | Companies Act, 2013, read with the rules, regulations, clarifications and modifications there under. |



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| Consolidated FDI Policy | The consolidated FDI Policy, effective from August 28, 2017, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time. |
| CRAR | Capital to Risk Asset Ratio |
| CSR | Corporate Social Responsibility |
| DCS | Distributed Control System |
| DGFT | Directorate General of Foreign Trade |
| Depository(ies) | NSDL and CDSL, both being depositories registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996. |
| DIN | Director Identification Number |
| DIPP | Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, GoI |
| DP | Depository Participant |
| DP ID | Depository Participant's Identity Number |
| DPDP Act | Digital Personal Data Protection Act, 2023 |
| DPIIT | Department for Promotion of Industry and Internal Trade, Ministry of Term Commerce and Industry, Government of India (earlier known as the Department of Industrial Policy and Promotion) |
| EBITDA | Earnings Before Interest, Tax, Depreciation and Amortization |
| ECS | Electronic Clearing System |
| EGM | Extraordinary General Meeting |
| EMDEs | Emerging Markets and Developing Economies |
| EPF Act | Employees' Provident Fund and Miscellaneous Provisions Act, 1952 |
| EPS | Earnings Per Share |
| ESI Act | Employees' State Insurance Act, 1948 |
| FCNR Account | Foreign Currency Non-Resident (Bank) account established in accordance with the FEMA |
| FDI | Foreign Direct Investment |
| FEMA | Foreign Exchange Management Act, 1999, as amended from time to time, and the regulations framed there under |
| FEMA Regulations | The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 duly amended. |
| FIPB | Foreign Investment Promotion Board |
| F&NG | Father and Natural Guardian |
| FY / Fiscal/Financial Year | The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year |
| FPIs | A foreign portfolio investor who has been registered pursuant to the SEBI FPI Regulations, provided that any FII who holds a valid certificate of registration 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 Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995. |
| FVCI | Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI |
| GAAR | General Anti-Avoidance Rules |
| GDP | Gross Domestic Product |

| | |
|-----------------|---|
| GoI/Government | Government of India |
| GST | Goods and Services Tax |
| HUF | Hindu Undivided Family |
| ICAI | Institute of Chartered Accountants of India |
| ICSI | Institute of Company Secretaries of India |
| IFRS | International Financial Reporting Standards |
| IFSC | Indian Financial System Code |
| I.T. Act | Income Tax Act, 1961, as amended from time to time |
| Ind AS | The Indian Accounting Standards referred to in the Companies (Indian Accounting Standard) Rules, 2015, as amended |
| Ind AS Rules | Companies (Indian Accounting Standards) Rules, 2015, as amended |
| India | Republic of India |
| Indian GAAP | Generally Accepted Accounting Principles in India |
| IPO | Initial Public Offer |
| IRDAI | Statutory body constituted under the Insurance Regulatory and Development Authority Act, 1999 |
| IRR | Internal Rate of Return |
| IST | Indian Standard Time |
| Insolvency Code | Insolvency and Bankruptcy Code, 2016 |
| ISIN | International Securities Identification Number |
| IT | Information Technology |
| KPI | Key performance indicator |
| Lacs | Lakhs |
| LIBOR | London Inter-Bank Offer Rate |
| MAPIN | Market Participants and Investors' Integrated Database |
| MCA | Ministry of Corporate Affairs |
| Mn/mn | Million |
| Merchant Banker | Merchant Banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 |
| MoF | Ministry of Finance, Government of India |
| MOU | Memorandum of Understanding |
| Mutual Funds | Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 |
| NA | Not Applicable |
| NACH | National Automated Clearing House |
| NAV | Net Asset Value |
| NGT | National Green Tribunal |
| NPV | Net Present Value |
| NRE Account | Non- Resident External Account |
| NRIs | Non- Resident Indians |
| NECS | National Electronic Clearing Services |
| NEFT | National Electronic Fund Transfer |
| NRO | Non-resident ordinary account |
| NSDL | National Securities Depository Limited |
| OCB | A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs |



| | |
|---------------------------------|--|
| | directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Issue. |
| OSP | Other Service Provider |
| p.a. | per annum |
| P/E Ratio | Price/Earnings Ratio |
| PAC | Persons Acting in Concert |
| PAN | Permanent Account Number |
| PAT | Profit After Tax |
| PCB | Pollution Control Board |
| PSU | Public Sector Undertaking |
| PIO | Person of India Origin |
| Payment of Bonus Act | Payment of Bonus Act, 1965 |
| Payment of Gratuity Act | Payment of Gratuity Act, 1972 |
| QA/QC | Quality Assurance / Quality Control |
| QIC | Quarterly Income Certificate |
| RBI | The Reserve Bank of India |
| RBI Act | Reserve Bank of India Act, 1934 |
| ROE | Return on Equity |
| RONW | Return on Net Worth |
| Regulations | Regulations under the Securities Act |
| RTI | Right to Information, in terms of the Right to Information Act, 2005 |
| Rule 14A | Rule 144A under the Securities Act |
| RTGS | Real Time Gross Settlement |
| Bn | Billion |
| SCRA | Securities Contract (Regulation) Act, 1956, as amended from time to time |
| SCRR | Securities Contracts (Regulation) Rules, 1957, as amended from time to time. |
| SEBI AIF Regulations | Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012 |
| SEBI Depository Regulations | Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 |
| SEBI FPI Regulations | Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 |
| SEBI FVCI Regulations | Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000 |
| SEBI Ind AS Transition Circular | SEBI Circular No. SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 |
| Securities Act | The United States Securities Act of 1933. |
| Sec. | Section |
| STT | Securities Transaction Tax |
| State Government | Government of a state in India |
| US/United States/USA | United States of America |
| USD/ US\$/ \$ | United States Dollar, the official currency of the United States of America |
| US GAAP | Generally Accepted Accounting Principles in the United States of America |
| VAT | Value Added Tax |



| | |
|----------------------------|---|
| VCF / Venture Capital Fund | Venture Capital Funds as defined in and registered with the SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as the case may be |
| w.e.f | With effect from |
| Year/Calendar Year | Unless context otherwise requires, shall refer to the twelve-month period ending December 31 |

Industry Related Terms

| Term | Description |
|----------|--|
| ABS | Acrylonitrile- Butadiene- Styrene |
| BRSR | Business Responsibility and Sustainability Reporting |
| Covid-19 | Coronavirus Disease |
| CPCB | Central Pollution Control Board |
| EPR | Extended Producer Responsibility |
| ESG | Environment, Social and Governance |
| EVOH | Ethylene Vinyl Alcohol |
| FDI | Foreign Direct Investment |
| FIBC | Flexible Intermediate Bulk Container |
| GDP | Gross Domestic Product |
| IMF | International Monetary Fund |
| MF | Melamine Formaldehyde |
| MT | Metric Ton |
| PA | Polyamide |
| PBT | Polybutylene Terephthalate |
| PC | Polycarbonate |
| PE | Polyethylene |
| PEEK | Poly Ether Ether Ketone |
| PET | Polythene Terephthalate |
| PF | Phenolic Resin |
| PMMA | Poly Methyl Methacrylate |
| POM | Poly Oxy Methylene |
| PP | Polypropylene |
| PPO | Polyphenylene Oxide |
| PPS | Polypropylene Sulphide |
| PS | Polystyrene |
| PTFE | Polytetrafluoroethylene |
| PUR | Poly Urethanes |
| PVC | Poly Vinyl Chloride |
| SAN | Styrene Acrylonitrile |
| TPE | Thermoplastics Elastomer |
| TPU | Thermoplastics Polyurethane |
| U.S. | United States of America |
| UF | Urea Formaldehyde |
| UK | United Kingdom |
| UP | Unsaturated Polyester |
| US\$ | United States Dollar |



| | |
|-----|-------------------------|
| WMA | Waste Management Agency |
|-----|-------------------------|

Notwithstanding the foregoing, terms in “*Main Provision of Articles of Association*”, “*Statement of Tax Benefits*”, “*Industry Overview*”, “*Key Industry Regulations and Policies*”, “*Financial Information*”, “*Outstanding Litigation and Material Developments*” and “*Offer Procedure*” on pages 325, 105, 108, 137, 190, 245, and 282 respectively of this Draft Red Herring Prospectus, will have the meaning ascribed to such terms in these respective sections.

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PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Certain Conventions

All references in the Draft Red Herring Prospectus to “India” are to the Republic of India. All references in the Draft Red Herring Prospectus to the “U.S.”, “USA” or “United States” are to the United States of America. Unless stated otherwise, all references to page numbers in this Draft Red Herring Prospectus are to the page number of this Draft Red Herring Prospectus.

Financial Data

Unless stated otherwise, the financial data included in this Draft Red Herring Prospectus are extracted from the restated financial statements of our Company, prepared in accordance with the applicable provisions of the Companies Act and Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Reviewed Auditors, set out in the section titled ‘Financial Information, as Restated’ beginning on page 190 this Draft Red Herring Prospectus. Our restated financial statements are derived from our audited financial statements prepared in accordance with Indian GAAP and the Companies Act, and have been restated in accordance with the SEBI (ICDR) Regulations.

Our fiscal year commences on 1st April of each year and ends on 31st March of the next year. All references to a particular fiscal year are to the 12 months period ended 31st March of that year. In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off. All decimals have been rounded off to two decimal points. There are significant differences between Indian GAAP, IFRS and US GAAP. The Company has not attempted to quantify their impact on the financial data included herein and urges you to consult your own advisors regarding such differences and their impact on the Company’s financial data. Accordingly, to what extent, the financial statements included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting practices / Indian GAAP. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. Any percentage amounts, as set forth in “Risk Factors”, “Our Business”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and elsewhere in this Draft Red Herring Prospectus unless otherwise indicated, have been calculated on the basis of the Company’s restated financial statements prepared in accordance with the applicable provisions of the Companies Act and Indian GAAP and restated in accordance with SEBI (ICDR) Regulations, as stated in the report of our Peer Reviewed Auditors, set out in the section titled ‘Financial Statements, as Restated’ beginning on page 190 of this Draft Red Herring Prospectus.

Currency and units of presentation

In this Draft Red Herring Prospectus, references to “Rupees” or “INR” or “₹” or “Rs.” are to Indian Rupees, the official currency of the Republic of India. All references to “\$”, “US\$”, “USD”, “U.S. \$” or “U.S. Dollars” are to United States Dollars, the official currency of the United States of America. All references to ‘million’ / ‘Million’ / ‘Mn’ refer to one million, which is equivalent to ‘ten lacs’ or ‘ten lakhs’, the word ‘Lacs / Lakhs / Lac’ means ‘one hundred thousand’ and ‘Crore’ means ‘ten millions’ and ‘billion / bn./ Billions’ means ‘one hundred crores’.

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. The meaningful interpretation of the data depends on the reader's familiarity with data compilation methodologies. In our industry, there are no standard data gathering methods, and methodologies may vary among different sources.

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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.

These forward looking statements can generally be identified by words or phrases such as "will", "aim", "will likely result", "believe", "expect", "will continue", "anticipate", "estimate", "intend", "plan", "contemplate", "seek to", "future", "objective", "goal", "project", "should", "will pursue" and similar expressions or variations of such expressions.

Important factors that could cause actual results to differ materially from our expectations include but are not limited to:

- loss of consumers;
- general, economic and business conditions in the markets in which we operate and in the local, regional and national and international economies;
- adverse natural calamities having significant impact on regions where we are having projects under implementation;
- our ability to successfully implement strategy, growth and expansion plans and technological initiatives;
- our ability to respond to technological changes;
- our ability to attract and retain qualified personnel;
- general, social and political conditions in India which have an impact on our business activities or investments;
- potential mergers, acquisitions restructurings and increased competition;
- occurrences of natural disasters or calamities affecting the areas in which we have operations;
- market fluctuations and industry dynamics beyond our control;
- changes in the competition landscape;
- our ability to finance our business growth and obtain financing on favourable terms;
- our ability to manage our growth effectively;
- our ability to compete effectively, particularly in new markets and businesses;
- changes in laws and regulations relating to the industry in which we operate changes in government policies and regulatory actions that apply to or affect our business; and
- developments affecting the Indian economy;
- Any adverse outcome in the legal proceedings in which we are involved.

For a further discussion of factors that could cause our current plans and expectations and actual results to differ, please refer to the chapters titled 'Risk Factors', 'Our Business' and 'Management's Discussion and Analysis of Financial Condition and Results of Operations' beginning on page numbers 31, 122 and 234, respectively of this Draft Red Herring Prospectus.



Forward-looking statements reflect current views as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. There can be no assurance to investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of our future performance. These statements are based on our management's belief and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based on are reasonable, any of these assumptions could prove to be inaccurate and the forward-looking statements based on these assumptions could be incorrect. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance. Neither our Company, our Directors, the BRLMs, the Selling Shareholders, nor any Syndicate member nor 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. In accordance with SEBI's requirements, our Company shall ensure that investors in India are informed of material developments from the date of this Draft Red Herring Prospectus in relation to the statements and undertakings made by them in the Draft Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges for this Offer. The Selling Shareholders, severally and not jointly, shall ensure that investors are informed of material developments in relation to statements and undertakings specifically made or confirmed by them in the Draft Red Herring Prospectus, Red Herring Prospectus and the Prospectus until the date of allotment of Equity Shares. Only the statements and undertakings which are specifically confirmed or undertaken by each of the Selling Shareholders about or in relation to themselves as Selling Shareholders and their respective portion of the Offered Shares, in this Draft Red Herring Prospectus shall be deemed to be statements and undertakings made by such Selling Shareholders.

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SECTION II - SUMMARY OF OFFER DOCUMENTS

SUMMARY OF OUR BUSINESS OVERVIEW

Our Company was originally incorporated as a private limited company under the Companies Act, 1956 in the name and style of “Ganesha Enviro Management Private Limited” bearing Corporate Identification Number U93000DL2013PTC247767 dated February 01, 2013, issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana. Thereafter, the name of the Company was changed from “Ganesha Enviro Management Private Limited” to “GEM Enviro Management Private Limited” pursuant to special resolution passed by the shareholders at the Extra Ordinary General Meeting held on October 09, 2013 and consequent to name change a fresh Certificate of Incorporation was granted to our Company on November 04, 2013 by the Registrar of Companies, National Capital Territory of Delhi and Haryana. Subsequently, our Company was converted into a Public Limited Company vide Special Resolution passed by the Shareholders at the Annual General Meeting, held on August 31, 2023 and consequently the name of our Company was changed from “GEM Enviro Management Private Limited” to “GEM Enviro Management Limited” vide a fresh certificate of incorporation dated October 18, 2023 issued by the Registrar of Companies, Delhi bearing CIN U93000DL2013PLC247767. At present, the registered office of the company situated at Unit No.203, Plaza- P 3, Central Square, Bara Hindu Rao, Delhi-110006.

GEM Enviro Management Limited ("GEM") is a forward-thinking company dedicated to addressing one of the most pressing environmental challenges of India: plastic waste management and the implementation of Extended Producer Responsibility (EPR) programs. GEM Enviro is specialising in collection and recycling of packaging waste and promotion of recycled green products. We are a Waste Management Agency (WMA) providing sustainability services to our clients and thereby addressing the profound environmental issues posed by waste. We provide a range of services, including EPR (Extended Producer Responsibility) compliance, Scrap Management, ESG (Environment, Social and Governance) Consulting, BRSR (Business Responsibility and Sustainability Reporting) Reporting, Project Advisory and Management of Plastic Credits, Sales and Marketing of recycled products, and Eco-Awareness Campaigns, adopting a closed-loop model that significantly reduces the environmental impact.

The registered office of our company is situated at Unit No. 203, Plaza-3, Central Square, Bara Hindu Rao, Delhi- 110006, India. For more information of change in registered office, kindly refer chapter titled “Our History and Certain Other Corporate Matters” beginning on page 149.

SUMMARY OF INDUSTRY IN WHICH THE COMPANY IS OPERATING

GLOBAL ECONOMIC OVERVIEW

Global growth is forecast to slow from 3.5 percent in 2022 to 3.0 percent in 2023 and 2.9 percent in 2024. For advanced economies, the expected slowdown is from 2.6 percent in 2022 to 1.5 percent in 2023 and 1.4 percent in 2024, amid stronger-than-expected US momentum but weaker-than-expected growth in the euro area. Emerging market and developing economies are projected to have growth modestly decline, from 4.1 percent in 2022 to 4.0 percent in both 2023 and 2024, with a downward revision of 0.1 percentage point in 2024, reflecting the property sector crisis in China. Forecasts for global growth over the medium term, at 3.1 percent, are at their lowest in decades, and prospects for countries to catch up to higher living standards are weak. Global inflation is forecast to decline steadily, from 8.7 percent in 2022 to 6.9 percent in 2023 and 5.8 percent in 2024. But the forecasts for 2023 and 2024 are revised up by 0.1 percentage point



and 0.6 percentage point, respectively, and inflation is not expected to return to target until 2025 in most cases.

Global headline inflation has more than halved, from its peak of 11.6 percent in the second quarter of 2022 to 5.3 percent in the second quarter of 2023. About four-fifths of the gap between the 2022 peak and the pre-pandemic annual average level of 3.5 percent has closed. Among major economies, headline inflation in the second quarter of 2023 ranged from -0.1 percent in China to 2.8 percent in the euro area and 2.7 percent in the United States. A fall in energy prices and—to a lesser extent—in food prices has driven the decline in headline inflation. Notwithstanding a rebound in July, crude oil prices have declined during 2023 and are well below their June 2022 peak, on the back of lower global demand partly driven by tighter global monetary policy affecting activity. Natural gas prices also remain well below their 2022 peak, reflecting ample storage and supplies from Norway and northern Africa. Food prices have declined modestly in 2023, with lower demand offset by supply reductions, notably those resulting from Russia's withdrawal from the Black Sea Grain Initiative in July, which reduced the supply of wheat to the global market. The normalization of supply chains has further contributed to the decline in headline inflation in most countries.

Source: <https://www.imf.org/-/media/Files/Publications/WEO/2023/October/English/text.ashx>

INDIAN ECONOMY OVERVIEW

In the second quarter of fiscal year 2024, India's real GDP recorded a robust YoY growth of 7.6 percent, surpassing both the median forecasts of 6.8 percent by professional analysts and their highest projection of 7.4 percent. This resilient performance contributed to an overall real GDP growth of 7.7 percent in the first half of FY24, prompting the Reserve Bank of India (RBI) to revise its full-year growth projection from 6.5 percent to 7.0 percent. The driving forces behind this growth were strong domestic demand for both consumption and investment. Private Final Consumption Expenditure (PFCE) showed a growth of 4.5 percent, reaching its highest share in GDP (Current Prices) at 60.4 percent in the first half since FY12, excluding the pandemic year FY21. While urban consumption remains a primary driver, rural demand has also exhibited significant growth, indicating sustained momentum in the upcoming months.

RECYCLING

Recycling emerges as an environmentally conscious process that encompasses the transformation of used materials into fresh products, effectively preventing the squandering of potentially valuable resources. This sustainable practice plays a pivotal role in curbing the depletion of raw materials, minimizing energy consumption, and alleviating environmental issues like air pollution from incineration and water pollution from landfilling. By reducing the dependence on conventional waste disposal methods, recycling contributes significantly to the mitigation of greenhouse gas emissions. Within the realm of modern waste reduction strategies, recycling stands out as a crucial element, involving the reutilization of diverse products such as glass, paper, metal, plastic, textiles, and electronics. The recycling journey typically initiates with the delivery of materials to designated collection centres or curb side pickups, followed by meticulous sorting, cleaning, and reprocessing, ultimately yielding new materials poised for manufacturing.

PLASTIC RECYCLING INDUSTRY

Recycled plastics are the plastics that made from post-consumer or post-industrial plastics instead of the virgin resin. The process of recycling used plastic from consumable products is an efficient means to reprocess the material into useful products. Many different products make great sources of recyclable



material, including: soda bottles, plastic packaging, sheets and pellets. Recycled plastic is used to make many different types of products. The type of product that is made out of recycled plastic depends on the type of plastic resin. There are several different types of plastic resin used to make different products, such as PET, PP, HDPE and LDPE.

INDIA'S PLASTIC RECYCLING INDUSTRY

India has a population of more than 1.4 billion and generates 26,000 tonnes of plastic waste – every day. This is the equivalent of approximately 26,000 small cars. The India Plastic Recycling market stood at approximately 5700 thousand tonnes in FY 2023 and is likely to grow at a steady CAGR of 5.84% in the forecast period by FY 20230. The plastic recycling industry in India is rapidly growing owing to the rise in the number of small-scale plants in the country and the increasing focus of non-governmental entities on the secondary use economy. Plastic recycling has various benefits such as financial benefits, reducing the need for the production of fresh plastics, creating employment, opportunities, and reducing energy consumption. Additionally, development in various industries such as packaging, and automotive, and policies and regulations by the government are driving the market. This can be attributed to the increasing environmental awareness and viable applicability of the products derived from plastic waste. Although this sector is mostly managed by unorganized local players, the Government of India has enforced plastic waste management rules that prohibit the use of single-use plastics that have low utility and high littering potential.

(Source: <https://online.fliphtml5.com/wtqof/olmw/#p=224>)

NAME OF PROMOTER

Promoter of Our Company is Mr. Sachin Sharma, Mrs. Sangeeta Pareekh, Mr. Dinesh Pareekh, Mr. Sarthak Agarwal and BLP Equity Research Private Limited. For detailed information on our Promoters, please refer to Chapter titled “*Our Promoters*” on page 173 of this Draft Red Herring Prospectus.

SIZE OF THE OFFER

Initial Public Issue of up to 59,90,400 Equity Shares of face value of ₹ 5/- each of GEM Enviro Management Limited (“**GEM**” 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 Offer**”), comprising a Fresh Issue of up to 14,97,600 Equity Shares aggregating up to ₹ [●] lakhs by our Company (“**Fresh Issue**”) and an Offer For Sale of up to 44,92,800 Equity Shares (“**Offered Shares**”) aggregating up to ₹ [●] lakhs comprising of up to 11,23,200 Equity Shares aggregating up to ₹ [●] lakhs by Mr. Sachin Sharma, up to 9,29,600 Equity Shares aggregating up to ₹ [●] lakhs by Mrs. Sangeeta Pareekh, up to 13,16,800 Equity Shares aggregating up to ₹ [●] lakhs by BLP Equity Research Private Limited, and up to 11,23,200 Equity Shares aggregating up to ₹ [●] lakhs by Mr. Sarthak Agarwal (collectively, “**Selling Shareholders**”) and such Offer for Sale of Equity Shares by the Selling Shareholders, “**Offer for Sale**”). Out of the Offer, 3,42,400 Equity Shares aggregating to ₹ [●] lakhs will be reserved for subscription by Market Maker to the Issue (the “**Market Maker Reservation Portion**”). The Offer less the Market Maker Reservation Portion i.e. Net Offer of up to 56,48,000 Equity Shares of Face Value of ₹ 5/- 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 Offer**”. The Offer and the Net Offer will constitute 26.56% and 25.05%, respectively, of the post issue paid up equity share capital of our Company.

OBJECT OF THE OFFER



The Net Proceeds are proposed to be used in the manner set out in the following table:

| Particulars | Amount (₹ in) Lakhs |
|--------------------------------------|------------------------|
| To Meet Working Capital Requirements | 700.00 |
| General corporate purposes# | [•] |
| Net Issue Proceeds | [•] |

**To be finalized upon determination of the Offer 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.*

For further details, see “Objects of the Offer” on page 91 of this Draft Red Herring Prospectus.

SHAREHOLDING

The shareholding pattern of our Promoter, Promoter’s Group and the Selling Shareholders is as under:

| Sr. 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 |
| Promoters | | | | | |
| 1. | Sachin Sharma | 45,83,000 | 21.77% | 34,59,800 | 15.34% |
| 2. | Sangeeta Pareekh | 27,20,000 | 12.92% | 17,90,400 | 7.94% |
| 3. | BLP equity Research Private Limited | 71,26,400 | 33.85% | 58,09,600 | 25.76% |
| 4. | Dinesh Pareekh | 6,80,000 | 3.23% | 6,80,000 | 3.02% |
| 5. | Sarthak Agarwal | 52,63,200 | 25.00% | 41,40,000 | 18.36% |
| Total- A | | 2,03,72,600 | 96.77% | 1,58,79,800 | 70.42% |
| Promoter Group | | | | | |
| 6. | Poonam | 6,80,000 | 3.23% | 6,80,000 | 3.02% |
| 7. | Pushp Lata Sharma | 200 | 0.00% | 200 | 0.00% |
| Total- B | | 6,80,200 | 3.23% | 6,80,200 | 3.02% |
| Grand Total (A+B) | | 2,10,52,800 | 100.00% | 1,65,60,000 | 73.44% |

FINANCIAL DETAILS

Based on Restated Financial Statements

(₹ in lakhs)

| Sr. No. | Particulars | For the period ended | For the year ended | | |
|---------|---|----------------------|--------------------|----------------|----------------|
| | | September 30, 2023 | March 31, 2023 | March 31, 2022 | March 31, 2021 |
| 1. | Share Capital | 526.32 | 30.96 | 36.00 | 36.00 |
| 2. | Net worth | 2,913.74 | 2,411.51 | 1,713.57 | 1,015.14 |
| 3. | Revenue from operations | 1,848.58 | 4,253.02 | 3,280.00 | 2,551.42 |
| 4. | Profit After Tax | 650.84 | 1,001.82 | 745.23 | 583.38 |
| 5. | Earnings Per Share – Basic & Diluted (Post Bonus) | 3.09* | 4.75 | 3.53 | 2.76 |
| | | 3.09* | 4.75 | 3.53 | 2.76 |



| | | | | | |
|----|--|-------|-------|------|------|
| 6. | NAV per Equity Shares (Post Bonus) | 13.84 | 11.45 | 8.14 | 4.82 |
| 7. | Total Borrowings (As per Balance Sheet) (Including Current Maturity of Long-Term Debt) | 0.00 | 0.00 | 2.00 | 2.00 |

*EPS Not Annualised

AUDITORS' QUALIFICATIONS

There is no Auditor qualification which have not been given effect to in the Restated Financial Statements.

SUMMARY OF OUTSTANDING LITIGATIONS & MATERIAL DEVELOPMENTS

Except stated below there are no pending litigation against our Company nor against our Promoter or Directors or Group Companies of the company:

| Name | By/ Against | Criminal Proceedings | Civil Proceedings | Tax Proceedings | Actions by regulatory authorities | Aggregate amount involved (₹ in Lakhs) |
|---|----------------|-------------------------|----------------------|--------------------|---|---|
| Company | By | Nil | 1 | Nil | Nil | Unquantified |
| | Against | Nil | Nil | Nil | Nil | Nil |
| Promoter | By | Nil | Nil | Nil | Nil | Nil |
| | Against | Nil | Nil | 3 | Nil | 106.65 |
| Group Companies/ Entities | By | Nil | Nil | Nil | Nil | Nil |
| | Against | Nil | Nil | 4 | Nil | 6.51 |
| Directors other than promoters | By | Nil | Nil | Nil | Nil | Nil |
| | Against | Nil | Nil | Nil | Nil | Nil |

RISK FACTORS

An investment in equity involves a high degree of risk. Investors should carefully consider all the information in this Offer Document, 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 Offer Document 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 Offer Document 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. Specific attention of the investors is invited to the section titled “*Risk Factors*” beginning on page 31 of this Draft Red Herring Prospectus.

CONTINGENT LIABILITIES

For details in respect of contingent liabilities refer Notes 3 B of Restated Financial Statements in section titled “*Financial Information*” beginning on page 190 of this Draft Red Herring Prospectus.



FINANCING ARRANGEMENTS

There have been no financing arrangements whereby our Promoter, members of the Promoter Group or our Directors and their relatives (as defined in the Companies Act, 2013) have financed the purchase by any other person of securities of our Company (other than in the normal course of business of the financing entity) during the period of six months immediately preceding the date of this Draft Red Herring Prospectus.

WEIGHTED AVERAGE COST & COST OF ACQUISITION

Weighted average cost of acquisition at which the Equity Shares were acquired by our Promoter in last One Year:

| Sr. No. | Name of Promoter | No. of Equity Shares acquired | Weighted Average Cost of Acquisition per equity share (in ₹) *# |
|---------|-------------------------------------|-------------------------------|---|
| 1 | Mr. Sachin Sharma | 45,15,700 | 0.00 |
| 2 | Mrs. Sangeeta Pareekh | 26,80,000 | 0.00 |
| 3 | Mr. Dinesh Pareekh | 5,05,000 | 0.00 |
| 4 | Mr. Sarthak Agarwal | 51,85,800 | 0.00 |
| 5 | BLP Equity Research Private Limited | 70,21,600 | 0.00 |

*The average cost of acquisition of Equity Shares by our Promoter has been calculated by taking into account the amount paid by them to acquire and Shares allotted to them.

#Based on Certificate dated January 16, 2024 from Statutory Auditors of the company M/s Rajiv Mehrotra & Associates, Chartered Accountants vide UDIN: 24451408BKENYG5214.

AVERAGE COST OF ACQUISITIONS OF SHARES FOR PROMOTER:

| Sr. No. | Name of Promoter | No. of Equity Shares held | Average Cost of Acquisition per equity share (in ₹) *# |
|---------|-------------------------------------|---------------------------|--|
| 1. | Mr. Sachin Sharma | 45,83,000 | 0.41 |
| 2. | Mrs. Sangeeta Pareekh | 27,20,000 | 0.15 |
| 3. | Mr. Dinesh Pareekh | 6,80,000 | 0.15 |
| 4. | Mr. Sarthak Agarwal | 52,63,200 | 0.24 |
| 5. | BLP Equity Research Private Limited | 71,26,400 | 0.41 |

*The average cost of acquisition of Equity Shares by our Promoter has been calculated by taking into account the amount paid by them to acquire and Shares allotted to them.

#Based on Certificate dated December 29, 2023 from Statutory Auditors of the company M/s Rajiv Mehrotra & Associates, Chartered Accountants vide UDIN: 24451408BKENYF3850.

PRE-IPO PLACEMENT

Our Company has not allotted shares under Pre-IPO Placement.

ISSUE OF SHARES FOR CONSIDERATION OTHER THAN CASH IN THE LAST ONE YEAR

The details of allotment of 99,07,200 Bonus Equity Shares made on September 30, 2023 in ratio of 16:1 i.e. 16 (Sixteen) fully paid-up Equity Shares for every 1 (One) Equity Shares held, are as follows:



| Date of Allotment/ Transfer | Name of Shareholders | Nos. of Equity Share | % of Pre Issue Capital | Subscribed/ Acquire/ Transfer | Category of Allottees (Promoters/ Promoter Group/ Director) |
|-----------------------------|--------------------------------------|----------------------|------------------------|--|---|
| September 30, 2023 | Sachin Sharma | 21,56,800 | 10.24% | Allotment of Bonus Shares in the ratio of 16:1 | Promoter |
| | Sangeeta Pareekh | 12,80,000 | 6.08% | | Promoter |
| | BLP Equity Research Private Limited | 33,53,600 | 15.93% | | Promoter |
| | Dinesh Pareekh | 1,60,000 | 0.76% | | Promoter |
| | Sarthak Agarwal | 24,76,800 | 11.76% | | Promoter |
| | Bajrang Lal Pareekh & Dinesh Pareekh | 1,60,000 | 0.76% | | Promoter |
| | Poonam | 3,20,000 | 1.52% | | Promoter Group |

The details of allotment of 1,05,26,400 Bonus Equity Shares made on December 27, 2023 in ratio of 1:1 i.e. 1 (One) fully paid-up Equity Shares for every 1 (One) Equity Shares held, are as follows:

| Date of Allotment/ Transfer | Name of Shareholders | Nos. of Equity Share | % of Pre Issue Capital | Subscribed/ Acquire/ Transfer | Category of Allottees (Promoters/ Promoter Group/ Director) |
|-----------------------------|-------------------------------------|----------------------|------------------------|---|---|
| December 27, 2023 | Sachin Sharma | 22,91,500 | 10.88% | Allotment of Bonus Shares in the ratio of 1:1 | Promoter |
| | Sangeeta Pareekh | 13,60,000 | 6.46% | | Promoter |
| | BLP Equity Research Private Limited | 35,63,200 | 16.93% | | Promoter |
| | Dinesh Pareekh | 3,40,000 | 1.61% | | Promoter |
| | Sarthak Agarwal | 26,31,600 | 12.50% | | Promoter |
| | Poonam | 3,40,000 | 1.61% | | Promoter Group |
| | Pushp Lata Sharma | 100 | 0.00% | | Promoter Group |

For further information, please refer to Chapter titled “*Capital Structure*” on page no. 71 of this Draft Red Herring Prospectus.

SPLIT / CONSOLIDATION

The shareholders of the Company in the Annual General Meeting dated August 31, 2023, approved the sub-division of equity shares from the face value of ₹ 10.00/- per equity share to ₹ 5.00/- per equity share.

RELATED PARTY TRANSACTIONS

Related Parties



| Nature of Relationship | Name |
|---|---|
| Key Management Personnel/ Directors | Mr. Dinesh Pareekh (Director) |
| | Mr. Sachin Sharma (Director) |
| | Mr. Rajendra Kumar Gupta (Director) |
| | Mr. Amar Jeet (CFO) |
| | Mr. Vijay Kumar Sharma (CS) |
| Relatives of Key Management Personnel/ Directors | Mrs. Sangeeta Pareekh |
| Enterprises where Significant Influence exist by Key Management Personnel/ Directors or their Relatives | BLP Equity Research Private Limited |
| | Securocrop Securities India Private Limited |

Related Party Transaction during the year:

(₹ in Lakhs)

| Particulars | 30th September 2023 | 31st March 2023 | 31st March 2022 | 31st March 2021 |
|--|------------------------|--------------------|--------------------|--------------------|
| Mr. Dinesh Pareekh | | | | |
| Rent | 8.70 | - | - | - |
| Repayment of Loan | - | 2.00 | - | - |
| Mrs. Sangeeta Pareekh | | | | |
| Rent Paid | 4.60 | 13.80 | 12.00 | 9.45 |
| Mr. Sachin Sharma | | | | |
| Salary | 11.42 | 30.47 | 18.14 | 15.37 |
| Mr. Amar jeet | | | | |
| Salary | 4.23 | - | - | - |
| Mr. Vijay Kumar Sharma | | | | |
| Salary | 3.44 | - | - | - |
| BLP Equity Research Private Limited | | | | |
| Professional fee | - | - | - | 15.00 |
| Advances given | - | - | 21.00 | - |
| Advances recovered | - | - | 21.00 | - |
| Securocrop Securities India Private Limited | | | | |
| Interest Income | - | 4.55 | - | - |
| Repayment of Borrowing | - | - | - | 23.00 |
| Loans & Advances given | - | - | - | 50.50 |

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SECTION III – RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. In making an investment decision prospective investor must rely on their own examination of our Company and the terms of this offer including the merits and risks involved. Any potential investor in, and subscriber of, the Equity Shares should also pay particular attention to the fact that we are governed in India by a legal and regulatory environment in which some material respects may be different from that which prevails in other countries. The risks and uncertainties described in this section are not the only risks and uncertainties we currently face. Additional risks and uncertainties not known to us or that we currently deem immaterial may also have an adverse effect on our business. If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, results of operations and financial condition could suffer, the price of our Equity Shares could decline, and you may lose all or part of your investment. Additionally, our business operations could also be affected by additional factors that are not presently known to us or that we currently consider as immaterial to our operations.

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 implications of any of the risks mentioned herein. To obtain a complete understanding, you should read this section in conjunction with the chapters titled “Our Business” beginning on page 122, “Our Industry” beginning on page 108 and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on page 234 respectively, as well as other financial information contained herein.

The following factors have been considered for determining the materiality of Risk Factors:

- *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 have material impact in future.*

The financial and other related implications of the risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risk factors where the impact may not be quantifiable and hence the same has not been disclosed in such risk factors. Unless otherwise stated, the financial information of the Company used in this section is derived from our financial statements under Indian Accounting Standards, as restated in this Draft Prospectus. Unless otherwise stated, we are not in a position to specify or quantify the financial or other risks mentioned herein. For capitalized terms used but not defined in this chapter, refer to the chapter titled “Definitions and Abbreviations” beginning on page 2. The numbering of the risk factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another.

The risk factors are classified as under for the sake of better clarity and increased understanding:





INTERNAL RISK FACTORS

- 1. There outstanding legal proceeding involving the promoters of the company and our group companies. Any adverse decision in such proceedings may have a material adverse effect on our business, results of operations and financial condition.**

There are certain legal proceedings which are pending against the Promoter and Group Company at different levels of adjudication before various authorities. We cannot provide assurance that these legal proceedings will be decided in their favor. Any adverse decisions in any of the proceedings may have a significant adverse effect on our business, results of operations, cash flows and financial condition. For the details of the cases please refer the chapter titled “Outstanding Litigations and Material Developments” beginning on page 245 of this Draft Red Herring Prospectus.

A classification of legal proceedings is mentioned below:

| Nature of case | No. of case | Amount involved (in ₹ lakhs) |
|-----------------------------------|-------------|------------------------------|
| Criminal Complaints | - | - |
| Statutory/ Regulatory Authorities | - | - |
| Taxation Matters | | |
| Promoter | 3 | 106.65 |
| Group Entity | 4 | 6.51 |
| Other Litigation | - | - |

The amounts claimed in these proceedings have been disclosed to the extent ascertainable and include amounts claimed jointly and severally. If any new developments arise, such as a change in Indian law or rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements that could increase our expenses and current liabilities.

- 2. We require sizeable amounts of working capital for our continued operation and growth. Our inability to meet our working capital requirements could have a material adverse effect on our business, results of operations and financial condition.**

Our business requires significant amount of working capital and major portion of our working capital is utilized towards trade receivables. Our growing scales of operation and to pursue expansion may result in increase in the quantum of current assets. If we face insufficient cash flows, unable to maintain credit facility, or fail to meet our working capital and other obligations, it could have a material and adverse impact on our business. Effectively managing our working capital requires timely payments from debtors, renegotiating payment terms for trade payables, and precise budgeting for our business operations. Failure to manage these aspects could significantly harm our business, operational results, and financial condition.

Further, we have high outstanding amount due from our debtors which may result in a high risk in case of non-payment by these debtors. In case of any such defaults from our debtors, may affect our business operations and financials.

There is no guarantee that we will be able to efficiently manage our working capital. If we fail to implement effective internal control procedures and management systems, it could result in insufficient capital to sustain and expand our business.



3. ***We are dependent on and derive a substantial portion of our revenue from a limited number of customers. Cancellation by customers or a delay or reduction in their orders could have a material adverse effect on our business, results of operations and financial condition.***

We have, in the past derived a significant portion of our revenue from limited number of customer and we may continue to derive a significant portion of our revenue from such customer. The details of Top 5 and Top 10 clients are as below:

| Particulars | For Period ended | | For financial year ended | | | | | |
|------------------|---------------------|--------|--------------------------|-----|---------------------|-----|---------------------|-----|
| | 30-Sep-23 | | 31-Mar-23 | | 31-Mar-22 | | 31-Mar-21 | |
| | (Amount in ₹ lakhs) | %* | (Amount in ₹ lakhs) | %* | (Amount in ₹ lakhs) | %* | (Amount in ₹ lakhs) | %* |
| Top 5 Customers | 721.57 | 39.03% | 1,949.03 | 46% | 1,677.04 | 51% | 1,294.84 | 51% |
| Top 10 Customers | 1,026.97 | 55.55% | 2,444.63 | 57% | 2,171.52 | 66% | 1,569.17 | 62% |

*% of Revenue from operations

As a significant portion of our revenue is concentrated to a select number of customers, any adverse development with such customer, including as a result of a dispute with or disqualification by such major customers, may result in us experiencing significant reduction in our cash flows and liquidity. The loss of significant clients, or projects from such clients for any reason, including as a result of disqualification or dispute, may have a material and adverse effect on our business and results of operations.

4. ***Our Company is dependent on few numbers of suppliers for purchase of products. Loss of any of this large Suppliers may affect our business operations.***

Our Top ten Suppliers contributes to 100%, 69.23%, 64.17% and 80.17% of our total Purchases for the period ended September 30, 2023 and for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 respectively. Depending on availability of required goods at favorable terms goods are procured. We cannot assure that we will be able to get the same quantum of supplies, or any supplies at all, and the loss of supplies from one or more of them may adversely affect our purchases of stock and ultimately our revenue and results of operations. Our industry operates on established distribution network, we believe that we will not face substantial challenges in maintaining our business relationship with our suppliers.

5. ***We lack ownership of the registered office and other office used by our company. Any interference with our entitlements as the licensee/lessee or the cancellation of contracts with our licensors/lessors could have a negative effect on our activities and, as a result, our overall business.***

We are presently conducting operations from the registered office located at Unit No.203, Plaza- P 3, Central Square, Bara Hindu Rao, Delhi 110006 and a other offices located at Unit No. 131, Plaza-3, Central Square, Bara Hindu Rao, Delhi- 110006. We do not own these offices; instead, we have leased it for around 11 months. We cannot guarantee that we will be able to renew this lease on terms that are commercially acceptable or favourable in the future. In case we are not able to renew the lease, it may have negative impact on our business and results of operations. For more information, please refer to the "Our Business" section on page 122 of this Draft Red Herring Prospectus.

In the event that we are required to vacate our current premises, we would need to secure alternative locations for offices and other infrastructure. However, we cannot guarantee that these new arrangements will be on commercially acceptable or favourable terms. Any relocation during this period may lead to operational



disruptions or increased costs, impacting our business, prospects, financial results, and overall financial condition.

6. *Our Promoters and members of the Promoter Group have significant control over the Company and have the ability to direct our business and affairs; their interests may conflict with your interests as a shareholder.*

As of the date of this Draft Red Herring Prospectus, our Promoters and Promoter Group holds the entire pre-issue share capital of our Company. Furthermore, after the completion of this Issue, our Promoters and Promoter Group will control, directly or indirectly our Company and continue to hold substantial percentage of the issued and paid-up equity share capital of our Company. As a result, our Promoters and Promoter Group will continue to exercise significant control over us, including being able to control the composition of our Board and determine decisions requiring simple or special majority voting of shareholders, and our other shareholders may be unable to affect the outcome of such voting. Our Promoters and Promoter Group may take or block actions with respect to our business which may conflict with the best interests of our Company or that of minority shareholders. We cannot assure you that our Promoters and Promoter Group will exercise their rights as shareholders to the benefit and best interest of our Company.

7. *Our current assets and net worth are significantly influenced by trade receivables. Inadequate management of these receivables poses the risk of negatively impacting our net sales, profitability, cash flow, and liquidity.*

The success of our business relies on receiving timely payments from customers for our EPR services. Based on the Restated Financial Statements, our trade receivables for the stub period ending on September 30, 2023 and for FY 2023, 2022 and 2021, were ₹ 2,491.53 lakhs, ₹ 2,189.33 lakhs, ₹ 1,832.44 lakhs and ₹ 1,303.73 lakhs representing 149.44%, 53.25%, 49.96% and 35.99% of our total revenue for the respective periods. For the stub period ending on September 30, 2023, our top 5 debtors and top 10 debtors represent 68.50% and 79.45% of our total outstanding debtors. Any delays or failures in repayment could impact our cash flow and overall financial operations. We cannot guarantee our ability to accurately assess customer creditworthiness and collect dues on time.

8. *As a component of our expansion strategy, we plan to diversify our business activities by venturing into EPR compliances and offering consultancy services for the management of E-waste, Tyre, and Battery Waste. However, we cannot guarantee the profitability of these expansion initiatives or that they will not have an adverse impact on our business, operational outcomes, and financial standing.*

As part of our growth strategy, we intend to enter into management, consultancy and compliances of EPR that are applicable to industries that generate Electronic, Tyre & battery waste. The growth would involve certain risks and challenges that the company might face and includes:

- accurately forecast our revenue and plan our expenses;
- retain and expand relationships with local customers;
- successfully introduce new technologies and solutions ;
- successfully compete with local competitors;
- adapt to advanced technologies used by our competitors;
- maintain and enhance the value of our reputation and brand;
- successfully execute on our business strategies ;
- adapt to the ways clients interact with technology in different markets;



- effectively manage rapid growth in our personnel and operations.

If we fail to address the risks and difficulties that we face, including those associated with the challenges listed above, our business, financial condition, and results of operations could be adversely affected. Further, because we have a limited historical financial data with respect to our international operations and since we operate in a rapidly evolving market, any predictions about our future revenue and expenses may not be as accurate as they would be if we had a longer operating history or operated in a more predictable market. If our assumptions regarding the risks and uncertainties, which we use to plan and operate our business in foreign markets, are incorrect or change, or if we do not address these risks successfully, our results of operations could differ materially from our expectations and our business, financial condition, and results of operations could be adversely affected.

9. The continued success of our business is heavily contingent on the expertise and involvement of our Promoters, senior management and other key personnel. and the loss of, or our inability to attract or retain, such persons could affect our business, results of operations, financial condition and cash flows.

Our performance depends largely on the efforts and abilities of our promoters, senior management and other key personnel. They have gained experience in this line of business and have over the years built relations with our customers and other persons who are connected with us and have been actively involved in the day to day operations and management, further we believe that the inputs and experience of our senior management, in particular, and other key personnel are valuable for project development and procurement activities, and our overall business operations and the strategic directions taken by our Company. For details in relation to the experience of our key management personnel, see “Our Management” on page 155 of this Draft Red Herring Prospectus. We cannot assure you that these individuals or any other member of our senior management team will not leave us or join a competitor or that we will be able to retain such personnel or find adequate replacements in a timely manner, or at all. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting employees that our business requires. The loss of the services of such persons may have an effect on our business, results of operations, financial condition and cash flows.

10. Our company lacks long-term agreements with clients, exposing us to uncertainties in the demand for our services. If we face challenges in retaining clients in the future, it could negatively impact our operational results.

We face a potential risk due to the absence of long-term agreements with clients, exposing the company to uncertainties in the demand for its services. The typical services provided by the company involve the responsible management of plastic waste on behalf of clients. This encompasses the collection of plastic waste, the submission of monthly reports detailing the quantity of plastic waste collected and sent for recycling, and the formulation of Standard Operating Procedures (SOPs) for the collection, storage, transportation, and disposal of plastic waste.

The company's operational results may be negatively impacted in the future if challenges arise in retaining clients. The potential risk lies in the fluctuating demand for services, as the absence of long-term agreements exposes GEM Enviro Management Limited to uncertainties in client engagement. Given the importance of consistent clientele for the company's services, efforts to establish and maintain long-term relationships with clients become crucial. In the absence of such stability, the company may face difficulties in sustaining operational efficiency and achieving favourable financial outcomes.



It is imperative for us to proactively address this risk by implementing strategies to enhance client retention, negotiate long-term agreements, and continually provide quality services to mitigate potential disruptions to its operational results.

11. Our reliance on third-party transportation and logistics service providers makes us susceptible to any potential escalation in their charges. Such an increase could have negative repercussions on our business, operational outcomes, and overall financial condition.

Since we don't own any vehicles for material transportation, we rely on third-party transportation and logistics providers for these services, introducing our dependency on intermediaries like logistics companies. Notably, we lack long-term contractual arrangements with these third-party providers, exposing us to potential disruptions in logistics that could impair our material procurement and product delivery timelines, thereby significantly impacting our business, operational results, and financial health.

Moreover, the absence of insurance coverage by our third-party transportation providers means that any losses incurred during the transportation process must be claimed under the company's insurance policy. The uncertainty of timely or complete compensation for such claims poses a risk, potentially adversely affecting our business, financial condition, operational results, and cash flows. Additionally, the potential loss of one or more third-party transportation providers could result in less favourable terms for alternative providers, leading to increased costs and a subsequently adverse impact on our operating results.

12. Our Company has reported negative cash flows in the recent period. Negative cash flows in the future could adversely affect our results of our operations and financial condition.

Our cash flows from operating activities, investing activities and financing activities for the period ended September 30, 2023 and the financial year ended March 31 2023, 2022 and 2021 are set forth below:

Amount in ₹ lakhs

| Particulars | For the period ended September 30, 2023 | Financial Year ended March 31, 2023 | Financial Year ended March 31, 2022 | Financial Year ended March 31, 2021 |
|---|---|-------------------------------------|-------------------------------------|-------------------------------------|
| Cash flow from operating activities | 103.98 | 845.73 | 345.18 | 22.77 |
| Cash Flow from investing activities | 12.92 | -40.55 | 3.73 | 4.23 |
| Cash Flow from financing activities | -148.61 | -305.89 | -46.80 | -24.71 |
| Net Increase / (Decrease) in cash and cash equivalents | -31.71 | 499.29 | 302.11 | 2.29 |

We cannot assure you that we will not have negative cash flows in the future. This could have a negative effect on our capacity to cover day-to-day operational expenses and business expansion. If we cannot generate enough cash flows, it may harm our business and financial activities.

13. Our Company will not receive any proceeds from the Offer for Sale. The proceeds from the Offer for Sale shall be received directly by the Selling Shareholders.

Investors should be aware that a substantial portion of this Public Issue comprises the offer for sale, and our company will not directly receive any proceeds from the offering. Instead, the funds raised through the Offer will be received by the Selling Shareholders. We will not receive any of the proceeds from the Offer for Sale portion and will accordingly not have access to such funds.



14. There are certain instances of delays in payment of statutory dues by us. Any further delays in payment of statutory dues may attract financial penalties from the respective government authorities and in turn may have a material adverse impact on our financial condition and cash flows.

Historically, our company has delayed the payment of advance taxes and the filing of TDS returns, along with the subsequent deposit of TDS. Specifically, for the assessment years AY 2020-21 and AY 2023-24, our company faced delays in paying advance tax. While we have since paid the advance tax, interest charges were incurred due to the delays.

Additionally, we experienced delays in filing TDS returns and making payments for quarter four (4) of FY 2022-23. Despite subsequently filing the return and making the necessary payment, interest was levied against us.

A continued pattern of such delays may cumulatively impact our cash flows. As of now, no show-cause notices have been issued against our company in relation to the aforementioned instances. However, if the concerned authorities take cognizance of these delays, potential actions against our company and its directors may occur. Such actions could have repercussions on the financial standing of both our company and our directors.

15. We rely on third-party service providers in several areas of our operations and may not have full control over the services provided by them to us or to our customers.

Our operations involve collaboration with third-party service providers, such as plastic/pet recyclers and e-waste recyclers, to deliver comprehensive waste management and recycling services. While these partnerships enhance the breadth of our services, they expose us to inherent risks associated with potential disruptions or lapses in the services provided by these external entities. We may not have full control over the actions and performance of these third-party providers, introducing uncertainties that could impact the quality and timeliness of our services to clients.

The effectiveness of our operations and the successful execution of sustainability services, including EPR compliance, Scrap Management, and ESG Consulting, rely on the seamless coordination and reliability of our third-party collaborators. Factors such as regulatory changes, operational inefficiencies, or financial instability on the part of these providers could lead to disruptions in our service delivery, adversely affecting client satisfaction and potentially impacting our financial performance. Investors should be aware of the inherent operational dependencies on third parties and the associated risks when considering an investment in the shares of the Company.

16. Our business success relies on the performance and functionality of our information technology systems, which play a crucial role in our day-to-day operations.

The success of our business heavily depends on the reliability and functionality of our information technology (IT) systems, which are crucial for our day-to-day operations. As our reliance on IT infrastructure, applications, and data continues to grow, we recognize the significance of their dependability. However, various factors, such as the increasing complexity of IT systems, frequent changes due to technological advancements, and concerns about data security, pose potential challenges.

We acknowledge the risks associated with system errors, failures, or sudden increases in bandwidth usage,



any of which could lead to the unavailability of our systems. Our computer networks are also susceptible to unauthorized access, hacking, viruses, and other security issues. The circumvention of security measures by a user could result in the misappropriation of proprietary information or disruptions in operations. Consequently, we may need to allocate substantial resources to safeguard against these threats.

In the event of IT system malfunctions or prolonged downtime, our ability to conduct operations safely and efficiently may be compromised. This could result in losses in revenue, damage to our reputation, and a decline in business volume, significantly impacting our financial condition and operational results. While we have not experienced widespread disruptions to our client services thus far, there is no guarantee that we will not encounter such disruptions in the future.

17. We have in past entered into related party transactions and we may continue to do so in the future.

We have in past entered into several related party transactions with our Promoter, Promoter Group, and Key Managerial Personnels. For further details, please refer to the chapter titled — “Financial Information” at page 190. While we assert that all our related party transactions have been conducted at arm's length, and we confirm compliance with relevant provisions of the Companies Act and other applicable laws, we cannot guarantee that we might not have secured more favourable terms if these transactions had involved unrelated parties. The possibility exists that these transactions, whether individually or collectively, could negatively impact our business, prospects, financial results, and overall financial condition, potentially due to conflicts of interest or other factors. Furthermore, the future success of our business and growth prospects may be at risk if we cannot capitalize on our relationships with related parties. The related party transactions entered into by our company is in compliance with the Companies Act, 2013 and all other applicable laws.

18. Our service agreements with clients generally include the confidentiality clause, imposing a strict obligation on us to safeguard the confidential information. The breach of the confidentiality clause, whether unintentional or deliberate, expose our company to significant legal and reputational risk.

Our service agreement with clients incorporates a critical confidentiality clause, imposing a strict obligation on us to safeguard the confidential information entrusted by our clients. This clause serves as a cornerstone in our client relationships, reinforcing trust and ensuring the protection of proprietary data. However, this commitment carries inherent risks that could adversely impact our business operations and financial standing.

The breach of the confidentiality clause, whether unintentional or deliberate, exposes our company to significant legal and reputational risks. A failure to maintain the confidentiality of client information could result in the termination of agreements with the affected client. The repercussions extend beyond the immediate loss of revenue from terminated contracts, potentially leading to protracted legal proceedings.

19. We operate in highly regulated sector. Regulatory Changes in Plastic Waste Management Laws in India pose operational challenges, requiring swift adaptability to ensure compliance and avert financial and operational repercussions for the company.

We face substantial regulatory risk in the highly controlled environmental sector, governed by regulations such as the Plastic Waste Management Rules, 2016 (as amended up to 2023), E-Waste Management Rules, 2022, and Battery Waste Management Rules, 2022 and many more. The dynamic nature of these regulations introduces the potential for operational disruptions, financial strain, and reputational damage if the company fails to promptly adapt to evolving legal requirements.

The complexity of the regulatory landscape poses challenges, requiring GEM to make swift adjustments in



processes, reporting mechanisms, and overall business strategy to maintain compliance. Furthermore, shifts in government policies on environmental standards and waste management practices could impact market dynamics, competitiveness, and the demand for GEM's services, potentially limiting the scope of its operations. Investors should be cognizant of these regulatory uncertainties and assess GEM's proactive measures to navigate and adapt to changing governmental guidelines, crucial for mitigating risks to the company's operational and financial stability.

20. We have contingent liabilities and commitments, and our financial condition could be adversely affected if these contingent liabilities or commitments materialize.

The following table sets forth our contingent liabilities and commitments as of September 30, 2023:

(₹ in lakhs)

| Particulars | 30th September 2023 |
|--|---------------------|
| Contingent liabilities in respect of: | |
| | None |
| Commitments (to the extent not provided for) :- | |
| Unpaid call amount on Warrants of Share India Securities Limited | 8.57 |
| | |
| Total | 8.57 |

21. We function within a competitive landscape and may encounter challenges in effectively competing, potentially leading to a significant adverse impact on our business, operational outcomes, and financial condition.

We operate in a competitive market, and we anticipate that competition will persist and intensify in the future. The dynamic and growing nature of our market attracts both new and existing competitors who allocate significant resources to enhance their products and services. Our ability to execute our business strategy and achieve growth hinges on several factors, including our capacity to introduce new services, adapt to evolving technologies, respond to competitor pricing strategies, enhance our brand, forge agreements with technology partners, and develop intellectual property.

Our competitors may allocate greater resources to product development, promotion, and sales, potentially having lower costs and greater resilience to withstand lower prices for market share gains. They might also have diversification advantages, leveraging their other businesses, products, and services to accept lower returns and capture market share. Additionally, competitors may possess superior technical, research and development, marketing, and financial resources compared to us, enabling them to respond more swiftly to new technologies or changing customer requirements and introduce a wider range of products.

To stay competitive, we must continually invest significant resources in modernization, research and development, marketing, and customer support. The availability of adequate resources for these investments and the capability to make technological advancements necessary for competitiveness remain uncertain. Failing to compete effectively against current or future competitors could have a materially adverse impact on our business, operational results, and financial condition.

22. Our Company shared its registered office with Promoter Group Companies.

Our Company shares its registered office at Unit No.203, Plaza- P 3, Central Square, Bara Hindu Rao, Delhi 110006, India, with Promoter Group Companies namely Securocrop Securities India Private Limited, Securocrop Business Re-Engineering Private Limited, BGP 11 Analytics Private Limited, Race Eco Chain



Limited. While this arrangement is currently in place, there is a potential risk associated with sharing premises with related entities. The shared office space may give rise to perceived conflicts of interest, and regulatory authorities may scrutinize such arrangements to ensure compliance with corporate governance norms. In anticipation of mitigating such risks, our Company will make an arrangements for an independent registered office in the future. Shareholders should be aware that the shared premises with Promoter Group Companies may expose the Company to additional regulatory scrutiny, and any adverse findings may have implications for our business operations and public perception.

23. In the past, our corporate records have encountered occasional delays in submitting statutory forms to the Registrar of Companies (RoC).

In the past, our corporate records have experienced intermittent delays in submitting statutory forms to the Registrar of Companies (RoC). Instances of such delays necessitated subsequent filings, accompanied by the payment of additional fees as mandated by the RoC.

Our company encountered delays in filing E-Form ADT-1 for auditor appointments during the AGM dated September 30, 2019, and the EoGM dated November 01, 2023. Additionally, delays were observed in filing E-Form MGT-7 for FY 2015-16, FY 2016-17, and FY 2017-18, as well as E-Form AOC-4 for FY 2015-16, FY 2016-17, FY 2017-18, FY 2018-19, and FY 2019-20. Delays also occurred in filing E-Form DPT-3, required by June 30, 2019, and June 30, 2020, as well as E-Form INC-27 for the conversion from a private to a public company during the Annual General Meeting held on August 31, 2023. Furthermore, delays were noted in filing E-Form SH-7 for an increase in authorized share capital on March 27, 2014, and E-Form PAS-3 for the allotment of shares on March 30, 2014.

As of the present, our company has not received any show cause notices related to these instances, and no regulatory authority has imposed penalties or fines. However, it cannot be guaranteed that similar instances will not occur in the future, and our company may encounter further delays or defaults in meeting reporting requirements, potentially resulting in penalties or fines imposed by regulatory authorities.

24. Some of our corporate records are not traceable. Non availability of such records may result in regulatory actions against our Company by regulatory or statutory authorities, which may an adverse impact on our financial condition and reputation.

Some of our corporate records are currently untraceable, which could potentially lead to regulatory actions by authorities. In the absence of share transfer deed in company's records, the details of the shares transfer made by Mr. Dinesh Pareekh to Mr. Hitender Singh Hada on November 08, 2013, could not be verified from share transfer deeds, alternatively, we have relied on our statutory register of members, minutes of meetings of our board of directors. Additionally, in relation to the shares allotment made pursuant to the board meeting dated March 30, 2014, we are unable to locate the corresponding bank statement to support infusion of allotment money in company's bank account.

Despite reliance on statutory registers and board meeting minutes, the absence of comprehensive records may expose us to regulatory scrutiny. While the anticipated impact on liabilities is expected to be immaterial, we cannot guarantee the availability of these records in the future. Any regulatory or statutory proceedings, including those initiated by the Registrar of Companies (RoC), could adversely affect our financial standing and reputation.

25. In MGT-8 of preceding years of our Promoter Company BLP Equity Research Private Limited and our



Promoter Group Company Securocrop Securities India Private Limited, the Practising Company Secretary has made qualification in respect of maintenance of Statutory Registers, minutes and share certificates and loans to the related parties in violation of section 185 of the Companies Act, 2013.

As per the MGT-8 of preceding years for our Promoter Company BLP Equity Research Private Limited, and our Promoter Group Company, Securocrop Securities India Private Limited, it has been noted by the practicing company secretary that the company failed to maintain statutory registers, minutes, and share certificates in past years. Although the Promoter company and Promoter group company currently possess these documents, we cannot provide assurance regarding compliance with past record maintenance. There is a risk that penalties may be imposed or regulatory actions initiated against the Promoter company and Promoter group company in the future.

Our Promoter Company, BLP Equity Private Limited, and Promoter Group Company, Securocrop Securities India Private Limited, have extended loans to related parties, thereby violating Section 185 of the Companies Act, 2013. We cannot assure shareholders that we will not be subject to penalties imposed by the competent regulatory authority in connection with these violations. While there are currently no disputes or regulatory actions arising from these violations, there is a potential risk that such actions may be initiated in the future.

26. Our Promoter Company and Promoter Group Company has made certain delay in filings in respect of which additional fees has been imposed on them.

There have been certain delays in relation to statutory filings required to be made by our Promoter Company and Promoter Group Companies with the RoC under applicable laws in respect of which additional fees was levied on us.

Our Promoter Company BLP Equity Research Private Limited, has made delays in filing E-form MGT-7 for the year FY 2019-20, FY 2020-21 and FY 2022-23 and E-form AOC-4 for the year FY 2019-20, FY 2020-21, FY 2021-22 and FY 2022-23. Our Promoter Group Company, BGP 11 Analytics Private Limited has made delay in filing E-form MGT-7 and E-form AOC-4 for the year FY 2022-23. Race Eco Chain Limited, our Promoter Group Company has made delays in filing E-form AOC-4 and E-form MGT-7 for FY 2021-22 and FY 2020-21, respectively. Securocrop Securities India Private Limited, our Promoter Group Company also made delays in filing forms which are E-form AOC-4 and E-form MGT-7 for the financial years FY 2020-21, FY 2021-22 and FY 2022-23. However, it cannot be assured that no such additional fee or other regulatory action will not be levied/ taken in the future. Further, we cannot assure you that such delays in filing will not occur in the future. Therefore, if the concerned authorities impose monetary penalties on these companies or take certain punitive actions against the companies or their directors/ officers in relation to the same.

27. We were not able to trace payment of stamp duty statement of our Company. We cannot assure you that regulatory action will not be taken by the regulatory authority against our Company.

The company encountered challenges in tracing the acknowledgment of the requisite stamp duty payments associated with the issuance of shares, specifically concerning the allotment of shares in connection with the further issue on March 30, 2014, and the rights issue on April 04, 2018. As of the present moment, no regulatory actions have been initiated against our company. However, it is important to note that we cannot provide assurance regarding the absence of potential regulatory actions against our company in the future. The unavailability of documentation related to the payment of stamp duty poses a risk in terms of potential regulatory scrutiny.



28. *Reliance has been placed on declarations and affidavits furnished by certain of our promoter for details of their profiles included in this Draft Red Herring Prospectus.*

Our Promoter, Mrs. Sangeeta Pareekh and Mr. Dinesh Pareekh have been unable to trace copies of certain documents pertaining to their educational qualifications for which we have taken affidavit for the same. Accordingly, reliance has been placed on undertakings and affidavits furnished by them to disclose details of their educational qualifications in this Draft Red Herring Prospectus and we have not been able to independently verify these details. Therefore, we cannot assure you that all information relating to the educational qualifications of our Promoter and Director of this Draft Red Herring Prospectus are complete, true and accurate.

29. *Our success depends on our ability to develop and maintain successful relationships with merchants. Misconduct by our employees or failure of our internal processes could harm us by impairing our ability to attract and retain customers.*

Employee misconduct or the failure of our internal processes and procedures has the potential to negatively impact us by compromising our ability to attract and retain customers, exposing us to significant legal liability, and causing reputational harm. Our business is inherently susceptible to the risks associated with employee misconduct or the breakdown of internal processes and procedures. Examples of employee misconduct include the improper use or disclosure of confidential information, leading to potential legal battles and severe damage to our reputation or financial standing.

Despite our efforts to monitor, detect, and prevent fraud or misappropriation by employees through various internal control measures, internal policies, and insurance coverage, these precautions may not be universally effective. It is possible that we may be unable to fully prevent or deter such activities in all cases. While we have successfully identified and addressed issues of this nature in the past, with no material impact, instances of fraud and misconduct by employees may go unnoticed for certain periods before corrective action is taken.

30. *Our Promoter, Directors and Key Management Personnel have interest in our Company, other than reimbursement of expenses incurred or remuneration.*

Our Promoter, Directors and Key Management Personnel can be deemed to be interested to the extent of the Equity Shares held by them, or their relatives, dividend entitlement in our Company, and benefits deriving from the directorship in our Company. Our Promoter are interested in the transactions entered into our Company and our Promoter Group. For further information, please refer to the chapters/section titled “Our Business”, “Our Promoter”, “Our Promoter Group” and Related Party Transaction Notes under “Financial Statements” Chapter beginning on pages 122, 173, 181 and 187 respectively.

31. *The Objects of the Offer for which funds are being raised, are based on our management estimates and any bank or financial institution or any independent agency has not appraised the same. The deployment of funds in the project is entirely at our discretion, based on the parameters as mentioned in the chapter titles “Objects of the Issue”.*

The fund requirement and deployment, as mentioned in the “Objects of the Offer” on page 91 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 Objects of the Offer is at the discretion of our Board of Directors and is not subject to monitoring by any external independent agency. Further, we cannot assure that the actual costs or schedule of implementation as stated under chapter 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. Occurrence of any such event may delay our business plans and/or may have an adverse bearing on our expected revenues and earnings.

32. Our business relies extensively on our Promoter and Key Managerial Personnel for the ongoing success through their continuous services and strategic guidance and support.

Our success relies extensively on the ongoing commitment of our Key Managerial Personnel, supported by our Promoter. The Company's Board comprises a strong team of qualified professionals, making our Key Managerial Personnel crucial for day-to-day operations. Losing any of our Promoter or Key Management Personnel, or facing challenges in finding suitable replacements, could negatively impact us. The absence of our Promoter and senior management's services might hinder our ability to efficiently manage and expand the business. If we struggle to retain skilled employees at reasonable costs, executing our growth strategy may become challenging. Refer to the sections "Our Promoter", "Our Promoter Group" and "Our Management" for more details on our Promoter, Directors, and Key Managerial Personnel starting on pages 183, 181 and 155, respectively.

33. We may be unable to attract and retain qualified, skilled employees necessary to manage, maintain and grow our business.

Our ability to thrive hinges significantly on our capacity to attract and retain highly skilled professionals, including engineers, operations managers, and sales and service staff. Given the scarcity of skilled individuals in the services industry and the intense competition in the job market, maintaining our team of 51 personnel as of the date of this Draft Red Herring Prospectus, is crucial. Increased attrition poses a risk of diminishing the experience level within our team, potentially leading to heightened downtime and operational incidents. This, in turn, could result in reduced revenues and increased costs. The competitive landscape has driven up hiring, training, and retention expenses, creating inflationary pressure. The financial commitment required to continually attract and retain such personnel may impact our operating margins adversely.

34. Our Company has allotted Equity Shares during the preceding one year from the date of the Draft Red Herring Prospectus which may be lower than the Issue Price.

Our Company has made the following allotment of fresh Equity Shares to the members of our Company during past 12 months prior to the date of filing of draft red herring prospectus:

- Bonus Issue of 99,07,200 Equity Shares in the ratio of 16:1 to our existing Equity Shareholders vide Shareholders Special Resolution passed in Annual General Meeting of the Company held on August 31, 2023 by capitalization of free reserves.
- Bonus Issue of 105,26,400 Equity Shares in the ratio of 1:1 to our existing Equity Shareholders vide Shareholders Special Resolution passed in Extra Ordinary General Meeting of the Company held on



December 08, 2023 by capitalization of free reserves.

The Equity Shares allotted to the investors pursuant to this issue may be priced significantly higher due to various factors including better performance by the Company, better economic conditions and passage of time. For details, please refer to section titled “Capital Structure” on page 71 of this Draft Reg Herring Prospectus. The Issue Price is not indicative of the price that will prevail in the open market following listing of the Equity Shares.

35. Our operations could be adversely affected by strikes or increased wage demands by our employees or any other kind of disputes with our employees.

As of this DRHP, we employed 51 personnel across our operations. Although we have not experienced any employee unrest in the past, we cannot assure you that we will not experience disruptions in work due to disputes or other problems with our work force, which may adversely affect our ability to continue our business operations. Any employee unrest directed against us, could directly or indirectly prevent or hinder our normal operating activities, and, if not resolved in a timely manner, could lead to disruptions in our operations. These actions are impossible for us to predict or control and any such event could adversely affect our business, results of operations and financial condition.

36. Certain Agreements, deeds or licenses, statutory approvals and certificates may be in the previous name of the company, we have to update the name of our company in all the statutory approvals and certificates due to the conversion of our Company.

Our company GEM Enviro Management Limited was converted into a public limited company, as per the shareholder's resolution. This was followed by a fresh certificate of incorporation dated October 18, 2023. As a result of this conversion, we must update the name on all of our statutory approvals and certificates.

However, we cannot guarantee that we will be able to update all of these documents in a timely manner, in case of failure to update these documents could result in legal and financial complications, which may subject us to increased compliance costs, which may in turn result in an adverse effect on our financial conditions.

37. If we are unable to expand our business rapidly to keep pace with the increasing demands of our customers, it could negatively impact our operational outcomes.

We have witnessed substantial growth in our customer base, placing strain on our management, administrative, operational, and financial infrastructure. We anticipate the need for additional investments in infrastructure spending to scale our operations, enhance productivity, address customer needs, improve services, and expand into new geographic areas.

The effective management of our projected growth is crucial to our success, relying significantly on the capability of our senior management. This involves increasing the productivity of existing employees, as well as hiring, training, and managing new staff as necessary. To handle the expected growth both domestically and internationally, we must continually enhance our operational, financial, and management controls, along with improving reporting systems and procedures.

The increased investments will raise our cost base, making it challenging to offset potential future revenue shortfalls by reducing expenses in the short term. Although we have successfully scaled our operations and increased productivity in the past, any failure to achieve similar results in the future could impede the



execution of our business plan, significantly impacting our business prospects and operational outcomes.

38. *Certain of our client contracts can be terminated by our clients without cause and with limited or no notice or penalty, which could negatively impact our revenue and profitability.*

Our client engagements operate on a non-exclusive, project-by-project basis, with termination possible at any time with or without cause. Contracts lack penalties for termination, often limited to discrete projects without volume commitments. Revenues depend on meeting performance levels and service guarantees, with potential penalties impacting cash flow. Despite force majeure carve-outs, events like delay in services may hinder service level agreements. Client decisions beyond our control, such as financial troubles or strategic shifts, pose termination risks, impacting our business if contracts end abruptly.

39. *We may require additional funding to support our growth strategies. The inability to secure additional financing could negatively impact our business, operational results, financial condition, and cash flows.*

We will continue incurring expenses to maintain and expand our existing infrastructure, as well as to develop and implement new technologies as part of our service offerings. Our business growth strategy may necessitate raising additional funds for working capital or long-term plans. While historically, we have funded capital expenditures mainly through internal accruals and cash flow from operations, we cannot guarantee having sufficient capital resources for current operations or any potential future expansions. If our internally generated capital and available credit facilities fall short for financing our capital expenditures and growth plans, we may need to seek additional financing from third parties like banks, venture capital funds, joint venture partners, and other strategic investors in the future.

Arranging financing and its costs depend on various factors, including general economic and capital market conditions, credit availability, investor confidence, the sustained success of our operations, and laws facilitating capital raising. Opting for debt financing may subject us to restrictive covenants, potentially limiting our operational and managerial flexibility. Financing agreements might include terms requiring us to maintain specific debt service coverage and leverage ratios, using our assets, including cash balances, as collateral.

Failure to secure financing in a timely manner, at reasonable costs, and on acceptable terms, or failure to obtain it at all, could compel us to postpone, downsize, or abandon expansion plans. Such outcomes may significantly impact our business, financial condition, operational results, and future prospects.

40. *Failure to establish optimal prices for our services and offerings could have negative consequences on our business, financial condition, and operational results.*

We provide price quotes for our services and solutions based on the specific needs of our customers or the duration of service commitments on a case-by-case basis. Additionally, our ability to attract new customers or retain existing ones may be impacted if competitors adjust or reduce their prices. As we expand, determining the suitable pricing for effective competition in each geographic region becomes crucial. Failure to optimally price our service offerings and effectively manage the risks associated with altering prices or the pricing model could negatively impact our business, financial condition, and operational results.

41. *We cannot assure payment of dividends on the Equity Shares in the future and our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.*



Our ability to pay dividends in the future will depend upon our future results of operations, financial condition, cash flows, sufficient profitability, working capital requirements and capital expenditure requirements and other factors considered relevant by our directors and shareholders. Our ability to pay dividends may also be restricted under certain financing arrangements that we may enter into. We cannot assure you that we will be able to pay dividends on the Equity Shares at any point in the future. For details, see “Dividend Policy” on page 188.

The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act. We may retain all future earnings, if any, for use in the operations and expansion of the business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will depend on factors that our Board deems relevant, including among others, our future earnings, financial condition, cash requirements, business prospects and any other financing arrangements. We cannot assure you that we will be able to pay dividends in the future. Accordingly, realization of a gain on the Shareholders’ investments will depend on the appreciation of the price of our Equity Shares. We cannot assure you that our Equity Shares will appreciate in value.

42. Our Promoters are not engaged in similar line of business, However, there can be no assurance that our Promoter or members of the Promoter Group will not compete with our existing business.

At present none of our Promoter are engaged in any other business having object similar to the line of business of our Company. However, there can be no assurance that our Promoter or members of the Promoter Group will not compete with our existing business or any future business that we may undertake or that their interests will not conflict with ours. Any such future conflicts could have a material adverse effect on our reputation, business, results of operations and financial condition which may adversely affect our profitability and results of operations.

43. We have not made any alternate arrangements for meeting our capital requirements for the Objects of the Issue. Further we have not identified any alternate source of financing the Objects of the Offer. A deficiency in securing or fulfilling these requirements could have negative consequences on our expansion strategies, day-to-day business activities, and overall financial well-being.

As of the date of this Draft Red Herring Prospectus, we haven't put in place any backup plans to address our capital needs related to certain objectives of the Issue. Our capital requirements are currently met through internal funds and earnings. If there's a deficit in our net owned funds, internal accruals, and our inability to secure debt in the future, we may face challenges in meeting our capital needs, leading to adverse effects on our financial status and operational results. Additionally, we haven't identified any alternative funding sources. Consequently, any failure or delay in raising funds from this Issue or any shortfall in the Issue proceeds may hinder our implementation schedule and negatively impact our growth plans. For more information, please refer to the section titled "Objects of the Offer" beginning on page 91 of this Draft Red Herring Prospectus.

44. Any deviation in the utilization of the Net Proceeds is contingent upon meeting specific compliance requirements, which includes obtaining approval from shareholders beforehand. We cannot assure that we will obtain shareholder’s approval for the deviation in utilization in net proceeds, if proposed.

Our Company intends to utilize the Net Proceeds generated from the Fresh Issue as outlined in the "Objects of the Offer" section on page 91. According to Section 13(8) and Section 27 of the Companies Act, 2013, any deviation from the disclosed utilization of the Net Proceeds in this Draft Red Herring Prospectus requires prior approval from our shareholders through a special resolution. This variation must comply with applicable laws, including the Companies Act 2013 and the SEBI ICDR Regulations.

Should circumstances necessitate, a variation in the disclosed utilization of the Net Proceeds, obtaining timely approval from our shareholders may pose challenges. Delays or the inability to secure such approval may have adverse effects on our business or operations. In such instances, our Promoters are obligated to offer an exit opportunity to shareholders who disagree with the proposed variation in the Offer's objectives, in accordance with our Articles of Association, the Companies Act, and the SEBI ICDR Regulations.

Considering these factors, our company may face constraints in altering the Offer's objectives or utilizing any unutilized proceeds from the Fresh Issue, even if such changes would be in the company's best interest. This limitation could impede our ability to respond to changes in our business or financial condition by reallocating any unutilized Net Proceeds, potentially impacting our business and operational results.

45. Failure to comply with amendments in Safety, Health, and Environmental laws, as well as other relevant regulations, has the potential to negatively impact the Company's financial condition and operational results.

Additionally, our company operates within the realm of EPR compliances. Given the nature of our business, we are subject to a myriad of rules and regulations pertaining to safety, health, and environmental protection. Furthermore, the company operates under the jurisdiction and governance of Indian laws, rules, and regulations concerning safety, health, and environmental protection, reflecting the intrinsic nature of our business operations.

46. Our Company does not have any listed peer companies for comparison of performance and therefore, investors must rely on their own examinations of accounting ratios of our Company for the purposes of investment in this Issue.

The business models of certain listed companies engaged in activities that may be perceived as similar to ours are not directly comparable due to the diverse nature and extent of operations across various sectors undertaken by these companies. Consequently, there is no identifiable peer group of companies with comparable business models to ours. Investors are advised to conduct their own assessment of the accounting ratios specific to our Company when making investment decisions in this Issue.

47. The trademarks essential to our businesses are duly registered, and any failure to safeguard or sustain these registrations could negatively impact our competitive standing in the business.

Our business relies significantly on the duly registered trademarks essential to our operations. Any failure to effectively safeguard or sustain these registrations poses a potential risk, which could negatively impact our competitive standing within the industry. In the event of lapses in protecting our trademarks, we may face challenges that could adversely affect our market position and overall business competitiveness. Investors should be mindful of this risk and its potential implications for our business performance.



48. Our company lacks a designated monitoring agency, and the discretion for fund allocation rests with our



Management and Board of Directors, under the scrutiny of our Audit Committee.

As per the SEBI (ICDR) Regulations, 2018, as amended, the obligation to appoint a monitoring agency is applicable solely to issue sizes surpassing ₹ 100 crore. As a result, we have not enlisted any monitoring agency to supervise the utilization of proceeds from the issue. However, the Audit Committee of our Board will monitor the allocation of issue proceeds to ensure compliance with the Listing Agreement. Furthermore, our company is dedicated to promptly reporting to the exchange any significant deviations in the utilization of issue proceeds.

49. The average cost of acquisition of Equity Shares held by our Promoter may be less than the Issue Price.

The average acquisition cost per Equity Share held by our Promoters might be lower than the issue price. Consequently, investors purchasing the Equity Shares may incur a cost higher than the average acquisition cost of our Promoter's Equity Shares.

50. The weighted average cost of acquisition of Selling Shareholders may be less than the Issue Price.

The weighted average acquisition cost per Equity Share held by Selling Shareholders might be lower than the issue price. Consequently, investors purchasing the Equity Shares may incur a cost higher than the weighted average acquisition cost of Selling Shareholders.

51. The industry information provided in this Draft Red Herring Prospectus has been sourced from various industry reports. It is important to note that there is no guarantee regarding the completeness or accuracy of such third-party statistical, financial, and other industry data.

Our company has incorporated information from reports prepared by independent third parties, and these reports are subject to certain limitations and are based on subjective assumptions. We have not independently verified the data obtained from these industry reports or other sources. While we believe that the data is reliable, we cannot ensure the accuracy, completeness, or reliability of the underlying assumptions.

It's crucial to understand that the information presented in this prospectus has not been prepared or verified independently by us, our affiliates, or our advisors. Therefore, we make no explicit or implicit representation or warranty regarding the accuracy or completeness of the facts and statistics provided. Due to potential flaws in collection methods, discrepancies between published information and market practices, and other issues, the statistics presented herein may be inaccurate or incomparable to statistics from other economies. Additionally, there is no assurance that these statistics are stated or compiled on the same basis or with the same degree of accuracy as in other contexts. Statements from third parties involving estimates are subject to change, and actual amounts may vary significantly from those outlined in this Draft Red Herring Prospectus.

52. Our Equity Shares, having not been publicly traded prior to the Offer, may be susceptible to fluctuations in both price and volume post-Issue, and the development of an active trading market cannot be guaranteed.

Before the Issue, our Equity Shares did not have a public market, and the initiation of an active trading market post-Issue is uncertain. The mere listing and quotation of our Equity Shares do not ensure the development of a market for them, and even if one materializes, there is no assurance regarding its liquidity. In the absence of active trading, investors may encounter challenges in promptly selling Equity Shares at the quoted price.



Additionally, the Issue Price determined for our Equity Shares may not accurately reflect the market price upon the commencement of trading or at any subsequent point.

The market price of our Equity Shares may be subject to significant fluctuations influenced by various factors, including but not limited to:

- Semi-annual variations in our operational results.
- Results of operations differing from the expectations of research analysts and investors.
- Results of operations deviating from those of our competitors.
- Changes in expectations concerning our future financial performance, encompassing estimates by research analysts and investors.
- Conditions in financial markets, both within and outside India.
- Shifts in research analysts' recommendations.
- Announcements by third parties or government entities concerning significant claims or proceedings against us.
- Implementation of new laws, alterations to existing laws, or changes in government regulations pertinent to our industry.
- Additions or departures of Key Management Personnel and Senior Management.
- Fluctuations in stock market prices and trading volumes.
- General economic and stock market conditions.

Alterations in any of these factors may adversely impact the price of our Equity Shares. Consequently, the price of our Equity Shares may exhibit volatility, making it challenging to resell them at or above the Issue Price, or possibly not at all, resulting in a potential loss or partial loss of your investment.

53. The potential fluctuation in the exchange rate between the Indian Rupee and foreign currencies could negatively impact the value of the Equity Shares, irrespective of our operational performance.

Upon listing, the Equity Shares will be quoted in Indian Rupees on the Stock Exchanges. Any variability in the currency rate may adversely affect the value of investors' investments and dividends. Dividends for the Equity Shares will be disbursed in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation if necessary. Unfavourable movements in currency exchange rates during this conversion period could diminish the net dividend received by foreign investors. Furthermore, adverse fluctuations in currency exchange rates during any delay in repatriating proceeds from the sale of Equity Shares outside India, such as potential delays in obtaining required regulatory approvals for the sale, may reduce the proceeds received by Equity Shareholders.

As an example, the exchange rate between the Rupee and the US Dollar has exhibited fluctuations in recent years and may continue to do so in the future. Such fluctuations could adversely impact the returns on the Equity Shares, independently of our operational results.

54. There is no guarantee regarding the timely listing of Equity Shares on the Stock Exchanges, and investors may face limitations in promptly selling the subscribed Equity Shares on Indian Stock Exchanges.

In compliance with prevailing regulations and SEBI-issued circulars, our Equity Shares must be listed on the Stock Exchanges within the stipulated timeline as per UPI Circulars, unless there is any alteration to the prescribed timeline. As per Indian laws and customary practice, permission for the listing of Equity Shares will only be granted after the issuance and allotment of shares, along with the submission of all pertinent documents to the Stock Exchanges. Preceding the commencement of listing and trading of the Equity Shares,



certain actions must be completed, including the book entry of investors or the crediting of shares to 'demat' accounts with Depository Participants in India, anticipated within one (1) Working Day from the finalization of the Basis of Allotment with the Designated Stock Exchange.

Additionally, the Allotment of Equity Shares and the credit of such shares to the applicant's demat account could take approximately two (2) Working Days from the Bid/Issue Closing Date. Trading in Equity Shares is expected to commence within three (3) Working Days from the Bid/Issue Closing Date upon receiving approval from the Stock Exchanges. However, we cannot provide assurance that trading in our Equity Shares will commence promptly or at all. Any failure or delay in obtaining approval or initiating trading in Equity Shares may limit the ability to dispose of shares. There is no assurance that Equity Shares will be credited to investors' demat accounts or that trading will commence in a timely manner or at all. Furthermore, if Allotment is not made, refund orders are not dispatched, or demat credits are not executed within prescribed periods, we may be obligated to pay interest at applicable rates.

55. Shareholders of Equity Shares may face limitations on exercising pre-emptive rights under Indian law, potentially resulting in the dilution of their ownership positions in the future.

According to the Companies Act, a public company incorporated in India is required to extend pre-emptive rights to its equity shareholders. These rights allow shareholders to subscribe and pay for a proportionate number of new Equity Shares, maintaining their existing ownership percentages before the issuance of any additional Equity Shares. However, these pre-emptive rights can be waived if holders of three-fourths of the Equity Shares adopt a special resolution.

The ability to exercise pre-emptive rights may be subject to the laws of the jurisdiction in which shareholders are located. If local laws do not permit the exercise of these rights without the company filing an offering document or registration statement with the relevant authority, shareholders may be unable to exercise such rights unless the company makes such a filing. In cases where the company chooses not to file a registration statement, new securities may be issued to a custodian. This custodian might sell the securities on behalf of shareholders, but the value received by the custodian upon the sale and related transaction costs are uncertain. In situations where shareholders cannot exercise pre-emptive rights, their proportional interests in the company could be diluted.

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

Current Indian tax laws generally subject capital gains arising from the sale of equity shares in an Indian company to taxation, unless specifically exempted. When selling equity shares on an Indian stock exchange, a securities transaction tax (STT) is levied and collected. If listed equity shares are held for over 12 months, any gain realized may be subject to long-term capital gains tax in India based on specified rates, considering factors like STT paid and available treaty exemptions.

For Equity Shares held for 12 months or less, short-term capital gains tax in India is applicable. While non-residents can claim tax treaty benefits, Indian tax treaties generally do not limit India's right to impose tax on capital gains from the sale of shares in an Indian company.

The Finance Act 2020 introduced stamp duty on the sale, transfer, and issue of certain securities, with specific rates depending on the type of transfer. Stamp duty liability on the sale of securities through stock exchanges is on the buyer, while for transfers through a depository, it falls on the transferor. These amendments became effective from July 1, 2020.



Additionally, the Finance Act 2020 eliminated the requirement for Dividend Distribution Tax (DDT) on dividends declared, distributed, or paid by a domestic company after March 31, 2020. Dividends are subject to tax in the hands of shareholders, and the company paying dividends withholds these taxes. Non-resident shareholders may benefit from a tax treaty for tax deductions related to dividends, provided the necessary documentation is provided.

Investors are advised to consult their tax advisors, considering potential tax implications. The Union Budget for Fiscal 2023 proposed amendments in the Finance Bill 2023, which has received approval, introducing various changes in laws. Unfavourable changes or interpretations could result in non-compliance, necessitating additional approvals.

EXTERNAL FACTORS

57. A deceleration in the economic growth of India or global economic instability may have a detrimental impact on our business, financial condition, and operational results.

We presently operate within India, a jurisdiction typically characterized by a developing economy, potentially lacking firmly established legal and regulatory systems compared to other nations. Our operational performance, growth trajectory, and the market value of our Equity Shares are heavily contingent on the overall performance of the Indian economy, its GDP growth rate, and the economic cycle within the country. Historical instances have seen India undergo economic slowdowns due to various factors, including the impact of the COVID-19 pandemic, unsustainably high current account deficits, capital outflows, and subsequent exchange rate pressures. While recent indications suggest a positive economic turnaround, there is no certainty that growth will remain uninterrupted, and the possibility of increased inflation persists. An economic deceleration in India could adversely affect our business, as well as our customers and contractual counterparts, particularly if such a downturn is prolonged. In periods marked by high inflation rates, our operational expenses may escalate, potentially impacting our cash flows and operational results adversely.

58. Adverse global economic, political, and social conditions have the potential to impede our business operations, escalate costs, and negatively impact our stock valuation.

Factors of a global economic and political nature, beyond our direct influence, play a pivotal role in shaping forecasts and directly impacting performance. Such factors encompass interest rates, economic growth rates, government fiscal and monetary policies, alterations in regulatory frameworks, inflation, deflation, foreign exchange fluctuations, consumer credit accessibility, consumer debt levels, unemployment patterns, threats and activities related to terrorism, global military and domestic disturbances, conflicts, and other elements that shape consumer confidence, spending patterns, and tourism trends.

59. The impact of natural or man-made disasters has the potential to negatively influence our financial performance, cash flows, and overall financial health. Instances of hostilities, terrorist attacks, civil unrest, and other acts of violence have the potential to adversely affect financial markets and pose risks to our business.

The potential occurrence of natural disasters such as cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic diseases, and man-made disasters, including acts of terrorism and military actions, poses a risk to our results of operations, cash flows, and financial condition. Acts of terrorism and violence may have adverse effects on the Indian securities markets. Additionally, any deterioration in



international relations, particularly between India and its neighbouring countries, may lead to investor concerns about regional stability, potentially impacting the price of Equity Shares. India has experienced local civil disturbances in recent years, and the possibility of future civil unrest or other adverse social, economic, or political events in India could negatively affect our business. Such incidents may also contribute to a perception that investing in Indian companies entails a higher level of risk, potentially impacting our business and the market price of Equity Shares.

60. A potential deceleration in the economic growth of India could have detrimental effects on our business.

The success and expansion of our business are intricately linked to the overall health of the Indian economy. Any slowdown or perceived deceleration in India's economic growth, coupled with potential fluctuations in global commodity prices, could negatively impact our business. Additionally, adverse developments such as an increase in the trade deficit, a downgrade in India's sovereign debt rating, or a reduction in India's foreign exchange reserves might have negative repercussions on interest rates and liquidity, thereby adversely affecting both the Indian economy and our business. Notably, the economic downturn caused by the COVID-19 pandemic in India and globally underscored the vulnerability of the macroeconomic environment. Any such downturn in India could adversely affect our business, financial condition, operational results, and future prospects. Various factors, including a rise in interest rates, inflation, adverse weather conditions affecting agriculture, commodity and energy price fluctuations, among others, could contribute to a slowdown in the Indian economy. Such a slowdown might impact the Indian government's policies toward our industry, thereby affecting our financial performance and hindering the execution of our business strategy.

Moreover, the Indian economy is influenced by economic and market conditions in other countries, particularly emerging markets in Asia. Fluctuations in India's foreign exchange reserves and exchange rates may impact liquidity and interest rates within the Indian economy, thereby affecting our financial condition. Loss of investor confidence in other emerging market economies or global financial instability could also have adverse effects on the Indian economy, thereby materially impacting our business, financial condition, operational results, and future prospects. Additional factors that could negatively affect the Indian economy include a scarcity of credit or financing, potentially impacting economic conditions and financing availability for our expansions; volatility in trading activity on India's principal stock exchanges; changes in tax, trade, fiscal, or monetary policies, including the application of GST; political instability, terrorism, or military conflicts in India or neighbouring countries; natural or man-made disasters; infectious disease outbreaks or other public health concerns; prevailing regional or global economic conditions, including those in India's primary export markets; and other significant regulatory or economic developments in or affecting India or its financial service sectors.

61. Investing in our Equity Shares involves inherent risks associated with investments in Indian companies.

As an Indian-incorporated entity with assets and employees based in India, our business, financial condition, and the market value of our Equity Shares are subject to various general risks linked to the Indian economic landscape. Changes in interest rates within India, policies enacted by the Government of India – encompassing taxation policies and industry-related measures – as well as broader political, social, and economic developments impacting the country can significantly influence our operations.

62. Furthermore, any potential downgrade of India's debt rating by an international rating agency could adversely affect our business.

The credit ratings of India, as assessed by international rating agencies, play a crucial role in determining the



overall economic environment. An adverse shift in these ratings could negatively impact the Indian economy, potentially hampering our ability to secure additional financing in a timely manner or at all. This, in turn, may affect the interest rates and other commercial terms associated with such financing. The consequential impact could extend to our business and financial performance, our ability to secure funding for capital expenditures, and the market value of our Equity Shares.

63. Our business faces potential adverse impacts from natural calamities, climate change, and health epidemics, including the ongoing COVID-19 pandemic, within India. Additionally, hostilities, terrorist attacks, civil unrest, and acts of violence pose risks that could negatively affect our business operations, results, and financial condition.

India has encountered natural calamities such as earthquakes and floods in recent years. These events not only have the potential to adversely impact the Indian economy but could also damage or destroy our concentrated services or other assets located in a specific region. Any occurrence of such natural calamities could have cascading effects on our business, operational results, and financial standing.

The region has also experienced social, religious, and civil unrest, including instances like the mass protests by farmers against farm acts passed by the Indian Parliament in September 2020. Should mass protests escalate into civil unrest, it could impact our operations and have adverse effects on our business, results, and financial condition. Ongoing fragile relations between India and Pakistan, concerning issues like terrorism, armaments, and Kashmir, along with ongoing border disputes between India and China, pose geopolitical risks. Military activity or terrorist attacks in the future could disrupt communications and make travel more challenging, potentially influencing both the Indian and U.A.E. economies. Such political tensions may create a perception of increased risk associated with investments in Indian companies. Similar events of social and civil unrest in other countries in Asia and the Middle East could further influence the Indian economy and potentially have a material adverse impact on the market for securities of Indian companies.

64. Adverse global economic, political, and social conditions have the potential to impede our business operations, escalate costs, and negatively impact our stock valuation.

Factors of a global economic and political nature, beyond our direct influence, play a pivotal role in shaping forecasts and directly impacting performance. Such factors encompass interest rates, economic growth rates, government fiscal and monetary policies, alterations in regulatory frameworks, inflation, deflation, foreign exchange fluctuations, consumer credit accessibility, consumer debt levels, unemployment patterns, threats and activities related to terrorism, global military and domestic disturbances, conflicts, and other elements that shape consumer confidence, spending patterns, and tourism trends.

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SECTION IV – INTRODUCTION

THE OFFER

Present Offer in terms of this Draft Red Herring Prospectus:

| Particulars | Details |
|--|--|
| Offer of Equity Shares ⁽¹⁾ | Up to 59,90,400 equity shares of face value of ₹ 5/- each at a price of ₹ [●]/- per equity share each aggregating to ₹ [●] lakhs |
| <i>The Offer consists of:</i> | |
| Fresh Offer | Up to 14,97,600 equity shares of face value of ₹ 5/- each at a price of ₹ [●]/-, per equity share each aggregating to ₹ [●] lakhs |
| Offer for Sale ⁽²⁾ | 44,92,800 equity shares of face value of ₹ 5/- each at a price of ₹ [●]/- per equity share each aggregating to ₹ [●] lakhs |
| Reserved for Market Makers | 3,42,400 equity shares of face value of ₹ 5/- each at a price of ₹ [●]/- per equity share each aggregating to ₹ [●] lakhs |
| Net Offer to the Public | 56,48,000 equity shares of face value of ₹ 5/- each at a 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 face value of ₹ 5/- each at a Price of ₹ [●]/- per Equity Share each aggregating to ₹ [●] Lakhs |
| <i>Of which:*</i> | |
| (a) Anchor Investors | Not more than [●] Equity Shares of face value of ₹ 5/- each at a Price of ₹ [●]/- per Equity Share each aggregating to ₹ [●] Lakhs |
| (b) Net QIB Portion (Assuming Anchor allocation portion is fully subscribed) | Not more than [●] Equity Shares of face value of ₹ 5/- each at a Price of ₹ [●]/- per Equity Share each aggregating to ₹ [●] Lakhs |
| <i>Of which:</i> | |
| (i) Available for allocation to Mutual Funds only (5% of the QIB portion excluding Anchor Investor Portion) | Not more than [●] Equity Shares of face value of ₹ 5/- each at a Price of ₹ [●]/- per Equity Share each aggregating to ₹ [●] Lakhs |
| (ii) Balance QIB Portion for all QIBs including Mutual Funds | [●] Equity Shares of face value of ₹ 5/- each at a Price of ₹ [●]/- per Equity Share each aggregating to ₹ [●] Lakhs |
| B. Allocation to Non-Institutional Investors | At least [●] Equity Shares of face value of ₹ 5/- each at a Price of ₹ [●]/- per Equity Share each aggregating to ₹ [●] Lakhs |
| C. Allocation to Retail Individual Investor | At least [●] Equity Shares of face value of ₹ 5/- each at a Price of ₹ [●]/- per Equity Share each aggregating to ₹ [●] Lakhs |
| Equity Shares outstanding prior to the Offer | 2,10,52,800 Equity Shares of face value of ₹ 5/- each |
| Equity Shares outstanding after the Offer | 2,25,50,400 Equity Shares of face value of ₹ 5/- each |
| Object of the Offer/ Use of Offer Proceeds | For details, please refer chapter titled “Objects of The Offer” beginning on Page no. 91 of this Draft Red Herring Prospectus. |



⁽¹⁾ The Offer has been authorized by a resolution passed by our Board of Directors pursuant to the resolutions passed at its meeting held on December 06, 2023 and December 27, 2023 and by our Shareholders pursuant to a resolution passed at the EoGM held on December 08, 2023 and December 28, 2023. This Offer is made in terms of Chapter IX of the SEBI (ICDR) Regulations, 2018, as amended from time to time. For further details please refer to section titled “Offer Structure” beginning on page no. 320 of this Draft Red Herring Prospectus.

⁽²⁾ The Selling Shareholders have confirmed and approved their participation in the Offer for Sale as set out below:

| Name of the Selling Shareholders | Number of Equity Shares offered in the Offer for Sale | Date of consent letters |
|-------------------------------------|---|-------------------------|
| Mr. Sachin Sharma | 11,23,200 | December 29, 2023 |
| Mrs. Sangeeta Pareekh | 9,29,600 | December 29, 2023 |
| BLP Equity Research Private Limited | 13,16,800 | December 29, 2023 |
| Mr. Sarthak Agarwal | 11,23,200 | December 29, 2023 |

Our Board has taken on record the participation of the Selling Shareholders in the Offer for Sale pursuant to resolutions dated January 05, 2024. Each of the Selling Shareholders, severally and not jointly, confirms and undertakes that their respective portion of the Offered Shares has been held by such Selling Shareholders for a continuous period of at least one year prior to the filing of the Draft Red Herring Prospectus in accordance with Regulation 8 of the SEBI ICDR Regulations. For details of authorizations received for the Offer for Sale, please refer to the section titled “Other Regulatory and Statutory Disclosures” beginning on page 257.

⁽³⁾ In the event of over-subscription, allotment shall be made on a proportionate basis, subject to valid Bids received at or above the Issue Price. Allocation to investors in all categories, except the Retail Portion, shall be made on a proportionate basis subject to valid bids received at or above the Issue Price. The allocation to each Retail Individual Investor shall not be less than the minimum Bid Lot, and subject to availability of Equity Shares in the Retail Portion, the remaining available Equity Shares, if any, shall be allocated on a proportionate basis.

⁽⁴⁾ In the event of an under-subscription in the Offer and compliance with Rule 19(2)(b) of the SCRR, our Company and the BRLMs shall first ensure Allotment of Equity Shares issued pursuant to the Offer.

⁽⁵⁾ 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 Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Net Offer shall be available for allocation on a proportionate basis to Retail Individual Bidders and not more than 50% of the Net offer shall be allotted on a proportionate basis to QIBs, subject to valid Bids being received at or above the Issue Price.

⁽⁶⁾ Subject to valid bids being received at or above the Issue Price, undersubscription, 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 and Promoter Selling Shareholder in consultation with the Book Running Book Running Lead Managers and the Designated Stock Exchange, subject to applicable laws.

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SUMMARY OF OUR FINANCIAL INFORMATION

FINANCIAL STATEMENT OF ASSETS AND LIABILITIES AS RESTATED

(Amount in ₹ lakhs)

| | Note No. | As at 30th September 2023 | As at 31st March 2023 | As at 31st March 2022 | As at 31st March 2021 |
|--|----------|---------------------------------|--------------------------|-----------------------------|--------------------------|
| I. Equity and Liabilities | | | | | |
| <u>Shareholders' Funds</u> | | | | | |
| (a) Share capital | I.1 | 526.32 | 30.96 | 36.00 | 36.00 |
| (b) Reserve and surplus | I.2 | 2,387.42 | 2,380.55 | 1,677.57 | 979.14 |
| <u>Non- current liabilities</u> | | | | | |
| (a) Long term borrowings | I.3 | - | - | - | 2.00 |
| (c) Long term provisions | I.4 | 22.86 | 19.58 | 15.47 | 13.06 |
| <u>Current liabilities</u> | | | | | |
| (a) Short term borrowings | I.5 | - | - | 2.00 | - |
| (b) Trade payables | I.6 | | | | |
| - Total outstanding dues of micro enterprises and small enterprises, and | | 40.39 | 20.86 | 34.30 | - |
| - Total outstanding dues of creditors other than micro enterprises and small enterprises | | 634.38 | 855.32 | 662.06 | 446.24 |
| (c) Other current liabilities | I.7 | 191.10 | 157.54 | 185.88 | 365.93 |
| (d) Short term provisions | I.8 | 174.74 | 110.12 | 71.24 | 53.14 |
| Total Equity and Liabilities | | 3,977.21 | 3,574.93 | 2,684.52 | 1,895.51 |
| II. Assets | | | | | |
| <u>Non- current assets</u> | | | | | |
| (a) Property, plant and equipment and intangible assets | I.9 | | | | |
| - Property, plant an equipment | | 25.69 | 26.54 | 24.06 | 29.31 |
| - Intangible assets | | 5.82 | 4.39 | 0.11 | 0.25 |
| - Capital work-in-progress | | - | 1.24 | 6.26 | 4.02 |
| (b) Deferred tax assets(net) | I.10 | 4.48 | 3.79 | 3.53 | 3.60 |
| (c) Non- current investments | I.11 | 61.28 | 61.28 | - | - |
| (d) Long term loans and advances | I.12 | 54.59 | 54.59 | 50.50 | 71.50 |
| <u>Current assets</u> | | | | | |
| (a) Inventories | I.13 | 9.98 | 8.43 | 12.51 | 55.61 |
| (b) Trade receivables | I.14 | 2,491.53 | 2,189.33 | 1,832.44 | 1,303.73 |
| (c) Cash and cash equivalents | I.15 | 1,155.98 | 1,187.69 | 688.40 | 386.30 |
| (d) Short term loans and advances | I.16 | 166.91 | 35.13 | 64.90 | 39.76 |
| (e) Other current assets | I.17 | 0.95 | 2.52 | 1.81 | 1.43 |
| Total Assets | | 3,977.21 | 3,574.93 | 2,684.52 | 1,895.51 |



FINANCIAL STATEMENT OF PROFIT & LOSS AS RESTATED

(Amount in ₹ lakhs)

| | Note No. | From 01-04-2023 to 30-09-2023 | For Year ended 31-03-2023 | For Year ended 31-03-2022 | For Year ended 31-03-2021 | |
|-----|--|-------------------------------|---------------------------|---------------------------|---------------------------|-----------------|
| I | Revenue from operations | II.1 | 1,848.58 | 4,253.02 | 3,280.00 | 2,551.42 |
| II | Other income | II.2 | 14.88 | 27.55 | 11.48 | 9.16 |
| III | Total income (I+II) | | 1,863.46 | 4,280.57 | 3,291.48 | 2,560.58 |
| IV | <u>Expenses:</u> | | | | | |
| | Purchases | II.3 | 40.56 | 651.05 | 240.19 | 379.24 |
| | Operating expenses | II.4 | 732.86 | 1,767.63 | 1,521.60 | 1,009.22 |
| | Changes in inventories of stock-in-trade | II.5 | -1.55 | 4.08 | 43.10 | 1.87 |
| | Employee benefit expenses | II.6 | 140.16 | 241.33 | 184.52 | 148.70 |
| | Finance cost | II.7 | - | - | - | 0.07 |
| | Depreciation and amortization | I.9 | 2.62 | 5.04 | 5.90 | 30.10 |
| | Other expenses | II.8 | 74.37 | 261.42 | 298.58 | 212.53 |
| | Total expenses | | 989.02 | 2,930.55 | 2,293.89 | 1,781.73 |
| V | Profit before exceptional items and extraordinary items and tax | | 874.44 | 1,350.02 | 997.59 | 778.85 |
| VI | Exceptional Items and extra ordinary item | | - | - | - | - |
| VII | Profit/(Loss) before Tax (V-VI) | | 874.44 | 1,350.02 | 997.59 | 778.85 |
| | Tax expenses: | | | | | |
| | - Current Tax | | 220.78 | 345.72 | 253.11 | 203.14 |
| | - Earlier Year Tax | | 3.52 | 2.74 | -0.83 | - |
| | - Deferred Tax | | -0.70 | -0.26 | 0.08 | -7.67 |
| VII | Total tax expenses | | 223.60 | 348.20 | 252.36 | 195.47 |
| IX | Profit/(Loss) for the period (VII-VIII) | | 650.84 | 1,001.82 | 745.23 | 583.38 |
| X | Earnings per Equity Share: | II.9 | | | | |
| | Number of Share | | | | | |
| | (1) Basic (Rs.) | | 3.09* | 4.75 | 3.53 | 2.76 |
| | (2) Diluted (Rs.) | | 3.09* | 4.75 | 3.53 | 2.76 |
| | *EPS Not Annualised | | | | | |

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FINANCIAL STATEMENT OF CASH FLOW AS RESTATED

(Amount in ₹ lakhs)

| | From 01-04- 2023 to 30-09- 2023 | For Year ended 31-03-2023 | For Year ended 31- 03-2022 | For Year ended 31- 03-2021 |
|--|---------------------------------------|---------------------------------|----------------------------------|----------------------------------|
| A. Cash Flow from Operating Activities | | | | |
| Profit Before Tax | 874.44 | 1,350.02 | 997.59 | 778.85 |
| Adjustment For: | | | | |
| Depreciation & Amortization | 2.62 | 5.04 | 5.90 | 30.10 |
| Loss/(Gain) on Sale of PPE and intangible assets | - | - | 0.49 | - |
| Loss/(Gain) on Sale of long term investments | - | - | - | - |
| Interest and other financial costs | - | - | - | 0.07 |
| Dividend received | -0.32 | - | - | - |
| Interest received | -14.56 | -27.49 | -6.96 | -9.14 |
| Operating profit before working capital changes | 862.18 | 1,327.57 | 997.02 | 799.88 |
| Adjustments For: | | | | |
| (Increase)/Decrease in inventories | -1.55 | 4.07 | 43.10 | 1.88 |
| (Increase)/Decrease in trade receivable | -302.20 | -356.89 | -528.71 | -789.59 |
| (Increase)/Decrease in short- term & long term loans and advances | -131.78 | 25.67 | -4.14 | -81.06 |
| (Increase)/Decrease in other current assets | 1.57 | -0.71 | -0.38 | -51.39 |
| Increase/(decrease) in trade payable | -201.41 | 179.82 | 250.12 | 35.51 |
| Increase/(decrease) in other current liabilities | 33.56 | -28.34 | -180.06 | 211.87 |
| Increase/(decrease) in provisions | 3.58 | 4.18 | 2.48 | 98.81 |
| Cash Generated from operations | 263.95 | 1,155.38 | 579.43 | 225.91 |
| Direct tax adjustments | 159.97 | 309.65 | 234.25 | 203.14 |
| Net Cash Flow from Operating Activities (A) | 103.98 | 845.73 | 345.18 | 22.77 |
| B. Cash Flow From Investing Activities | | | | |
| (Purchase)/ of PPE and Intangible assets | -3.20 | -11.80 | -0.99 | -4.91 |
| (Increase)/ decrease in capital work in progress | 1.24 | 5.03 | -2.24 | - |
| (Purchase)/ sale of non- current investments | - | -61.27 | - | - |
| Interest received | 14.56 | 27.50 | 6.96 | 9.14 |
| Dividend received | 0.32 | - | - | - |
| Net Cash flow from Investing Activities | 12.92 | -40.55 | 3.73 | 4.23 |
| C. Cash flow from Financing Activities | | | | |
| Proceeds (Repayment) of borrowings | - | -2.00 | - | -24.64 |
| Issue/(buy back) of share capital | - | -296.69 | - | - |
| Dividend paid | -148.61 | -7.20 | -46.80 | - |
| Interest and other financial cost | - | - | - | -0.07 |
| Net cash generated from/(used in) financing activities | -148.61 | -305.89 | -46.80 | -24.71 |
| D. Increase/(decrease) in cash and cash equivalent (A+B+C) | -31.71 | 499.29 | 302.11 | 2.29 |
| Add: Cash & Cash Equivalent at the beginning of the year | 1,187.69 | 688.40 | 386.30 | 384.01 |
| E. Cash & Cash Equivalent at the end of the year | 1,155.98 | 1,187.69 | 688.40 | 386.30 |
| Components of Cash & Cash Equivalents | | | | |
| Cash on hand | 0.41 | 0.93 | 0.89 | 4.89 |
| Balances with banks | 88.99 | 355.81 | 525.24 | 301.66 |
| Total cash & cash equivalents | 89.40 | 356.74 | 526.13 | 306.55 |
| Add: Fixed Deposit with banks having original maturity over three months | 1,066.58 | 830.95 | 162.27 | 79.75 |
| Cash & cash equivalents (Note I.12) | 1,155.98 | 1,187.69 | 688.40 | 386.30 |



GENERAL INFORMATION

Our Company was originally incorporated as a private limited company under the Companies Act, 1956 in the name and style of “Ganesha Enviro Management Private Limited” bearing Corporate Identification Number U93000DL2013PTC247767 dated February 01, 2013 issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana. Thereafter, the name of the Company was changed from “Ganesha Enviro Management Private Limited” to “GEM Enviro Management Private Limited” pursuant to special resolution passed by the shareholders at the Extra Ordinary General Meeting held on October 09, 2013, and consequent to name change a fresh Certificate of Incorporation was granted to our Company on November 04, 2013 by the Registrar of Companies, National Capital Territory of Delhi and Haryana. Subsequently, our Company was converted into a Public Limited Company vide Special Resolution passed by the Shareholders at the Annual General Meeting, held on August 31, 2023, and consequently the name of our Company was changed from “GEM Enviro Management Private Limited” to “GEM Enviro Management Limited” vide a fresh certificate of incorporation dated October 18, 2023, issued by the Registrar of Companies, Delhi bearing CIN U93000DL2013PLC247767.

For details in relation to the change in name and registered offices of our Company, please refer to the section titled "**Our History and Certain Other Corporate Matters**" beginning on page 149 of this Draft Red Herring Prospectus. Further, for details in relation to the business of our Company, please refer to the section titled "**Our Business**" on page 108.

| | |
|---|--|
| Registered Office | Unit No. 203, Plaza- P 3, Central Square, Bara Hindu Rao, Delhi 110006 Telephone: 011-49068377 E-mail: info@gemrecycling.com Investor grievance Id: investors@gemrecycling.com Website: www.gemrecycling.com |
| Date of Incorporation | February 01, 2013 |
| Company Registration No. | 247767 |
| CIN | U93000DL2013PLC247767 |
| Company Category | Company limited by Shares |
| Company Subcategory | Indian Non- Government Company |
| Registrar of Company | Registrar of Companies - Delhi 4th Floor, IFCI Tower, 61, Nehru Place, New Delhi - 110019 Tel No: 011-26235703, 26235708, 26235702 |
| Company Secretary and Compliance Officer | Name: Mr. Vijay Kumar Sharma Address: Unit No.203, Plaza- P 3, Central Square, Bara Hindu Rao, Delhi 110006 Tel: +91-9311063009 E-mail: vijay.sharma@gemrecycling.com |
| Chief Financial Officer | Name: Mr. Amar Jeet Address: Unit No.203, Plaza- P 3, Central Square, Bara Hindu Rao, Delhi 110006 Tel: +91 9643318024 E-mail: amarjeet@gemrecycling.com |
| Designated Stock Exchange | BSE Limited 25 th Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400001. Website: www.bseindia.com |



| | | | | |
|-----------------------------|-------------------------------|-----|-----------------------|-----|
| Bid/ Issue Programme | Bid/ Offer Opens On: | [●] | Bid/ Offer Closes On: | [●] |
| | Anchor Investors Bidding Date | [●] | | |

INVESTOR GRIEVANCES

Investors can contact the Compliance Officer or the Book Running Lead Managers or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems, such as non-receipt of letters of Allotment, credit of Allotted Equity Shares in the respective beneficiary account and refund orders, etc. All complaints, queries or comments received by Stock Exchange/SEBI shall be forwarded to the Book Running Lead Managers, who shall respond to the same.

All Issue related grievances, other than that of Anchor Investors, may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary to whom the Application Form was submitted. The Applicant should give full details such as name of the sole or first Applicant, Application Form number, Applicants' DP ID, Client ID, UPI ID, PAN, date of submission of the Application Form, address of the Applicant, number of Equity Shares applied for, the name and address of the Designated Intermediary where the Application Form was submitted by the Applicant and ASBA Account number (for Applicants other than RIIs using the UPI Mechanism) in which the amount equivalent to the Application Amount was blocked or the UPI ID in case of RIIs using the UPI Mechanism.

In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, any ASBA Applicant whose Application 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 three months of the date of listing of the Equity Shares. In terms of the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, as amended pursuant to SEBI circular SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021, SCSBs are required to compensate the investor immediately on the receipt of complaint. Further, the post issue book running lead managers are required to compensate the investor for delays in grievance redressal from the date on which the grievance was received until the actual date of unblock.

Further, the Applicant shall also enclose a copy of the Acknowledgment Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the information mentioned hereinabove. All grievances relating to Applications 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 Applicants.

All Issue-related grievances of the Anchor Investors may be addressed to the Book Running Lead Managers, giving full details such as the name of the sole or First Applicant, Application Form number, Applicants' DP ID, Client ID, PAN, date of the Application Form, address of the Applicant, number of the Equity Shares applied for, name and address of the Book Running Lead Managers, unique transaction reference number, the name of the relevant bank, Application Amount paid on submission of the Application Form and the name and address of the Book Running Lead Managers where the Application Form was submitted by the Anchor Investor.

BOARD OF DIRECTORS OF OUR COMPANY

Set forth below are the details of our Board of Directors as on the date of this Draft Red Herring Prospectus:

| Name | Age (Years) | Designation | DIN | Address |
|-----------------|-------------|-----------------------------------|----------|---|
| Sachin Sharma | 47 years | Managing Director | 05281526 | A-15, Brij Vihar Chander Nagar Ghaziabad, Uttar Pradesh-201011 |
| Dinesh Pareekh | 54 years | Chairman & Non-Executive Director | 00629464 | H-2/78-79, Second Floor, Sector 16 Rohini, Delhi-110089 |
| Anil Kumar Behl | 65 years | Independent Director | 00697588 | H. No. B-18 East of Kailash, Delhi-110065 |
| Mamta Gupta | 50 years | Independent Director | 02789086 | 1- B Nandini Kanha Shyam Indra Nagar, Kalyanpur, Kanpur Nagar Uttar Pradesh- 208017 |

For further details pertaining to the education qualification and experience of our directors, please refer the chapter titled “*Our Management*” beginning on Page no. 155 of this Draft Red herring Prospectus.

DETAILS OF INTERMEDIARIES PERTAINING TO THIS OFFER AND OUR COMPANY

| BOOK RUNNING LEAD MANAGERS TO THE OFFER | |
|--|--|
|  |  |
| Share India Capital Services Private Limited Address: A-15, Sector-64, Noida – 201301, Uttar Pradesh, India Tel No.: +91-120-4910000 Email: anand.srivastava@shareindia.co.in Investor Grievance E-mail: info@shareindia.com Contact Person: Mr. Anand Srivastava Website: www.shareindia.com SEBI Registration No.: INM000012537 CIN: U65923UP2016PTC075987 | Fintellectual Corporate Advisors Private Limited Address: 204, Kanishka Shopping Complex, Mayur Vihar, Phase 1, Extension, Delhi – 110091 Tel: +91 11 48016991 E-mail: info@fintellectualadvisors.com Investor Grievance E-mail: investors@fintellectualadvisors.com Contact Person: Mr. Amit Puri/ Mr. Pramod Negi Website: www.fintellectualadvisors.com SEBI Registration No.: INM000012944 CIN: U74999DL2021PTC377748 |
| REGISTRAR TO THE ISSUE | LEGAL ADVISOR TO THE ISSUE |
|  | ADVOCATE LALITA SOAM |
| Skyline Financial Services Private Limited Address: D-153A, 1st Floor, Okhla Industrial Area Phase-I, New Delhi – 110020, India Tel No.: 011-40450193-97 Fax No.: N.A. Email Id: ipo@skylinerta.com Investor Grievance ID: info@skylinerta.com Contact Person: Mr. Anuj Rana Website: www.skylinerta.com SEBI Registration No.: INR000003241 CIN: U74899DL1995PTC071324 | Name: Lalita Soam Address: 39, Dayanand Block, Near Nirman Vihar Jain Mandir, Delhi – 110092 Tel. No.: +91-7011934093 Email Id: lalitasoamadvocate@gmail.com Contact Person: Lalita Soam Bar Council Membership No.: D-607/95 |
| PRINCIPAL BANKERS TO THE COMPANY | BANKERS TO THE ISSUE/ REFUND BANK/ SPONSOR BANK |



| | |
|--|---|
|  | [•] |
| ICICI BANK LIMITED Address: Plot No.32, Block No. 62, New Rohtak Road, Karol Bagh, New Delhi- 110005 Tel. No.: +91-9582486622 Email Id: vipul.agarwal1@icicibank.com Fax No.: +91-11-69261067 Contact Person: Mr. Vipul Agarwal | [•] |
| AUDITORS OF THE COMPANY & PEER REVIEW AUDITORS OF THE COMPANY | MARKET MAKERS |
| M/S RAJIV MEHROTRA & ASSOCIATES, CHARTERED ACCOUNTANTS |  |
| Address: H.O 3/3A, Vishnu Puri, Kanpur Uttar Pradesh-208002 Tel: +91-512-2531806 Fax: +91-512-2531806 Email: rma.consult@gmail.com Contact Person: CA Rajiv Mehrotra Firm Registration No.: 002253C Peer Review Certificate No.: 012998 | SHARE INDIA SECURITIES LIMITED Address: Unit No 60A-B 605A-B 6th Flr Tower A World Trade Centre Gift City Block-51 Zone-5 Road 5e Gift City Gandhinagar Gujarat- 382355 Tel No.: +91-120-4910000 Email Id: vikas_cs@shareindia.com Website: www.shareindia.com/ Contact Person: Mr. Vikas Aggarwal SEBI Registration No.: INZ000178336 |

CHANGES IN AUDITORS DURING THE LAST THREE YEARS

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 |
|---|-------------------------|---------------------------------|--|
| M/s Alok Basudeo & Co. Chartered Accountants 16-17G, Civil Lines Kanpur Uttar Pradesh-UP-208001, India. | Resignation | October 26, 2023 | Due to pre-occupation and other administrative reasons. |
| M/s Rajiv Mehrotra & Associates, Chartered Accountants Address: H.O 3/3A, Vishnu Puri, Kanpur Uttar Pradesh-208002. Email: rma.consult@gmail.com Firm Registration No.: 002253C Peer Review Certificate No.: 012998 | Appointment | November 01, 2023 | Appointment as the statutory auditor to hold office until the conclusion of the next AGM of the Company to be held for FY 2023-24. |

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

The Offer Document will not be filed with SEBI, nor will SEBI issue any observation on the Issue Document in terms of Regulation 246 (2) of SEBI ICDR Regulations. However, pursuant to sub regulation (5) of Regulation 246 of the SEBI ICDR Regulations, the copy of the Offer Document shall be furnished to the Board (SEBI) in a soft copy.



Pursuant to SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of the Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>. A copy of the Prospectus along with the documents required to be filed under Section 26 of the Companies Act, 2013 will be delivered to the RoC National Capital Territory of Delhi and Haryana situated at 4th Floor, IFCI Tower, 61, Nehru Place, New Delhi - 110019.

SELF-CERTIFIED SYNDICATE BANKS

The lists of banks that have been notified by SEBI to act as SCSB for the Applications Supported by Blocked Amount (ASBA) Process are provided on the website of SEBI. For details on Designated Branches of SCSBs collecting the Bid Cum Application Forms, please refer to the below mentioned SEBI link. <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>

SELF-CERTIFIED SYNDICATE BANKS ELIGIBLE AS ISSUER BANKS FOR UPI MECHANISM AND MOBILE APPLICATIONS ENABLED FOR UPI MECHANISM

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Retail Individual Bidders using the UPI Mechanism may only apply through the SCSBs and mobile applications using the UPI handles specified on the website of the SEBI. The list of SCSBs through which Applications can be submitted by RIIs using the UPI Mechanism, including details such as the eligible mobile applications and UPI handle which can be used for such Applications, is available on the website of the SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40> and <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=43> which may be updated from time to time or at such other website as may be prescribed by SEBI from time to time.

REGISTERED BROKERS

The list of the Registered Brokers eligible to accept ASBA Forms from Applicants (other than RIIs), including details such as postal address, telephone number and e-mail address, is provided on the websites of the BSE and the NSE at http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?And https://www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm, respectively, as updated from time to time.

REGISTRAR TO OFFER AND SHARE TRANSFER AGENTS

The list of the RTAs eligible to accept ASBA Forms from Applicants (other than RIIs) at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of Stock Exchanges at <http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx>?And http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as updated from time to time.

COLLECTING DEPOSITORY PARTICIPANTS

The list of the CDPs eligible to accept ASBA Forms from Applicants (other than RIIs) at the Designated CDP Locations, including details such as name and contact details, is provided on the websites of BSE at <http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx>?And on the website of NSE at http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, as updated from time to time.



CREDIT RATING

This being an issue of equity shares, credit rating is not required.

IPO GRADING

Since the Offer is being made in terms of Chapter IX of SEBI ICDR Regulations, there is no requirement of appointing an IPO grading agency.

BROKERS TO THE OFFER

All members of the recognized stock exchanges would be eligible to act as Brokers to the Offer.

STATEMENT OF RESPONSIBILITY OF THE BOOK RUNNING LEAD MANAGERS/ STATEMENT OF INTER SE ALLOCATION OF RESPONSIBILITIES

Share India Capital Services Private Limited and Fintellectual Corporate Advisors Private Limited are the Book Running Lead Managers of the Offer. They will be responsible for all co-ordination and other activities in relation to the issue. Hence, a statement of inter se allocation of responsibilities is as.

| Sr. No. | Activities | Responsibility | Coordinator |
|---------|--|------------------|------------------|
| 1. | Capital restructuring with the relative components and formalities such as type of instruments, etc. | SICSPL, FCAPL | FCAPL |
| 2. | Due diligence of the Company's operations/ management/ business plans/ legal, etc. Drafting and design of offer document and of statutory advertisement including memorandum containing salient features of the Prospectus. The Book Running Lead Managers shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock exchange, RoC and SEBI including finalization of the Prospectus and filing with the RoC. | FCAPL | FCAPL |
| 3. | Appointment of Registrar to the issue (RTA), bankers to the Issue, printers and other agencies to the Issue, etc. | SICSPL, FCAPL | FCAPL |
| 4. | Drafting and approval of all publicity material other than statutory advertisement as mentioned above including corporate advertisement, brochure, etc | SICSPL, FCAPL | SICSPL |
| 5. | Underwriting Obligations with respect to the Public Issue. The detailed terms and conditions will be governed though a separate Underwriting Agreement between SICSPL & FCAPL. | SICSPL, FCAPL | SICSPL |
| 6. | Appointment of intermediaries namely Underwriters, Market Makers, Bankers to the Offer, finalizing Issue Materials, advertising agency, including co-ordination for agreements. | SICSPL | SICSPL |
| 7. | Finalization of pricing in consultation with the Company and Selling Shareholders. | SICSPL, FCAPL | SICSPL, FCAPL |
| 8. | Preparation of road show presentation and frequently asked questions. | SICSPL, FCAPL | SICSPL |
| 9. | Coordination with Stock Exchanges for bidding terminals, mock trading, payment of 1% security deposit. | SICSPL, FCAPL | SICSPL |
| 10. | Post bidding activities including management of escrow accounts, coordinate non- institutional allocation, coordination | SICSPL | SICSPL |



| | | | |
|--|---|--|--|
| | with Registrar, SCSBs, Sponsor Banks and other Bankers to the Issue, intimation of allocation and dispatch of refund to Bidders, etc. Coordinating with Stock Exchanges and SEBI for submission of all post-Issue reports including the final post-Issue report to SEBI, release of 1% security deposit post closure of the Issue. | | |
|--|---|--|--|

EXPERT OPINION

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent dated December 29, 2023 from Peer Review Auditor namely, M/s Rajiv Mehrotra & Associates, Chartered Accountants (FRN: 002253C), and dated December 11, 2023 from Advocate Lalita Soam respectively, to include their name as an expert as defined under Section 2(38) of the Companies Act, read with Section 26(5) of the Companies Act 2013.

The Peer Review Auditor M/s Rajiv Mehrotra & Associates, Chartered Accountants has given their Audit report as included in this Draft Red Herring Prospectus, in relation to the Restated Financial Information dated December 29, 2023 and the statement of Special Tax Benefits dated December 29, 2023.

Further, Advocate Lalita Soam has given his legal due diligence report, as included in this Draft Red Herring Prospectus, in relation to the Outstanding Litigations and Material Developments dated February 06, 2024.

A fore mentioned consents have not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term - expert shall not be construed to mean an - expert as defined under the U.S. Securities Act. All the intermediaries including Merchant Banker has relied upon the appropriacy and authenticity of the same.

DEBENTURE TRUSTEE

Since this is not a debenture issue, appointment of debenture trustee is not required.

APPRAISAL AND MONITORING AGENCY

As the Offer is an offer for sale of Equity Shares by the Selling Shareholders, our Company is not required to appoint a monitoring agency in relation to the Offer.

BOOK BUILDING PROCESS

The book building, in the context of the Offer, refers to the process of collection of Bids on the basis of the Draft Red Herring Prospectus/ Red Herring Prospectus within the Price Band, which will be decided by our Company, in consultation with the BRLMs, and will be advertised in [●] editions of the English national newspaper, [●] editions of the Hindi national newspaper, Hindi also being Regional language where our Registered Office is located, each with wide circulation, at least two working days prior to the Bid/ Offer Opening Date. The issue price shall be finalized after the Bid/ Issue Closing Date. The principal parties involved in the Book Building Process are:

All Bidders (except Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. Pursuant to the UPI Circulars, Retail Individual Bidders may also participate in this Offer through



UPI in the ASBA process. 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/ Offer Period and withdraw their Bids until the Bid/ Offer Closing Date.

Each Bidder by submitting a Bid in Issue, will be deemed to have acknowledged the above restrictions and the terms of the Offer.

Our Company will comply with the SEBI ICDR Regulations and any other directions issued by SEBI in relation to this Issue. In this regard, our Company has appointed the BRLMs to manage this Issue and procure Bids for this Issue. The Book Building Process is in accordance with guidelines, rules and regulations prescribed by SEBI and are subject to change from time to time. Bidders are advised to make their own judgement about an investment through this process prior to submitting a Bid.

The process of Book Building is in accordance with the guidelines, rules and regulations prescribed by SEBI under the SEBI ICDR Regulations and the Bidding Processes are subject to change from time to time. Investors are advised to make their own judgment about investment through this process prior to submitting a Bid in this Offer.

Bidders should note that this Offer is also subject to obtaining (i) final approval of the RoC after the Prospectus is filed with the RoC; and (ii) final listing and trading approvals from the Stock Exchanges, which our Company shall apply for after Allotment.

For further details, please refer to the chapters titled “Offer Structure” and “Offer Procedure” beginning on pages 320 and 282, respectively of this Draft Red Herring Prospectus.

ILLUSTRATION OF BOOK BUILDING PROCESS AND THE PRICE DISCOVERY PROCESS

For an illustration of the Book Building Process and the price discovery process, please refer to the chapter titled “Offer Procedure” on page 282 of this Draft Red Herring Prospectus.

UNDERWRITING AGREEMENT

Our Company and BRLMs to the offer hereby confirm that the offer is 100% Underwritten. The Underwriting agreement is dated February 07, 2024. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters 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 Offer:

| Name, Address, Telephone, Fax, and Email of the Underwriters | Indicative No. of Equity Shares Underwritten* | Amount Underwritten (₹ In Lakh) | % of the Total Offer Size Underwritten |
|---|--|--|---|
| Share India Capital Services Private Limited Address: A-15, Sector-64, Noida – 201301, Uttar Pradesh, India Tel: +91 0120-4910000; | 5091840 | [●] | 85.00% |



| | | | |
|--|--------|-----|--------|
| Email: anand.srivastava@shareindia.co.in Investor Grievance ID: info@shareindia.com Website: www.shareindia.com SEBI Registration: INM000012537 CIN: U65923UP2016PTC075987 Contact Person: Mr. Anand Srivastava | | | |
| Fintellectual Corporate Advisors Private Limited Address: 204, Kanishka Shopping Complex, Mayur Vihar, Phase 1, Extension, Delhi – 110091 Telephone Number: +91-11-48016991 E-mail: info@fintellectualadvisors.com Investor Grievance E-mail: investors@fintellectualadvisors.com Website : www.fintellectualadvisors.com SEBI Registration No.: INM000012944 CIN: U74999DL2021PTC377748 Contact Person: Mr. Amit Puri/ Mr. Pramod Negi | 898560 | [●] | 15.00% |

**Includes 342400 Equity shares 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, 2018, as amended.*

In the opinion of our Board of Directors of the Company, the resources of the abovementioned Underwriters is sufficient to enable them to discharge the underwriting obligations in full. The above-mentioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges.

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

The Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus shall be filed on BSE SME situated at 25th Floor, Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001, Maharashtra, India

A Draft Red Herring Prospectus will not be filed with SEBI nor SEBI will issue any observation on it in terms of Regulation 246(2) of the SEBI (ICDR) Regulations, 2018. Pursuant to Regulation 246(5) of SEBI (ICDR) Regulations, 2018 and SEBI Circular Number SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018, a copy of Prospectus will be filed online through SEBI Intermediary Portal at <https://siportal.sebi.gov.in>.

A copy of Red Herring Prospectus/Prospectus will be available on website of the company www.gemrecycling.com, Book Running Lead Managers www.shareindia.com, www.fintellectualadvisors.com and stock exchange www.bseindia.com.

A copy of the Red Herring Prospectus and Prospectus along with the documents required to be filed under Section 26 read with Section 32 of the Companies Act will be delivered to the Registrar of Companies, at least (3) three working days prior from the date of opening of the Issue.

WITHDRAWAL OF THE OFFER



Our Company in consultation with the Book Running Lead Managers, reserves the right not to proceed with the Offer at any time after the Bid/ Offer Opening Date but before the Board meeting for Allotment. In such an event, our Company would issue a public notice in the newspapers, in which the pre-Issue advertisements were published, within two (2) days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The Book Running Lead Managers, through the Registrar to the Offer, shall notify the SCSBs to unblock the bank accounts of the ASBA Applicants within one (1) day of receipt of such notification. Our Company shall also promptly inform BSE SME on which the Equity Shares were proposed to be listed. Notwithstanding the foregoing, the Issue is also subject to obtaining the final listing and trading approvals from BSE SME, which our Company shall apply for after Allotment. If our Company withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an IPO, our Company shall be required to file a fresh Draft Red Herring Prospectus.

DETAILS OF THE MARKET MAKING ARRANGEMENT FOR THIS OFFER

Our Company and the BRLMs have entered into a tripartite agreement dated February 07, 2024 with Share India Securities Limited the Market Maker for this Issue, duly registered with BSE SME to fulfill the obligations of Market Making:

The Market Maker shall full fill the applicable obligations and conditions as specified in the SEBI (ICDR) Regulations, and its amendments from time to time and the circulars issued by the BSE and SEBI regarding this matter from time to time. Following is a summary of the key details pertaining to the Market Making arrangement:

1. The Market Maker 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.
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 BSE Limited and SEBI from time to time.
3. In terms of SEBI Circular No. CIR/MRD/DSA/31/2012 dated November 27, 2012 the Market Maker shall be exempt from providing buy quote on attaining the prescribed threshold limits (including the mandatory allotment of 5% of Equity Shares of the Issue). Further, the Market Maker can offer buy quotes only after the Market Maker complies with prescribed re-entry threshold limits. Only those Equity Shares which have been acquired by the Market Maker on the platform of the SME Exchange during market making process shall be counted towards the Market Maker's threshold. The Market Maker shall be required to provide two way quotes during the first three months of the market making irrespective of the level of holding.
4. 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 sells his entire holding in that scrip in one lot along with a declaration to the effect to the selling broker.
5. There shall be no exemption/ threshold on downside. However, in the event the Market Maker exhausts its inventory through market making process, the concerned Stock Exchange may intimate the same to SEBI after due verification.
6. The Market Maker shall not selling lots less than the minimum contract size allowed for trading on the SME Platform of BSE and the same may be changed by the SME Platform of BSE from time to time.



7. Execution of the order at the quoted price and quantity must be guaranteed by the Market Maker(s), for the quotes given by them.
8. The shares of the Company will be traded in continuous trading session from the time and day the Company gets listed on SME Platform of BSE and market maker will remain present as per the guidelines mentioned under BSE and SEBI circulars.
9. The Market Maker shall start providing quotes from the day of the listing/ the day when designated as the Market Maker for their respective scrip and shall be subject to the guidelines laid down for market making by the SME Exchange.
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. Market Maker shall not buy the Equity Shares from the Promoters or Persons belonging to promoter group of GEM Enviro Management Limited or any person who has acquired shares from such promoter or person belonging to promoter group, during the compulsory market making period.
12. The Promoters' holding in GEM Enviro Management Limited Equity Shares shall not be eligible for offering to the Market Maker during the Compulsory Market Making Period. However, the promoters' holding in GEM Enviro Management Limited which is not locked-in as per the SEBI (ICDR) Regulations, as amended, can be traded with prior permission of the SME Platform of BSE, and in the manner specified by SEBI from time to time.
13. The Market Maker shall not be responsible to maintain the price of the Equity Shares of the Company at any particular level and is purely supposed to facilitate liquidity on the counter of GEM Enviro Management Limited via its 2-way quotes. The price of the Equity Shares shall be determined and be subject to market forces.

The Market Maker shall be allowed to terminate this Agreement by giving a written notice to BRLMs, two months prior to the date from which he wishes to discontinue his services. Provided however that, if BRLMs agrees to the same, the notice period may be reduced in order to provide mutual comfort. Provided further that, the Market Maker may be replaced with a successor Market Maker, which is acceptable to BSE, BRLMs and the Issuer Company from time to time.

In case of termination of the agreement prior to the completion of the compulsory Market Making period, it shall be the responsibility of BRLMs to arrange another Market Maker in replacement during the term of the notice period being served by the current Market Maker (i.e. Share India Securities Limited) 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. In such a case, revised agreement like this one shall have to be entered into and this too shall be the responsibility of BRLMs. However, certain terms and conditions may be modified on mutual consent of the Issuer Company and the Book Running Lead Managers, subject to such modifications being legal and allowed under the then applicable laws, rules and regulations.

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.



14. **Risk containment measures and monitoring for Market Makers:** SME Platform of BSE will have all margins which are applicable on the BSE Main Board viz., Mark-to-Market, Value- At-Risk (VAR) Margin, Extreme Loss Margin, Special Margins and Base Minimum Capital etc. BSE can impose any other margins as deemed necessary from time-to-time.
15. **Punitive Action in case of default by Market Maker:** SME Platform of BSE will monitor the obligations on a real 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 Makers, 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(s) 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.

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 Makers from time to time.

Price Band and Spreads: Pursuant to SEBI Circular number CIR/MRD/DSA/31/2012 dated November 27, 2012, limits on the upper side for Markets 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 of 5% of the Issue Size) | Re-Entry threshold for buyquote (including mandatory initial inventory of 5% of the Issue Size) |
|------------------------------|---|---|
| Up to Rs. 20 Crore | 25% | 24% |
| Rs. 20 Crore to Rs. 50 Crore | 20% | 19% |
| Rs. 50 Crore To Rs. 80 Crore | 15% | 14% |
| Above Rs. 80 Crore | 12% | 11% |

The Marketing 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/BSE from time to time.

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.

GREEN SHOE OPTION

The option of allotting equity shares in excess of the equity shares offered in the public offer is not exercised by the company. Therefore, green shoe option is not exercised by the Company.

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CAPITAL STRUCTURE

(₹ in lakhs except share data)

| Sr. No. | Particulars | Aggregate Value at Face Value | Aggregate Value at Issue Price |
|-----------|--|-------------------------------|--------------------------------|
| A. | Authorised Share Capital | 1,500.00 | - |
| | 3,00,00,000 Equity Shares of face value of ₹ 5/- each | | |
| B. | Issued, Subscribed and Paid-Up Share Capital Before the Issue | 1,052.64 | - |
| | 2,10,52,800 fully paid- up Equity Shares of face value of ₹ 5/- each | | |
| C. | Present Offer in terms of this Draft Red Herring Prospectus | 299.52 | [●] |
| | Upto 59,90,400 Equity Shares of face value of ₹ 5/- each at an Offer Price of ₹ [●] per Equity Share | | |
| | consisting of: | | |
| | (a) Fresh Issue of 14,97,600 equity shares of face value of ₹ 5/- each at a premium of ₹ [●]/- per share | 74.88 | [●] |
| | (b) Offer for Sale of 44,92,800 Equity Shares of face value of ₹ 5/- each at a premium of ₹ [●]/- per share | 224.64 | [●] |
| | Of which: | | |
| I | Reservation for Market Maker Portion - 3,42,400 Equity shares of ₹ 5/- each at an Offer Price of ₹ [●] per Equity Share reserved as Market Maker Portion | 17.12 | [●] |
| II | Net Offer to Public of 56,48,000 Equity Shares of ₹ 5/- each at an Offer Price of ₹ [●] per Equity Share to the Public | 282.4 | [●] |
| | Of which: | | |
| I | Allocation to Qualified Institutional Buyer – [●] Equity Shares of face value of ₹ 5/- each at a Offer Price of ₹ [●] per Equity Share | [●] | [●] |
| | Of which: | [●] | [●] |
| | (a) Anchor Investor Portion- Upto [●] Equity Shares of face value of ₹ 5/- each fully paid-up for cash at Offer Price of ₹ [●] /- per Equity Share aggregating to ₹ [●] Lakhs | [●] | [●] |
| | (b) Net QIB Portion (assuming the anchor Investor Portion is fully subscribed)- Upto [●] Equity Shares of face value of ₹ 5/- each fully paid-up for cash at Offer Price of ₹ [●] /- per Equity Share aggregating to ₹ [●] Lakhs | [●] | [●] |
| | Of which: | | |
| | (i) Available for allocation to Mutual Funds only (5% of the Net QIB Portion)- Upto [●] Equity Shares of face value of ₹ 5/- each fully paid-up for cash at Offer Price of ₹ [●] /- per Equity Share aggregating to ₹ [●] Lakhs | [●] | [●] |
| | (ii) Balance of QIB Portion for all QIBs including Mutual Funds- Upto [●] Equity Shares of face value of ₹ 5/- each fully paid-up for cash at Offer Price of ₹ [●] /- per Equity Share aggregating to ₹ [●] Lakhs | [●] | [●] |
| II | Allocation to Retail Individual Investors – [●] Equity Shares of ₹ 5/- each at an Offer Price of ₹ [●] | [●] | [●] |



| | | | |
|------------|---|-----|----------|
| | /- per Equity Share shall be available for allocation for Investors applying for a value of up to ₹ 2.00 Lakhs | | |
| III | Allocation to Non-Institutional Investors – [●] Equity Shares of ₹ 5/- each at Offer Price of ₹ [●] /- per Equity Share shall be available for allocation for Investors applying for a value of above ₹ 2.00 Lakhs. | [●] | [●] |
| D. | Issued, Subscribed and Paid-up Share Capital after the Issue | | |
| | 2,25,50,400 Equity Shares of ₹ 5/- each | | 1,127.52 |
| E. | Securities Premium Account | | |
| | Before the Issue | | Nil |
| | After the Issue | | [●] |

The present offer has been authorized by our Board of Directors vide a resolution passed at its meeting held on December 06, 2023 and December 27, 2023, and by Special Resolution passed under Section 62(1)(C) of the Companies Act, 2013 at the EGM of our shareholders held on December 08, 2023 and December 28, 2023.

Our Company has only one class of share capital i.e., Equity Shares of the face value of ₹ 5/- each only.

CLASS OF SHARES

The Company has only one class of share capital i.e. Equity Shares of face value of ₹ 5/- each only. All Equity Shares issued are fully paid-up. Our Company has no outstanding convertible instruments as on the date of this Draft Red Herring Prospectus.

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NOTES TO THE CAPITAL STRUCTURE:

1. History of Changes in Authorized Equity Share Capital of our Company:

Since the incorporation of our Company, the Authorized share capital of our Company has been altered in the manner set forth below:

| Sr. No. | Particulars of Increase | No. of Shares | Cumulative No. of Shares | Cumulative Authorised Share Capital (in ₹) | Date | Whether AGM/ EGM |
|---------|--|---------------|--------------------------|--|-------------------|------------------|
| 1 | On Incorporation* | 10,000 | 10000 | 100,000 | On Incorporation | NA |
| 2 | Increase in authorized equity share capital from ₹ 1.00 lakhs to ₹ 25.00 lakhs of face value of ₹ 10.00 each | 2,40,000 | 250,000 | 25,00,000 | March 27, 2014 | EGM |
| 3 | Increase in authorized equity share capital from ₹ 25.00 lakhs to ₹ 40.00 lakhs of face value of ₹ 10.00 each | 1,50,000 | 4,00,000 | 40,00,000 | March 01, 2018 | EGM |
| 4 | Sub-division of face value from ₹ 10.00 to ₹ 5.00 | 4,00,000 | 8,00,000 | 40,00,000 | August 31, 2023 | AGM |
| 5 | Increase in authorized equity share capital from ₹ 40.00 lakhs to ₹ 750.00 lakhs of face value of ₹ 5.00 each | 1,42,00,000 | 1,50,00,000 | 7,50,00,000 | August 31, 2023 | AGM |
| 6 | Increase in the authorized equity share capital from ₹ 750.00 lakhs to ₹ 1,500.00 lakh of face value of ₹ 5/- each | 1,50,00,000 | 3,00,00,000 | 15,00,00,000 | November 01, 2023 | EGM |

*The date of incorporation of our Company is February 01, 2013.

2. History of Paid-Up Equity Share Capital of our Company:

| Date of Allotment of the Equity shares | No. of Equity Shares Allotted | Face Value (in ₹) | Issue Price (in ₹) | Nature of Allotment | Nature of Consideration | Cumulative No. of Shares | Cumulative Paid-up Capital (in ₹ lakh) | Cumulative security |
|--|-------------------------------|-------------------|--------------------|---------------------|-------------------------|--------------------------|--|---------------------|
|--|-------------------------------|-------------------|--------------------|---------------------|-------------------------|--------------------------|--|---------------------|



| | | | | | | | | premium (in ₹) |
|--------------------|--|----|-----|------------------------------------|-----------------|-------------|----------|-------------------|
| On Incorporation | 10,000 | 10 | 10 | Subscription to MOA ⁽¹⁾ | Cash | 10,000 | 1.00 | Nil |
| March 30, 2014 | 1,00,000 | 10 | 10 | Further Allotment ⁽²⁾ | Cash | 1,10,000 | 11.00 | Nil |
| April, 04, 2018 | 2,50,000 | 10 | 28 | Further Allotment ⁽³⁾ | Cash | 3,60,000 | 36.00 | 45.00 |
| September 27, 2022 | 50,400 | 10 | 479 | Buy Back ⁽⁴⁾ | Cash | 3,09,600 | 30.96 | Nil |
| August 31, 2023 | Pursuant to a shareholders' resolution dated August 31, 2023, 4,00,000 equity shares (authorised share capital) of face value of ₹ 10 each was split into 8,00,000 Equity Shares of face value of ₹ 5 each. Accordingly, 3,09,600 paid-up equity shares of face value of ₹ 10 each were split into 6,19,200 Equity Shares of face value of ₹ 5 each. | | | | | | | |
| September 30, 2023 | 99,07,200 | 5 | Nil | Bonus Issue ⁽⁵⁾ | Other than cash | 1,05,26,400 | 526.32 | Nil |
| December 27, 2023 | 1,05,26,400 | 5 | Nil | Bonus Issue ⁽⁶⁾ | Other than cash | 2,10,52,800 | 1,052.64 | Nil |

- (1) Initial Subscribers to Memorandum of Association held Equity Shares each of face value of ₹ 10/- fully paid up as per the details given below:

| Sr. No. | Name of Person | No. of Shares Allotted |
|---------|-------------------------|------------------------|
| 1 | Mr. Dinesh Pareekh | 5,000 |
| 2 | Mr. Bajrang Lal Pareekh | 5,000 |
| | Total | 10,000 |

- (2) The Company allotted Equity Shares of face value of ₹ 10/- each at par as per the details given below:

| Sr. No. | Name of Person | No. of Shares Allotted |
|---------|-----------------------|------------------------|
| 1 | Mr. Sachin Sharma | 10,000 |
| 2 | Mrs. Sangeeta Pareekh | 40,000 |
| 3 | Mr. Gopal Agarwal | 50,000 |
| | Total | 1,00,000 |

- (3) The Company allotted Equity Shares of face value of ₹ 10/- each at par as per the details given below:

| Sr. No. | Name of Person | No. of Shares Allotted |
|---------|-------------------------------------|------------------------|
| 1 | Mr. Sachin Sharma | 80,000 |
| 2 | Mrs. Priti Agarwal | 40,000 |
| 3 | BLP Equity Research Private Limited | 1,30,000 |
| | Total | 2,50,000 |

- (4) The Company buy back Equity Shares of face value of ₹ 10/- each at an offer price of ₹ 479/- each as per the details given below:

| Sr. No. | Name of Person | No. of Shares Allotted |
|---------|----------------|------------------------|
|---------|----------------|------------------------|



| | | |
|---|-------------------------------------|---------------|
| 1 | Mr. Sachin Sharma | 12,600 |
| 2 | Mr. Sarthak Agarwal | 12,600 |
| 3 | BLP Equity Research Private Limited | 25,200 |
| | Total | 50,400 |

(5) The Company allotted Equity Shares of face value of ₹ 5/- each at par as per the details given below:

| Sr. No. | Name of Person | No. of Shares Allotted |
|---------|--|------------------------|
| 1 | Mr. Bajrang Lal Pareekh & Dinesh Pareekh | 160,000 |
| 2 | Mr. Dinesh Pareekh | 160,000 |
| 3 | Mr. Sarthak Agarwal | 24,76,800 |
| 4 | Mr. Sachin Sharma | 21,56,800 |
| 5 | Mr. Sangeeta Pareekh | 12,80,000 |
| 6 | BLP Equity Research Private Limited | 33,53,600 |
| 7 | Mrs. Poonam | 320,000 |
| | Total | 99,07,200 |

(6) The Company allotted Equity Shares of face value of ₹ 5/- each at par as per the details given below:

| Sr. No. | Name of Person | No. of Shares Allotted |
|---------|-------------------------------------|------------------------|
| 1 | Mr. Dinesh Pareekh | 3,40,000 |
| 2 | Mr. Sarthak Agarwal | 26,31,600 |
| 3 | Mr. Sachin Sharma | 22,91,500 |
| 4 | Mr. Sangeeta Pareekh | 13,60,000 |
| 5 | BLP Equity Research Private Limited | 35,63,200 |
| 6 | Mrs. Poonam | 3,40,000 |
| 7 | Mrs. Pushp Lata Sharma | 100 |
| | Total | 1,05,26,400 |

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3. Shareholding of the Promoters of our Company

As on the date of the Draft Red Herring Prospectus, our Promoters – Mr. Sachin Sharma, Mrs. Sangeeta Pareekh, Mr. Dinesh Pareekh, Mr. Sarthak Agarwal and BLP Equity Research Private Limited hold total 2,03,72,600 Equity Shares representing 96.77% of the pre-issue paid up share capital of our Company.

Details of build-up of shareholding of the Promoters

| Date of Allotment/ Transfer | Nature of Transaction/ Issue | Face Value per equity share (In ₹) | Issue/ Transfer price per share (In ₹) | No. of Equity Shares | Consideration | % of pre issue capital | Name of the transferor/ transferee | No. of shares pledged | % of shares pledged |
|--------------------------------|---------------------------------|--|--|----------------------------|-----------------|------------------------------|--|-----------------------------|---------------------------|
| Mr. Sachin Sharma | | | | | | | | | |
| March 30,2014 | Further Allotment | 10 | 10 | 10,000 | Cash | 0.05% | - | - | - |
| April 04,2018 | Right Issue | 10 | 28 | 80,000 | Cash | 0.38% | - | - | - |
| September 27, 2022 | Buy Back | 10 | 479 | (12600) | Cash | (0.06%) | - | - | - |
| July 15,2023 | Gift | 10 | NA | (10,000) | NA | (0.05%) | Transferee: Mrs. Poonam | - | - |
| August 31,2023 | Sub-division | 5 | NA | 67,400 | NA | 0.32% | - | - | - |
| September 30,2023 | Bonus Shares | 5 | NA | 21,56,800 | Other than Cash | 10.24% | - | - | - |
| November 22,2023 | Transfer | 5 | NA | (100) | | 0.00% | Transferee: Mrs. Pushp Lata Sharma | - | - |
| December 27, 2023 | Bonus shares | 5 | NA | 22,91,500 | Other than Cash | 10.88% | - | - | - |
| Total | | | | 45,83,000 | | 21.77% | | - | - |
| Mr. Dinesh Pareekh | | | | | | | | | |
| February 01, 2013 | Subscription to MOA | 10 | 10 | 5,000 | Cash | 0.02% | - | - | - |
| November 08, 2013 | Transfer* | 10 | 10 | (100) | Cash | 0.00% | Transferee: Hitender Singh Hada | - | - |
| February 01,2022 | Transfer | 10 | 10 | 100 | Cash | 0.00% | Transferor: Hitender Singh Hada | - | - |
| August 31, 2023 | Sub-division | 5 | NA | 5,000 | NA | 0.02% | - | - | - |
| September 30, 2023 | Bonus Shares | 5 | NA | 1,60,000 | NA | 0.76% | - | - | - |
| November 28, 2023 | Transmission | 5 | NA | 1,70,000 | NA | 0.81% | - | - | - |
| December 27, 2023 | Bonus Shares | 5 | NA | 3,40,000 | NA | 1.61% | - | - | - |
| Total | | | | 6,80,000 | | 3.23% | | - | - |
| Mrs. Sangeeta Pareekh | | | | | | | | | |
| March 30, 2014 | Allotment | 10 | 10 | 40,000 | Cash | 0.19% | - | - | - |
| August 31,2023 | Subdivision | 5 | NA | 40,000 | NA | 0.19% | - | - | - |
| September 30, 2023 | Bonus Issue | 5 | NA | 12,80,000 | Other than Cash | 6.08% | - | - | - |
| December 27, 2023 | Bonus shares | 5 | NA | 13,60,000 | Other than Cash | 6.46% | - | - | - |
| Total | | | | 27,20,000 | | 12.92% | | - | - |



| Mr. Sarthak Agarwal | | | | | | | | | |
|--|--------------|----|-----|------------------|-----------------|---------------|---------------------------|---|---|
| February 01, 2022 | Gift | 10 | NA | 50,000 | NA | 0.24% | Transferor: Gopal Agarwal | - | - |
| February 01, 2022 | Transmission | 10 | NA | 40,000 | NA | 0.19% | Priti Agarwal | - | - |
| September 27, 2022 | Buy Back | 10 | 479 | -12,600 | Cash | (0.06%) | - | - | - |
| August 31, 2023 | Subdivision | 5 | NA | 77,400 | NA | 0.37% | - | - | - |
| September 30, 2023 | Bonus Shares | 5 | NA | 24,76,800 | Other than Cash | 11.76% | - | - | - |
| December 27, 2023 | Bonus Shares | 5 | NA | 26,31,600 | Other than Cash | 12.50% | - | - | - |
| Total | | | | 52,63,200 | | | | | |
| BLP Equity Research Private Limited | | | | | | | | | |
| April 04, 2018 | Right Issue | 10 | 28 | 1,30,000 | Cash | 0.62% | - | - | - |
| September 27, 2022 | Buy Back | 10 | 479 | (25,200) | Cash | (0.12%) | - | - | - |
| August 30, 2023 | Subdivision | 5 | NA | 1,04,800 | NA | 0.50% | - | - | - |
| September 30, 2023 | Bonus Shares | 5 | NA | 33,53,600 | Other than Cash | 15.93% | - | - | - |
| December 27, 2023 | Bonus shares | 5 | NA | 35,63,200 | Other than cash | 16.93% | - | - | - |
| Total | | | | 71,26,400 | | 33.85% | | | |

1. All the Equity Shares held by our Promoters are fully paid-up and none of the Equity Shares held by our Promoters are under pledged.
2. *The share transfer form and supporting documents in respect of shares transfer from Mr. Dinesh Pareekh to Mr. Hitender Singh Hada are not in the records of the Company.

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4. Our shareholding pattern

i. The table below represents the shareholding pattern of our Company as per Regulation 31 of the SEBI (LODR) Regulations, 2015, as on the date of this Draft Red Herring Prospectus:

| Category Code | Category of shareholder | No. of share holder | No. of fully paid-up equity shares held | No. of Partly paid-up equity shares held | No. of underlying Depository Receipts | Total no. of shares held | Shareholding as a % of total no. of shares (calculated as per SCRA, 1957) As a % of (A+B+C2) | Number of Voting Rights held in each class of securities* | | | | No. of shares underlying Outstanding Convertible Securities (including warrants) | Shareholding as a % assuming full conversion of convertible securities (as a % of diluted share capital) As a % of (A+B+C2) | No. of locked-in shares | | No. of shares held or otherwise encumbered | | Number of shares held in dematerialized form |
|---------------|--------------------------------|---------------------|---|--|---------------------------------------|--------------------------|--|---|----------|-------------------------|---------------|--|---|---------------------------|----------|--|----------|--|
| | | | | | | | | No. of Voting Rights | | Total as a % of (A+B+C) | No. (a) | | | As a % of shares held (b) | No. (a) | As a % of shares held (b) | | |
| | | | | | | | | Class X | Class Y | | | | | | | | Total | |
| I | II | III | IV | V | VI | VII=IV+V+VI | VIII | IX | | | | X | XI=VII+X | XII | | XIII | | XIV |
| (A) | Promoters and Promoter Group | 7 | 2,10,52,800 | - | - | 2,10,52,800 | 100.00 | 2,10,52,800 | - | 2,10,52,800 | 100.00 | - | 100.00 | - | - | - | - | 2,10,52,800 |
| (B) | Public | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| I | Non-Promoter-Non Public | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (1) | Shares underlying DRs | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (2) | Shares held by Employee Trusts | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | Total | 7 | 2,10,52,800 | - | - | 2,10,52,800 | 100.00 | 2,10,52,800 | - | 2,10,52,800 | 100.00 | - | 100.00 | - | - | - | - | 2,10,52,800 |

*As on the date of this Draft Red Herring Prospectus 1 Equity Shares holds 1 vote.



I. Shareholding Pattern of Promoters and Promoter Group

| S.No | Category & name of shareholder(I) | PAN (II) | No. of share holders (III) | No. of fully paid up equity shares held (IV) | No. of Partly paid up equity shares held (V) | No. of share underlying Depository unrealized (VI) | Total shares nos. held (VII) | Shareholding as a % of total no. of shares (calculate as per SCRR, 1957) As a % of (A+B+C2) | Number of Voting Rights held in each class of securities | | | 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) As a % of (A+B+C2) | Number of locked in Shares | Number of Shares pledged or otherwise encumbered | | Number of shares held in dematerialized form | |
|------|--|----------|----------------------------|--|--|--|------------------------------|---|--|-----------|--------------------|--|---|----------------------------|--|----------|--|---------------------------------|
| | | | | | | | | | No. of Voting Rights | | | | | | Total as a % of (A+B+C) | No. (a) | | As a % of total shares held (B) |
| | | | | | | | | | Class : X | Class : Y | Total | | | | | | | |
| (I) | (II) | (II) | (IV) | (V) | (VI) | (IV)+(V)+(VI) | (VIII) | (IX) | | | (X) | (XI)=(VII)+(X) | (XII) | (XIII) | (XI) | | | |
| (1) | Indian | | | | | | | | | | | | | | | | | |
| (a) | Individual/HUF | | 7 | | | | | | | | | | | | | | | |
| 1 | Sachin Sharma | - | 1 | 45,83,000 | - | - | 45,83,000 | 21.77 | 45,83,000 | - | 45,83,000 | 21.77 | - | 21.77 | - | - | - | 45,83,000 |
| 2 | Sangeeta Pareekh | - | 1 | 27,20,000 | - | - | 27,20,000 | 12.92 | 27,20,000 | - | 27,20,000 | 12.92 | - | 12.92 | - | - | - | 27,20,000 |
| 3 | BLP Equity Research Pvt. Ltd. | - | 1 | 71,26,400 | - | - | 71,26,400 | 33.85 | 71,26,400 | - | 71,26,400 | 33.85 | - | 33.85 | - | - | - | 71,26,400 |
| 4 | Dinesh Pareekh | - | 1 | 6,80,000 | - | - | 6,80,000 | 3.23 | 6,80,000 | - | 6,80,000 | 3.23 | - | 3.23 | - | - | - | 6,80,000 |
| 5 | Poonam | - | 1 | 6,80,000 | - | - | 6,80,000 | 3.23 | 6,80,000 | - | 6,80,000 | 3.23 | - | 3.23 | - | - | - | 6,80,000 |
| 6 | Sarthak Agarwal | - | 1 | 52,63,200 | - | - | 52,63,200 | 25.00 | 52,63,200 | - | 52,63,200 | 25.00 | - | 25.00 | - | - | - | 52,63,200 |
| 7 | Pushp Lata Sharma | - | 1 | 200 | - | - | 200 | 0.00 | 200 | - | 200 | 0.00 | - | 0.00 | - | - | - | 200 |
| (b) | Cen. Govt./ State Government(s) | | | | | | | | | | | | | | | | | |
| (c) | Financial Institutions/Banks | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (d) | Any other (Body Corporate) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (2) | Foreign | | | | | | | | | | | | | | | | | |
| (a) | Individual (NRI/ Foreign Individual) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (b) | Government | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| I | Institutions | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (d) | Foreign Portfolio Investor | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (f) | Any Other (specify) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | Sub- Total(A) (2) | | | | | | | | | | | | | | | | | |
| | Total Shareholding of Promoters and Promoter Group (A)=(A)(1) +(A)(2) | | 7 | 2,10,52,800 | - | - | 2,10,52,800 | 100.00 | 2,10,52,800 | - | 2,10,52,800 | 100.00 | - | 100.00 | - | - | - | 2,10,52,800 |



II. Shareholding Pattern of the Public shareholder

| S.No. | Category & Name of shareholder | PA N | No. of shareholders | No. of fully paid up equity shares held | No. of Partly paid up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held (VII) | Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) As a % of (A+B+C2) | Number of Voting Rights held in each class of securities | | | 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) As a % of (A+B+C 2) | Number of locked in Shares | | Number of Shares pledged or otherwise encumbered | | Number of shares held in dematerialized form | |
|-------|---|------|---------------------|---|--|--|------------------------------|--|--|---------|-------|--|--|----------------------------|---------|--|--------|--|---------------------------------|
| | | | | | | | | | No. of Voting Rights | | | | | 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) |
| | | | | | | | | | Class X | Class Y | Total | | | | | | | | |
| | (I) | (II) | (III) | (IV) | (V) | (VI) | (IV)+(V)+(VI) | (VIII) | (IX) | | | (X) | (XI)=(V+II)+(X) | (XII) | | (XIII) | | (XIV) | |
| (1) | Institutions | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| (a) | Mutual Funds | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| (b) | Venture Capital Funds | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| I | Alternate Investment Funds | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| (d) | Foreign Venture Capital Investors | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| I | Foreign Portfolio Investor | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| (f) | Financial Institutions/ Banks | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| (g) | Insurance Companies | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| (h) | Provident Funds/ Pension Funds | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| (i) | Any other (specify) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| | Sub-Total (B)(1) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| (2) | Central Government/State Government (s)/ President of India | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| | Sub-Total (B) (2) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| (3) | Non- Institutions | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| | Individuals- | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| (a) | i. Individual shareholders holding nominal share capital up to Rs. 2 lakh. | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| | ii. Individual shareholders holding nominal share capital in excess of Rs.2lakh | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| (b) | NBFCs registered with RBI | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| I | Employee Trusts | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| (d) | Overseas Depositories (holding DRs) (balancing figure) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| I | Any Other (specify) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| | Sub-Total (B)(3) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| | Total Public Shareholding (B)-(B)(1)+(B)(2)+(B)(3) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | |

III. Shareholding pattern of the Non Promoter- Non Public shareholder

| S. No | Category & name of shareholder | PAN | No. of shareholders | No. of fully paid up equity shares held | No. of Partly paid up equity shares held | No. of shares underlying Depository Receipts | Total nos. shares held | Shareholding as a % of total no. of shares of total no. of shares (calculate as per SCRR, 1957) As a % of (A+B+C2) | Number of Voting Rights held in each class of securities | | | | No. of Shares Under Outstanding convertible securities (including Warrants) | Total Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share Capital) As a % of (A+B+C2) | Number of locked in Shares | | Number of Shares pledged or otherwise encumbered | | Number of shares held in dematerialized form |
|-------|---|------|---------------------|---|--|--|-----------------------------|--|--|---------|-------|-------------------------------------|---|---|----------------------------|---------------------------------|--|--|--|
| | | | | | | | | | No. of Voting Rights | | | Total as a % of Total Voting rights | | | No. | As a % of total shares held (A) | No. (Not Applicable) | As a % of total shares held (Not Applicable) | |
| | | | | | | | | | Class X | Class Y | Total | | | | | | | | |
| | (I) | (II) | (III) | (IV) | (V) | (VI) | (VII)= (IV)+(V) +(VI) | (VIII) | (IX) | | | | (X) | (XI)=(V II)+(X) | (XII) | | (XIII) | | (XIV) |
| (1) | Custodian /DR Holder | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (a) | Name of DR Holder (if applicable) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| (2) | Employee Benefit Trust(Under SEBI (Share based Employee Benefit) Regulations, 2014) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | Total Non-Promoter – Non Public Shareholding I=I(1)+I(2) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

Note:

- In terms of SEBI circular bearing No. CIR/ISD/3/2011 dated June 17, 2011 and SEBI circular bearing No. SEBI/CIR/ISD/05/2011, dated September 30, 2011, the Equity Shares held by the Promoters/Promoters Group Entities and 50% of the Equity Shares held by the public shareholders, shall be dematerialized. Presently, all the existing equity shares of the Company are in dematerialized form.
- PAN of the Shareholders will be provided by our Company prior to Listing of Equity Share on the Stock Exchange.
- Our Company will file the shareholding pattern of our Company, in the form prescribed under Regulation 31 of the SEBI (LODR) Regulations, 2015, one day prior to the listing of the equity shares. The shareholding pattern will be uploaded on the website of BSE SME before commencement of trading of such Equity Shares.



5. As on the date of this Draft Red Herring Prospectus, there are no partly paid-up shares/outstanding convertible securities/warrants in our Company.
6. Following are the details of the holding of securities of persons belonging to the category Promoter and Promoter Group” and public before and after the Issue:

| Sr. 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 |
| Promoters | | | | | |
| 1. | Mr. Sachin Sharma | 45,83,000 | 21.77% | 34,59,800 | 15.34% |
| 2. | Mrs. Sangeeta Pareekh | 27,20,000 | 12.92% | 17,90,400 | 7.94% |
| 3. | Mr. Dinesh Pareekh | 6,80,000 | 3.23% | 6,80,000 | 3.02% |
| 4. | Mr. Sarthak Agarwal | 52,63,200 | 25.00% | 41,40,000 | 18.36% |
| 5. | BLP Equity Research Private Limited | 71,26,400 | 33.85% | 58,09,600 | 25.76% |
| Total- A | | 2,03,72,600 | 96.77% | 1,58,79,800 | 70.42% |
| Promoter Group | | | | | |
| 6. | Poonam | 6,80,000 | 3.23% | 6,80,000 | 3.02% |
| 7. | Pushp Lata Sharma | 200 | 0.00% | 200 | 0.00% |
| Total- B | | 6,80,200 | 3.23% | 6,80,200 | 3.02% |
| Public | | | | | |
| 8. | Existing Shareholders | - | - | - | 0.00% |
| 9. | IPO | - | - | 59,90,400 | 26.56% |
| Total- C | | - | - | 59,90,400 | 26.56% |
| Grand Total (A+B+C) | | 2,10,52,800 | 100.00% | 2,25,50,400 | 100.00% |

7. The average cost of acquisition of or subscription to Equity Shares by our Promoter is set forth in the table below:

| Name of the Promoter | No. of Shares held | Average Cost of Acquisition* (in ₹) |
|-------------------------------------|--------------------|-------------------------------------|
| Sachin Sharma | 45,83,000 | 0.41 |
| Sangeeta Pareekh | 27,20,000 | 0.15 |
| Dinesh Pareekh | 6,80,000 | 0.15 |
| Sarthak Agarwal | 52,63,200 | 0.24 |
| BLP Equity Research Private Limited | 71,26,400 | 0.41 |

Note: For buildup of capital, please refer note no. 3 above.

*As certified by M/s Rajiv Mehrotra & Associates, Chartered Accountants, Statutory Auditors, by way of their certificate dated December 29, 2023 bearing UDIN No. 24451408BKENYF3850.

8. Details of Major Shareholders:

- A. List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company as on date of this Draft Red Herring Prospectus:

| Sr. No. | Name of the Shareholders | No. of Shares | % of paid up capital |
|---------|--------------------------|---------------|----------------------|
| 1. | Sachin Sharma | 45,83,000 | 21.77% |
| 2. | Sangeeta Pareekh | 27,20,000 | 12.92% |



| | | | |
|---|-------------------------------------|-----------|--------|
| 3 | BLP Equity Research Private Limited | 71,26,400 | 33.85% |
| 4 | Dinesh Pareekh | 6,80,000 | 3.23% |
| 5 | Poonam | 6,80,000 | 3.23% |
| 6 | Sarthak Agarwal | 52,63,200 | 25.00% |

B. List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company as on date ten days prior to the date of the Draft Red Herring Prospectus:

| Sr. No. | Name of the Shareholders | No. of Shares | % of paid up capital |
|---------|-------------------------------------|---------------|----------------------|
| 1. | Sachin Sharma | 45,83,000 | 21.77% |
| 2. | Sangeeta Pareekh | 27,20,000 | 12.92% |
| 3 | BLP Equity Research Private Limited | 71,26,400 | 33.85% |
| 4 | Dinesh Pareekh | 6,80,000 | 3.23% |
| 5 | Poonam | 6,80,000 | 3.23% |
| 6 | Sarthak Agarwal | 52,63,200 | 25.00% |

C. List of Shareholders holding 1.00% or more of the Paid-up Capital of the Company as on date one year prior to the date of the Draft Red Herring Prospectus:

| Sr. No. | Name of the Shareholders | No. of Shares | % of paid up capital |
|---------|--------------------------------------|---------------|----------------------|
| 1. | Sachin Sharma | 77,400 | 25.00% |
| 2. | Sangeeta Pareekh | 40,000 | 12.92% |
| 3. | BLP Equity Research Private Limited | 104,800 | 33.85% |
| 4. | Dinesh Pareekh | 5,000 | 1.61% |
| 5. | Bajrang Lal Pareekh & Dinesh Pareekh | 5,000 | 1.61% |
| 6. | Sarthak Agarwal | 77,400 | 25.00% |

D. The Company has not issued any convertible instruments like warrants, debentures etc. since its incorporation and there are no outstanding convertible instruments as on date of this Draft Red Herring Prospectus.

E. Our Company has not issued any Equity Shares out of revaluation reserve or reserves without accrual of cash resources.

F. Our Company has not issued any Equity Shares during a period of one year preceding the date of this Draft Red Herring Prospectus at a price lower than the Issue Price, except the following:

| Sr. No. | Name of Person | Nos. of shares allotted | Face Value (in ₹) | Issue Price (in ₹) | Date of Allotment | Reason for Allotment | Benefit occurred to Issue |
|---------|-------------------------------------|-------------------------|-------------------|--------------------|-------------------|----------------------|---------------------------|
| 1. | Sachin Sharma | 21,56,800 | 5 | Nil | 30.09.2023 | Bonus Issue | Capitalisation of Reserve |
| 2. | Sangeeta Pareekh | 12,80,000 | 5 | Nil | 30.09.2023 | Bonus Issue | |
| 3. | BLP Equity Research Private Limited | 33,53,600 | 5 | Nil | 30.09.2023 | Bonus Issue | |
| 4. | Dinesh Pareekh | 1,60,000 | 5 | Nil | 30.09.2023 | Bonus Issue | |
| 5. | Poonam | 3,20,000 | 5 | Nil | 30.09.2023 | Bonus Issue | |
| 6. | Sarthak Agarwal | 24,76,800 | 5 | Nil | 30.09.2023 | Bonus Issue | |



| | | | | | | |
|----|--------------------------------------|------------------|---|-----|------------|-------------|
| 7. | Bajrang Lal Pareekh & Dinesh Pareekh | 1,60,000 | 5 | Nil | 30.09.2023 | Bonus Issue |
| | Total | 99,07,200 | | | | |

| Sr. No. | Name of Person | Nos. of shares allotted | Face Value (in ₹) | Issue Price (in ₹) | Date of Allotment | Reason for Allotment | Benefit occurred to Issue |
|---------|-------------------------------------|-------------------------|-------------------|--------------------|-------------------|----------------------|---------------------------|
| 1. | Sachin Sharma | 22,91,500 | 5 | Nil | 27.12.2023 | Bonus Issue | Capitalisation of Reserve |
| 2. | Sangeeta Pareekh | 13,60,000 | 5 | Nil | 27.12.2023 | Bonus Issue | |
| 3. | BLP Equity Research Private Limited | 35,63,200 | 5 | Nil | 27.12.2023 | Bonus Issue | |
| 4. | Dinesh Pareekh | 3,40,000 | 5 | Nil | 27.12.2023 | Bonus Issue | |
| 5. | Poonam | 3,40,000 | 5 | Nil | 27.12.2023 | Bonus Issue | |
| 6. | Sarthak Agarwal | 26,31,600 | 5 | Nil | 27.12.2023 | Bonus Issue | |
| 7. | Pushp Lata Sharma | 100 | 5 | Nil | 27.12.2023 | Bonus Issue | |
| | Total | 1,05,26,400 | | | | | |

G. 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 this Draft Red Herring Prospectus until the Equity Shares have been listed. Further, our Company presently does not have any intention or proposal to alter our capital structure for a period of six months from the date of opening of this 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 otherwise, except that if we enter into acquisition(s) or joint venture(s), we may consider additional capital to fund such activities or to use Equity Shares as a currency for acquisition or participation in such joint ventures.

H. We have 7 (Seven) shareholders as on the date of filing of this Draft Red Herring Prospectus.

I. As on the date of this Draft Red Herring Prospectus, our Promoter and Promoters Group hold total 2,10,52,800 Equity Shares representing 100.00% of the pre-issue paid up share capital of our Company.

J. Except as provided below, none of our Promoters, their relatives and associates, persons in Promoter Group or the directors of the Company which is a promoter of the Company and/or the Directors of the Company have purchased or sold any securities of our Company during the past six months immediately preceding the date of filing this Draft Red Herring Prospectus.

| Date of Allotment/ Transfer | Name of Shareholders | Nos. of Equity Share | % of Pre Issue Capital | Subscribed/ Acquire/ Transfer | Category of Allottees (Promoters/ Promoter Group/ Director) |
|-----------------------------|----------------------|----------------------|------------------------|--|---|
| September 30, 2023 | Sachin Sharma | 21,56,800 | 10.24% | Allotment of Bonus Shares in the ratio of 16:1 | Promoter |
| | Sangeeta Pareekh | 12,80,000 | 6.08% | | Promoter |



| | | | | |
|--|--------------------------------------|-----------|--------|----------------|
| | BLP Equity Research Private Limited | 33,53,600 | 15.93% | Promoter |
| | Dinesh Pareekh | 1,60,000 | 0.76% | Promoter |
| | Poonam | 3,20,000 | 1.52% | Promoter Group |
| | Sarthak Agarwal | 24,76,800 | 11.76% | Promoter |
| | Bajrang Lal Pareekh & Dinesh Pareekh | 1,60,000 | 0.76% | Promoter |

| Date of Allotment/ Transfer | Name of Shareholders | Nos. of Equity Share | % of Pre Issue Capital | Subscribed/ Acquire/ Transfer | Category of Allottees (Promoters/ Promoter Group/ Director) |
|-----------------------------|-------------------------------------|----------------------|------------------------|---|---|
| December 27, 2023 | Sachin Sharma | 22,91,500 | 10.88% | Allotment of Bonus Shares in the ratio of 1:1 | Promoter |
| | Sangeeta Pareekh | 13,60,000 | 6.46% | | Promoter |
| | BLP Equity Research Private Limited | 35,63,200 | 16.93% | | Promoter |
| | Dinesh Pareekh | 3,40,000 | 1.61% | | Promoter |
| | Poonam | 3,40,000 | 1.61% | | Promoter Group |
| | Sarthak Agarwal | 26,31,600 | 12.50% | | Promoter |
| | Pushp Lata Sharma | 100 | 0.00% | | Promoter Group |

- K. The members of the Promoters 'Group, our Directors and the relatives of our Directors have not financed the purchase by any other person of securities of our Company, other than in the normal course of the business of the financing entity, during the six months immediately preceding the date of filing this Draft Red Herring Prospectus.
- L. As of date of this Draft Red Herring Prospectus, our Company has not allotted Equity Shares pursuant to any scheme approved under sections 391-394 of the Companies Act, 1956 and/or sections 230-232 of the Companies Act, 2013.
- M. Our Company has not issued any Equity Shares under any employee stock option scheme or employee stock purchase scheme.
- N. Our Company has not issued any Equity Shares at a price lower than the Offer Price during a period of the one year preceding the date of this Draft Red Herring Prospectus.

O. Details of Promoter's Contribution locked in for three years:

As per Sub-Regulation (1) of Regulation 236 of the SEBI (ICDR) Regulations, 2018, an aggregate of 20.00% of the post- issue Capital shall be considered as Promoter's Contribution.

Our Promoters have granted consent to include such number of Equity Shares held by them as may constitute 20.00% of the post-issue Equity Share Capital of our Company as Promoters' Contribution and have agreed



not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoters' Contribution from the date of filing of this Draft Red Herring Prospectus until the completion of the lock-in period specified above.

In terms of clause (a) of Regulation 238 of the SEBI (ICDR) Regulations, 2018, Minimum Promoters' Contribution as mentioned above shall be locked-in for a period of three years from the date of commencement of commercial production or date of allotment in the Initial Public Offer, whichever is later.

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 utilised as stated in the offer document, is expected to commence.

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 Promoter's Contribution has been brought into to the extent of not less than the specified minimum lot and has been contributed by the persons defined as Promoters under the SEBI (ICDR) Regulations, 2018.

The lock-in of the Minimum Promoter's 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 the Equity Shares held by our Promoter and Promoter Group, which are locked in for a period of three years from the date of Allotment in the Offer are given below:

| Number of Equity Shares locked-in | Nature of Allotment / Transfer | Date of Allotment and Date when made fully paid-up | Face Value (in ₹) | Offer/ Acquisition Price per Equity Share (in ₹) | Nature of consideration (cash/ other than cash) | % of fully diluted post-Offer paid-up capital | Period of lock-in |
|-----------------------------------|--------------------------------|--|-------------------|--|---|---|-------------------|
| [•] | [•] | [•] | [•] | [•] | [•] | [•] | [•] |

The Equity Shares that are being locked in are not ineligible for computation of Promoters contribution in terms of Regulation 237 of the SEBI ICDR Regulations. Equity Shares offered by the Promoters for the minimum Promoters contribution are not subject to pledge. Lock-in period shall commence from the date of allotment of Equity Shares in the Public Issue.

We confirm that the minimum Promoters contribution of 20.00% which is subject to lock-in for 3 years does not consist of:

- Equity Shares acquired during the preceding three years for consideration other than cash and revaluation of assets or capitalization of intangible assets;
- Equity Shares acquired during the preceding three years resulting from a bonus issue by utilization of revaluation reserves or Unrealised profits of the issuer or from bonus issue against equity shares which are ineligible for minimum Promoters contribution;
- Equity Shares acquired by Promoters during the preceding one year at a price lower than the Issue Price;



- d) The Equity Shares held by the Promoters and offered for minimum 20% Promoters Contribution are not subject to any pledge.
- e) Equity Shares for which specific written consent has not been obtained from the shareholders for inclusion of their subscription in the minimum Promoters Contribution subject to lock-in.

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.

Equity Shares locked-in for one year

In addition to above Equity Shares that are locked-in for three years as the minimum Promoters’ contribution, the promoters and public pre-issue shareholding of Equity Share capital of our Company, *i.e.* [●] Equity Shares shall be locked in for a period of one year from the date of Allotment in the Public Issue. Further, such lock-in of the Equity Shares would be created as per the bye laws of the Depositories.

Pledge of Locked in Equity Shares

In terms of Regulation 242 of the SEBI (ICDR) Regulations, 2018, the locked-in Equity Shares held by our Promoters can be pledged only with any scheduled commercial banks or public financial institutions as collateral security for loans granted by such banks or financial institutions, subject to the following:

- In case of Minimum Promoters’ Contribution, the loan has been granted to the issuer company or its subsidiary (ies) for the purpose of financing one or more of the Objects of the Issue and pledge of equity shares is one of the terms of sanction of the loan.
- In case of Equity Shares held by Promoters in excess of Minimum Promoters’ contribution, the pledge of equity shares is one of the terms of sanction of the loan.

However, lock in shall continue pursuant to the invocation of the pledge and such transferee shall not be eligible to transfer the equity shares till the lock in period stipulated has expired.

Transferability of Locked in Equity Shares:

In terms of Regulation 243 of the SEBI (ICDR) Regulations, 2018 and subject to provisions of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as applicable:

- The Equity Shares held by our Promoters and locked in as per Regulation 238 of the SEBI (ICDR) Regulations, 2018 may be transferred to another Promoters or any person of the Promoters’ Group or to a new promoter(s) or persons in control of our Company, subject to continuation of lock-in for the remaining period with transferee and such transferee shall not be eligible to transfer them till the lock-in period stipulated has expired.
- The equity shares held by persons other than promoters and locked in as per Regulation 239 of the SEBI (ICDR) Regulations, 2018 may be transferred to any other person (including Promoter and Promoters’ Group) holding the equity shares which are locked-in along with the equity shares proposed to be transferred, subject to continuation of lock-in for the remaining period with transferee and such transferee shall not be eligible to transfer them till the lock- in period stipulated has expired.



P. Our Company, our Promoters, our Directors and the BRLMs to this Offer have not entered into any buy-back, standby or similar arrangements with any person for purchase of our Equity Shares from any person.

Q. Our Company has not issued shares for consideration other than cash or out of revaluation of reserves, including Bonus Shares, at any point of time since Incorporation, except the following:

| Date of Allotment/ Transfer | Name of Shareholders | Nos. of Equity Share | % of Pre Issue Capital | Subscribed/ Acquire/ Transfer | Category of Allottees (Promoters/ Promoter Group/ Director) |
|-----------------------------|--------------------------------------|----------------------|------------------------|--|---|
| September 30, 2023 | Sachin Sharma | 21,56,800 | 10.24% | Allotment of Bonus Shares in the ratio of 16:1 | Promoter |
| | Sangeeta Pareekh | 12,80,000 | 6.08% | | Promoter |
| | BLP Equity Research Private Limited | 33,53,600 | 15.93% | | Promoter |
| | Dinesh Pareekh | 1,60,000 | 0.76% | | Promoter |
| | Poonam | 3,20,000 | 1.52% | | Promoter Group |
| | Sarthak Agarwal | 24,76,800 | 11.76% | | Promoter |
| | Bajrang Lal Pareekh & Dinesh Pareekh | 1,60,000 | 0.76% | | Promoter |

| Date of Allotment/ Transfer | Name of Shareholders | Nos. of Equity Share | % of Pre Issue Capital | Subscribed/ Acquire/ Transfer | Category of Allottees (Promoters/ Promoter Group/ Director) |
|-----------------------------|-------------------------------------|----------------------|------------------------|---|---|
| December 27, 2023 | Sachin Sharma | 22,91,500 | 10.88% | Allotment of Bonus Shares in the ratio of 1:1 | Promoter |
| | Sangeeta Pareekh | 13,60,000 | 6.46% | | Promoter |
| | BLP Equity Research Private Limited | 35,63,200 | 16.93% | | Promoter |
| | Dinesh Pareekh | 3,40,000 | 1.61% | | Promoter |
| | Poonam | 3,40,000 | 1.61% | | Promoter Group |
| | Sarthak Agarwal | 26,31,600 | 12.50% | | Promoter |
| | Pushp Lata Sharma | 100 | 0.00% | | Promoter Group |

R. Our Company has not re-valued its assets since inception and has not issued any Equity Shares (including bonus shares) by capitalizing any revaluation reserves.

S. Our Company does not have any 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 and Sweat Equity) Regulations, 2021.

- T. There are no safety net arrangements for this public Offer.
- U. As on the date of filing of this Draft Red Herring Prospectus, there are no outstanding warrants, options or rights to convert debentures, loans or other financial instruments into our Equity Shares.
- V. As per Regulation 268(2) of SEBI (ICDR) Regulations, 2018, an over-subscription to the extent of 10% of the Issue can be retained for the purpose of rounding off to the nearest integer during finalizing the allotment, subject to minimum allotment lot. Consequently, the actual allotment may go up by a maximum of 10% of the Issue, as a result of which, the post issue paid up capital after the Issue would also increase by the excess amount of allotment so made. In such an event, the Equity Shares held by the Promoters and subject to lock-in shall be suitably increased to ensure that 20% of the post issue paid-up capital is locked-in.
- W. All the Equity Shares of our Company are fully paid up as on the date of this Draft Red Herring Prospectus. Further, since the entire money in respect of the Offer is being called on application, all the successful applicants will be allotted fully paid-up equity shares.
- X. As per RBI regulations, OCBs are not allowed to participate in this Issue.
- Y. As on the date of this Draft Red Herring Prospectus, none of the shares held by our Promoters/ Promoter Group are pledged with any financial institutions or banks or any third party as security for repayment of loans.
- Z. Investors may note that in case of over-subscription, the allocation in the Issue shall be as per the requirements of Regulation 253 of SEBI (ICDR) Regulations, as amended from time to time.
- AA. Under subscription, if any, in any category, shall be met with spill-over from any other category or combination of categories at the discretion of our Company, in consultation with the BRLMs and BSE.
- BB. The Issue is being made through Book Building Method.
- CC. BRLMs to the Issue viz. Share India Capital Services Private Limited, Fintellectual Corporate Advisors Private Limited and their associates do not hold any Equity Shares of our Company.
- DD. Our Company has not raised any bridge loan against the proceeds of this Issue.
- EE. Our Company undertakes that at any given time, there shall be only one denomination for our Equity Shares, unless otherwise permitted by law.
- FF. Our Company shall comply with such accounting and disclosure norms as specified by SEBI from time to time.



- GG. An Applicant cannot make an application for more than the number of Equity Shares being Issued/Offered through this Draft Red Herring Prospectus, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investors.
- HH. No payment, direct or indirect in the nature of discount, commission, and allowance or otherwise shall be made either by us or our Promoters to the persons who receive allotments, if any, in this Offer.
- II. Our Promoters and the members of our Promoter Group will not participate in this Issue.
- JJ. Our Company has not made any public issue since its incorporation.
- KK. Our Company shall ensure that transactions in the Equity Shares by the Promoters and the Promoter Group between the date of filing the Draft Red Herring Prospectus and the Offer Closing Date shall be reported to the Stock Exchange within twenty-four hours of such transaction.
- LL. For the details of transactions by our Company with our Promoter Group, Group Companies during the period ended September 30, 2023 and last three years ended on March 31, 2023, March 31, 2022 & March 31 2021 Fiscals, please refer to paragraph titled —Related Party Transaction in the chapter titled “Financial Information” beginning on page number 190 of this Draft Red Herring Prospectus.
- MM. None of our Directors or Key Managerial Personnel holds Equity Shares in our Company, except as stated in the chapter titled “Our Management” beginning on page number 155 of this Draft Red Herring Prospectus.

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OBJECTS OF THE OFFER

The Offer comprises the Fresh Issue and the Offer for Sale. The Fresh Issue comprises of up to 14,97,600 equity shares of face value ₹ 5/-each aggregating up to ₹ [●] lakhs to be issued by our Company and the Offer for Sale comprises of up to 44,92,800 equity shares of face value ₹ 5/-each, aggregating up to ₹ [●] lakhs by the Selling Shareholders.

Offer for Sale

The Selling Shareholders will receive the proceeds from the Offer for Sale, deducting their share of Offer expenses and applicable taxes. Our Company will not benefit financially from the Offer for Sale, except for covering listing fees, audit fees, and certain corporate advertising costs such as roadshows, broker analysts meets and product content advertisements, which will be solely borne by our Company. All other Offer expenses will be shared between our Company and the Selling Shareholders based on a mutually agreed pro-rata basis, in proportion to the equity shares issued by our Company and the Selling Shareholders through the Fresh Issue and Offer for Sale, respectively, in compliance with relevant laws. The funds from the Offer for Sale will be received exclusively by the Selling Shareholders and will not be considered as part of the Net Proceeds. For more information on the Offer for Sale, please refer to the chapter titled "The Offer" starting on page 54.

Objects of Fresh Issue

The details of the proceeds of the Fresh Issue are set forth below:

| Particulars | Amount (₹ in) Lakhs |
|--|---------------------|
| Gross Issue Proceeds of Fresh Issue | [●] |
| Less: Offer Related Expenses in relation to the Fresh Issue# | [●] |
| Net Issue Proceeds | [●] |

The Offer related expenses shall vary depending upon the final offer Size and the allotment of Equity Shares.

Up to February 09, 2024, Our Company has deployed/incurred expense of ₹ 13.69/-lakhs towards Issue Expenses duly certified by Statutory Auditor M/s Rajiv Mehrotra & Associates, Chartered Accountants vide its certificate dated February 09, 2024, bearing UDIN: 24451408BKENYQ2412.

Requirement of funds and utilization of Net Proceeds

Our Company proposes to utilize the Net Proceeds towards funding of the following objects:

1. To Meet Working Capital Requirements
2. General corporate purposes

(Collectively referred as the "objects")

The Net Proceeds are proposed to be used in the manner set out in in the following table:

| Sr. No. | Particulars | Amount (₹ in) Lakhs |
|---------|-------------|------------------------|
|---------|-------------|------------------------|



| | | |
|---------------------------|--------------------------------------|--------|
| 1. | To Meet Working Capital Requirements | 700.00 |
| 2. | General corporate purposes# | [•] |
| Net Issue Proceeds | | [•] |

**To be finalized upon determination of the Issue Price and updated in the Prospectus prior to filing with the RoC.*

#The amount to be utilised for general corporate purposes will not exceed 25% of the gross proceeds.

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 SME Platform of BSE. It will also provide liquidity to the existing shareholders and will also create a public trading market for the Equity Shares of our Company.

The main objects clause of our Memorandum of Association enables us to undertake the activities for which the funds are being raised by us in the Fresh Issue. Further, the activities we have been carrying out until now are in accordance with the main objects clause of our Memorandum of Association.

Proposed schedule of implementation and deployment of Net Proceeds

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:

| Sr. No. | Particulars | Amount to be funded from the Net Proceeds | Estimated Utilisation of Net Proceeds in Fiscal 2024 and 2025 |
|---------------------------|--------------------------------------|--|--|
| 1. | To Meet Working Capital Requirements | 700.00 | [•] |
| 2. | General corporate purposes#* | [•] | [•] |
| Net Issue Proceeds | | [•] | [•] |

**To be finalized upon determination of the Offer Price and updated in the Prospectus prior to filing with the RoC.*

#In compliance with Regulation 230(2) of SEBI (ICDR) Regulations, the amount to be utilised for general corporate purposes will not exceed 25% of the gross proceeds.

#In the event that the estimated utilization of the Net Proceeds in a scheduled fiscal year is not met in full or part, the same shall be utilized in the next fiscal year, as may be determined by our Board of Directors, in accordance with applicable laws.

In the event of the estimated utilisation of the Net Proceeds in a scheduled financial year being not undertaken in full or in part the remaining Net Proceeds shall be utilised in subsequent financial years, as may be decided by our Company, in accordance with applicable laws. Further, if the Net Proceeds are not completely utilised for the Objects during the respective periods stated above due to factors including but not limited to (i) global or domestic economic or business conditions; (ii) increased competition; (iii) timely completion of the Offer; (iv) market conditions beyond the control of our Company; and (v) any other commercial considerations, the remaining Net Proceeds shall be utilised (in part or full) in subsequent periods as may be determined by the Board of Directors of our Company, in accordance with applicable laws. In the event of any increase in the actual utilization of funds earmarked for the purposes set forth above, such additional funds for a particular activity will be met by way of means available to us, including from internal accruals and any additional equity and/or debt arrangements.



The fund requirements mentioned above are based on the internal management estimates of our Company and have not been verified by the Book Running Lead Managers or appraised by any bank, financial institution, please refer to “Risk Factor No. 31 –. The fund requirements are based on current circumstances of the business and our Company may have to revise its estimates from time to time on account of various factors beyond its control, including but not limited to market conditions, competitive environment, costs of commodities and interest or exchange rate fluctuations.

MEANS OF FINANCE

The requirements of the objects detailed above are intended to be funded from the proceeds of the Issue. Accordingly, we confirm that there is no requirement for us to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised from the proposed Issue.

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.

DETAILS OF USE OF OFFER PROCEEDS

1. WORKING CAPITAL REQUIREMENTS:

Our company intends to allocate ₹ 700.00/- lakhs to meet its working capital needs in the regular course of business. Given our substantial working capital requirements, we typically address these needs through internal accruals. To support the growth of our business, capitalize on opportunities, and meet strategic, business, and corporate goals, additional working capital is necessary. This infusion of funds is anticipated to result in a subsequent increase in both revenues and profitability for our company.

Basis of estimation of working capital requirement and estimated working capital requirement:

(Amount in ₹ lakhs)

| Sr. No. | Particulars | Restated | | | | Estimated for | |
|---------|-----------------------------|-----------------|-----------------|-----------------|--------------------|-----------------|-----------------|
| | | 31-Mar-21 | 31-Mar-22 | 31-Mar-23 | September 30, 2023 | F.Y. 2023-24 | F.Y. 2024-25 |
| I | Current Assets | | | | | | |
| | Inventories | 55.61 | 12.51 | 8.43 | 9.98 | 250.00 | 500.00 |
| | Trade receivables | 1,303.73 | 1,832.44 | 2,189.33 | 2,491.53 | 2,718.33 | 4,270.00 |
| | Cash and Cash Equivalents | 386.30 | 688.40 | 1,187.69 | 1,155.98 | 706.99 | 552.64 |
| | Short Term Loans & Advances | 39.76 | 64.90 | 35.13 | 166.91 | 180.00 | 186.00 |
| | Other current assets | 1.43 | 1.81 | 2.52 | 0.95 | 3.00 | 3.50 |
| | Total (A) | 1,786.83 | 2,600.06 | 3,423.10 | 3,825.35 | 3,858.32 | 5,512.14 |
| II | Current Liabilities | | | | | | |
| | Short Term Borrowings | - | 2.00 | - | - | - | - |
| | Trade payables | 446.24 | 696.36 | 876.18 | 674.77 | 600.00 | 750.00 |
| | Other current liabilities | 365.93 | 185.88 | 157.54 | 191.10 | 152.00 | 153.00 |
| | Short-term provisions | 53.14 | 71.24 | 110.12 | 174.74 | 0.30 | 0.35 |
| | Total (B) | 865.31 | 955.48 | 1,143.84 | 1,040.61 | 752.30 | 903.35 |



| | | | | | | | |
|-----|----------------------------------|---------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| III | Total Working Capital Gap | 921.52 | 1,644.58 | 2,279.26 | 2,784.74 | 3,106.02 | 4,608.79 |
| IV | Internal Accruals | - | - | - | - | 3,106.02 | 3,908.79 |
| V | IPO Proceeds | - | - | - | - | - | 700.00 |

Basis of Estimation and Key Assumptions for working capital projections made by Company:

| Particulars | 31-03-2021 | 31-03-2022 | 31-03-2023 | 30-09-2023 | 31-03-2024(E) | 31-03-2025(E) |
|---------------------------|------------|------------|------------|------------|---------------|---------------|
| Inventory (in days) | 13 | 2 | 1 | 2 | 30 | 38 |
| Debtors (in days) | 184 | 201 | 185 | 242 | 210 | 210 |
| Creditors (in days) | 116 | 142 | 130 | 157 | 75 | 59 |
| Other Current Assets | 427.50 | 682.94 | 1136.15 | 1323.84 | 889.99 | 742.14 |
| Other Current Liabilities | 419.07 | 259.12 | 267.66 | 365.84 | 152.30 | 153.35 |
| Working Capital Days | 81 | 61 | 56 | 87 | 165 | 189 |

Justification:

| | |
|--|---|
| Inventory | Till now, Our Company is maintaining inventory in respect of its trading operations and inventory holding period is coming down from 13 days during FY 2020-21 to 2 days by 30th September, 2023 due to lower trading business contribution in overall turnover. However, now Company, in view of future growth plans, wants to have inventory of EPR credits to fulfil its customers' requirement smoothly. Therefore, Company will maintain an inventory of EPR credits of 30 days during FY24 and 38 days (1.25 months) during FY25 |
| Debtors | Due to strict documentation and compliance requirements, Debtors' level is very high in our business. The holding levels of trade receivables were 184 days, 201 days and 185 days for FY 2020-21, 2021-22 and 2022-23 respectively. The debtors level again rose to 242 days by 30th September, 2023 due to digitization of issuance process of EPR credits by CPCB, which is yet to be stabilized and so customers are holding the payments. We, however, expect that debtors level will normalize by the end of current FY and so our Company considers the holding levels to be of 210 days for FY 2023-24 and 2024-25. |
| Creditors | Our Company has maintained a holding level of trade payable at 116 days, 142 days and 130 days for 2020-21, 2021-22 and 2022-23 respectively. However as the competition is intensifying in the market and Company is also entering into new sectors like E-waste and Tyre Recycling sector apart from its existing business of Plastic credits, it is considering to lower down the holding period of creditors from 130 days to 75 days during FY2023-24 and 59 days (two months) during FY 2024-25. |
| Other Financial & Current Assets | Our Company's other financial assets and other current assets include balance with statutory authorities, prepaid expenses, advances to staff and others as well as cash and bank balances. Our Company has maintained holding levels at Rs. 682.94 lakhs and 1136.15 lakhs during FY 2021-22 and FY 2022-23. Our Company expects the holding levels to be Rs. 889.99 lakhs and Rs. 742.14 lakhs in FY 2023-24 and 2024-25 respectively. The slight decrease in the holding levels are due to deployment of cash and bank balances to inventory and debtors funding. |
| Other Financial & Current Liabilities | It includes payable to employees, statutory liabilities, advance revenue, advance from customers, provision for gratuity and current tax liabilities (net). The Company has maintained the holding levels at Rs 259.12 lakhs and Rs 267.66 lakhs for FY 2021-22 and FY 2022-23 respectively. Our Company expects the holding level to be Rs. 152.30 lakhs |



| | |
|---|---|
| | and Rs. 153.35 lakhs for FY 2023-24 and 2024-25 respectively. This decrease in the estimated trend is owing to paying of tax provisions. |
| Working Capital | Our Company has maintained a holding level of working capital at 81, 61 and 56 days for 2020-21, 2021-22 and 2022-23 respectively. However, with the entry in new sectors, change in strategy to maintain inventory of EPR credits as well as requirement of reducing the creditors days, Company's overall working capital holding levels are expected to increase to 165 days and 189 days for FY 2023-24 and 2024-25 respectively. |
| Additional working capital requirement | Our Company is expanding its existing EPR credits business as well as it is entering into new areas of dealing in EPR credits in E-waste and Tyre recycling sectors. Company is also entering into international plastic credits business. So proposed new areas of business are having own set of risks and working capital requirements and therefore, Company worked out an additional working capital requirement of Rs. 700 lakhs. |

2. GENERAL CORPORATE PURPOSE:

We propose to utilize ₹ [●] lakhs of the Net Proceeds towards general corporate purposes as approved by the Board, from time to time, subject to such utilization for general corporate purposes not exceeding 25% of the gross proceeds Issue Proceeds, in compliance with the SEBI ICDR Regulations, including but not limited or restricted to, strategic initiatives, strengthening our marketing network & capability, meeting exigencies, brand building exercises in order to strengthen our operations and any other purpose as permitted under applicable laws. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for General Corporate Purposes.

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.

3. OFFER RELATED EXPENSES

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

| Expenses | Estimated Expenses (₹ in Lakh)*@ | As a % of the total estimated Offer Expenses | As a % of the total Gross Offer Proceeds |
|---|-------------------------------------|--|--|
| Fee payable to BRLMs (including Underwriting Commission) | [●] | [●] | [●] |
| Fees Payable to Registrar to the Issue | [●] | [●] | [●] |
| Fees Payable Advertising, Marketing Expenses and Printing Expenses | [●] | [●] | [●] |
| Fees Payable to Regulators including Stock Exchanges and other Intermediaries | [●] | [●] | [●] |
| Fees payable to Peer Review Auditor | [●] | [●] | [●] |
| Fees Payable to Market Maker (for Three Years) | [●] | [●] | [●] |
| Escrow Bank Fees | [●] | [●] | [●] |
| Total Estimated Issue Expenses | [●] | 100.00 | [●] |



Notes:

1. Up to February 09, 2024, Our Company has deployed/incurred expense of ₹ 13.69/-lakhs towards Issue Expenses duly certified by Statutory Auditor M/s Rajiv Mehrotra & Associates, Chartered Accountants vide its certificate dated February 09, 2024, bearing UDIN: 24451408BKENYQ2412.

Any expenses incurred towards aforesaid issue related expenses during the period till the date of listing of Equity Shares will be reimburse/recouped out of the gross proceeds of the issue.

* The total offer expenses are estimated at ₹ [●] lakhs out of which ₹ [●] lakhs shall be borne by our Company and ₹ [●] lakhs shall be bore by the Selling Shareholders.

@ please note that the cost mentioned is an estimate quotation as obtained from the respective parties and excludes GST, interest rate and inflation cost. The amount deployed so far toward issue expenses shall be recouped out of the issue proceeds.

APPRAISAL REPORT

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

BRIDGE FINANCING

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Draft Red Herring Prospectus, which are proposed to be repaid from the Net Proceeds.

INTERIM USE OF FUNDS

Pending utilization of the Offer Proceeds for the Objects of the Offer 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 Offer as described above, it shall not use the funds from the Offer Proceeds for any investments in equity and/or real estate products and/or equity linked and/or real estate linked products.

MONITORING UTILIZATION OF FUNDS

There is no requirement for the appointment of a monitoring agency, as the Offer size is less than ₹ 10,000 lakhs. Our Board will monitor the utilization of the proceeds of the Offer and will disclose the utilization of the Net Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. Our Company will indicate investments, if any, of unutilized Net Proceeds in the balance sheet of our Company for the relevant Fiscal subsequent to receipt of listing and trading approvals from the Stock Exchanges.

Pursuant to Regulation 32 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, our Company shall on half-yearly basis disclose to the Audit Committee the Application of the proceeds of the Issue. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than stated in this Draft Red Herring Prospectus and place it before the



Audit Committee. Such disclosures shall be made only until such time that all the proceeds of the Issue have been utilized in full.

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 Promoter 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

The Net Proceeds from the Fresh Issue, as utilized for working capital requirements, will not be directly/indirectly routed to our Promoter, members of Promoter Group, person in control of our Company, our Directors, our Group Company and our associates, if any. There are no material existing or anticipated transactions in relation to the utilisation of the Net Proceeds entered into or to be entered into by our Company with our Promoters, Promoter Group, Directors and/or Key Managerial Personnel.

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BASIS FOR OFFER PRICE

Investors should read the following summary with the section titled “Risk Factors”, the details about our Company under the section titled "Our Business" and its financial statements under the section titled "Financial Information” beginning on page 31, 122 and 190 respectively of the Draft Red Herring Prospectus to get a more informed view before making the investment decision. The offer price has been determined by the issuer in consultation with the Book Running Lead Managers. The financial data presented in this section are based on our Company’s Restated Financial Statements.

QUALITATIVE FACTORS

For details of qualitative factors, please refer to the paragraph “*Our Competitive Strengths*” in the chapter titled “*Our Business*” beginning on page no. 122 of this Draft Red Herring Prospectus.

QUANTITATIVE FACTORS

Information presented below relating to the Company is based on the Restated Financial Statements. Some of the quantitative factors which form the basis or computing the price are as follows:

1. Basic & Diluted Earnings Per Share (EPS), as adjusted for change in capital:

| Financial Year | Basic & Diluted EPS ₹ | Weight |
|--|-----------------------|----------|
| 2022-23 | 4.75 | 3 |
| 2021-22 | 3.53 | 2 |
| 2020-21 | 2.76 | 1 |
| Weighted Average EPS | 4.01 | 6 |
| For the period ended on September 30, 2023* | 3.09 | |

*EPS Not Annualised

Note:

The ratios have been computed as under:

- Basic and diluted EPS:** Profit for the year attributable to equity shareholders of the Company divided by total weighted average number of equity shares outstanding during the period. Basic and diluted EPS are computed in accordance with AS 20 – Earnings per share post the bonus issue in current financial year;
- Weighted average** = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. (EPS x Weight) for each year/Total of weights

2. Price to Earnings (P/E) ratio in relation to Issue Price of ₹ [●] per Equity Share of face value ₹ 5/- each fully paid up.

$$\text{Price to Earning Ratio (P/E)} = \frac{\text{Offer Price}}{\text{Restated Earnings Per Share}}$$

| Sr. No. | Particulars | P/E Ratio |
|---------|--|-----------|
| 1 | P/E ratio based on the Basic & Diluted EPS, as restated for FY 2022-2023 | [●] |
| 2 | P/E ratio based on the Basic & Diluted EPS, as restated for FY 2021- | [●] |



| | | |
|---|--|-----|
| | 2022 | |
| 3 | P/E ratio based on the Basic & Diluted EPS, as restated for FY 2020-2021 | |
| 4 | P/E ratio based on the Weighted Average EPS | [●] |

3. Return on Net Worth (RONW)

$$\text{Return on Net Worth (\%)} = \frac{\text{Restated Profit After Tax}}{\text{Net Worth}} * 100$$

| Financial Year | Return on Net Worth (%) | Weight |
|---|-------------------------|----------|
| 2022-23 | 48.57 | 3 |
| 2021-22 | 54.62 | 2 |
| 2020-21 | 83.23 | 1 |
| Weighted Average EPS | 56.36 | 6 |
| For the period ended on September 30, 2023* | 24.44 | |

*Not Annualised

4. Net Asset Value per Equity Share

$$\text{Restated Net Assets Value per Equity (\text{₹})} = \frac{\text{Restated Net Worth at the end of the year}}{\text{Number of Equity Shares Outstanding}}$$

| As at | NAV per share ₹ |
|-------------------------------------|-----------------|
| March 31, 2023 (bonus adjusted) | 11.45 |
| March 31, 2022 (bonus adjusted) | 8.14 |
| March 31, 2021 (bonus adjusted) | 4.82 |
| September 30, 2023 (bonus adjusted) | 13.84 |
| NAV after Issue – at Cap Price | [●] |
| NAV after Issue – at Floor Price | [●] |
| Issue Price | [●] |

5. Comparison of Accounting Ratios with Industry peers

Our company is operating in Waste Management Agency (WMA) and provides provide a range of services, including EPR (Extended Producer Responsibility) compliance, Scrap Management, ESG (Environment, Social and Governance) Consulting, BRSR (Business Responsibility and Sustainability Reporting) Reporting, Project Advisory and Management of Plastic Credits, Sales and Marketing of recycled products, and Eco-Awareness Campaigns. As of the date of this Draft Red Herring Prospectus there are no listed companies that are engaged in the business exactly similar to ours. Hence, we do not believe that there are any listed industry peers.

- The face value of Equity Shares of our Company is ₹ 5/- per Equity Share and the Offer price is [●] times the face value of equity share.
- The Offer Price of ₹ [●]/- is determined by our Company and Selling Shareholders in consultation with the Book Running Lead Managers is justified by our company and Book Running Lead Managers on the basis of above parameters. For further details, please refer to the section titled “Risk Factors” and chapters titled “Our Business” and “Financial Information” beginning on page nos. 31, 122 and 190 respectively of this Draft Red Herring Prospectus.



KEY FINANCIAL AND OPERATIONAL PERFORMANCE INDICATORS (“KPIs”)

Key Performance Indicators (KPIs) are imperative to the Financial and Operational performance evaluation of the company. However, KPIs disclosed below shall not be considered in isolation or as substitute to the Restated Financial Statements. In the opinion of our Management the KPIs disclosed below shall be supplementary tool to the investor for evaluation of the company.

The KPIs disclosed below have been approved by a resolution of our Audit Committee dated January 05, 2024 and the members of the Audit Committee have verified the details of all KPIs pertaining to the 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 Draft Red Herring Prospectus. Further, the KPIs herein have been certified by M/s. **Rajiv Mehrotra & Associates**, Chartered Accountants by their certificate dated December 29, 2023 having UDIN:24451408BKENYB5724.

The KPIs of our Company have been disclosed in the sections “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” starting on pages 122 and 234, respectively. We have described and defined the KPIs, as applicable, in “Definitions and Abbreviations” beginning 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 Offer Section, whichever is later or for such other duration as may be required under the SEBI (ICDR) Regulations, 2018.

Set forth below are KPIs which have been used historically by our Company to understand and analyse the business performance, which in result, help us in analysing the growth of various verticals of the Company that have a bearing for arriving at the Basis for the Issue Price.

- Key metrics like growth, EBIDTA Margin, PAT Margin and few balance sheet ratio are monitored on a periodic basic for evaluating the overall performance of our Company.**

KPI indicators

(Amount in ₹ lakhs, except EPS, % and ratios)

| Particulars | For the period ended September 30, 2023 | Financial Year ended March 31, 2023 | Financial Year ended March 31, 2022 | Financial Year ended March 31, 2021 |
|---|---|-------------------------------------|-------------------------------------|-------------------------------------|
| Revenue from operations ⁽¹⁾ | 1,848.58 | 4,253.02 | 3,280.00 | 2,551.42 |
| Growth in Revenue from Operations ⁽²⁾ | - | 29.67% | 28.56% | - |
| EBITDA ⁽³⁾ | 862.18 | 1,327.51 | 992.01 | 799.86 |
| EBITDA (%) Margin ⁽⁴⁾ | 46.64% | 31.21% | 30.24% | 31.35% |
| EBITDA Growth Period on Period ⁽⁵⁾ | - | 33.82% | 24.02% | - |
| ROCE (%) ⁽⁶⁾ | 30.01% | 55.98% | 58.15% | 76.58% |



| | | | | |
|---|--------|----------|--------|--------|
| Current Ratio ⁽⁷⁾ | 3.68 | 2.99 | 2.72 | 2.06 |
| Operating Cash flow ⁽⁸⁾ | 103.98 | 845.73 | 345.18 | 22.77 |
| PAT ⁽⁹⁾ | 650.84 | 1,001.82 | 745.23 | 583.38 |
| ROE/ RONW ⁽¹⁰⁾ | 24.44% | 48.57% | 54.62% | 83.23% |
| EPS ⁽¹¹⁾ (before considering bonus) | 3.09 | 4.75 | 3.53 | 2.76 |

Notes:

- (1) Revenue from operations is the total revenue generated by our Company.
(2) Growth in Revenue in percentage, Year on Year
(3) EBITDA is calculated as Profit before tax + Depreciation + Interest Expenses - Other Income
(4) EBITDA Margin' is calculated as EBITDA divided by Revenue from Operations
(5) EBITDA Growth Rate Year on Year in Percentage
(6) ROCE: Return on Capital Employed is calculated as EBIT divided by capital employed, which is defined as shareholders' equity plus long term debt
(7) Current Ratio: Current Asset over Current Liabilities
(8) Operating Cash Flow: Net cash inflow from operating activities.
(9) PAT is mentioned as PAT for the period
(10) ROE/RONW is calculated PAT divided by shareholders' equity
(11) EPS is mentioned as EPS for the period

| KPI | Explanation |
|------------------------|---|
| Revenue from operation | 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. |
| Revenue Growth Rate % | Revenue Growth rate informs the management of annual growth rate in revenue of the company in consideration to previous period |
| 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 |
| EBITDA Growth Rate % | EBITDA Growth Rate informs the management of annual growth rate in EBITDA of company in consideration to previous period |
| ROCE % | ROCE provides how efficiently our Company generates earnings from the capital employed in the business. |
| Current Ratio | Current ratio indicate the company's ability to bear its short term obligations |
| Operating Cash Flow | Operating cash flow shows whether the company is able to generate cash from day to day business |
| PAT | Profit after Tax is an indicator which determine the actual earning available to equity shareholders |
| ROE/RONW | It is an indicator that shows how much the company is generating from its available shareholders' funds |
| EPS | Earning per share is the company's earnings available of one share of the Company for the period |

2. GAAP Financial Measures

GAAP Financial measures are numerical measures that are disclosed by the issuer company in accordance with the Generally Accepted Accounting Principles (GAAP) applicable for the issuer company i.e., measures disclosed in accordance with Indian Accounting Standards ("Ind AS") or Accounting Standards ("AS")



notified in accordance with Section 133 of the Companies Act, 2013, as amended (the “Act”). These measures are generally disclosed in the financial statements of the issuer company.

On the basis of Restated financial statements

(Amount in ₹ lakhs)

| Particulars | For the period ended September 30, 2023 | Financial Year ended March 31, 2023 | Financial Year ended March 31, 2022 | Financial Year ended March 31, 2021 |
|---|---|-------------------------------------|-------------------------------------|-------------------------------------|
| Revenue from operations | 1,848.58 | 4,253.02 | 3,280.00 | 2,551.42 |
| Profit after tax | 650.84 | 1,001.82 | 745.23 | 583.38 |
| Cash flow from operating activities | 103.98 | 845.73 | 345.18 | 22.77 |
| Cash Flow from investing activities | 12.92 | -40.55 | 3.73 | 4.23 |
| Cash Flow from financing activities | -148.61 | -305.89 | -46.80 | -24.71 |
| Net Change in Cash and cash equivalents | -31.71 | 499.29 | 302.11 | 2.29 |

3. Non- GAAP Financial measures

Non-GAAP Financial measures are numerical measures of the Technical Guide on Disclosure and Reporting of KPIs issuer company’s historical financial performance, financial position, or cash flows that:

- i) Exclude amounts, or are subject to adjustments that have the effect of excluding amounts, that are included in the most directly comparable measures calculated and presented in accordance with GAAP in the financial statements of the issuer company; or
- ii) Include amounts or are subject to adjustments that have the effect of including amounts, that are excluded from the most directly comparable measures so calculated and presented. Such adjustment items should be based on the audited line items only, which are included in the financial statements. These Non-GAAP Financial measures are items which are not defined under Ind AS or AS, as applicable. Generally, if the issuer company takes a commonly understood or defined GAAP amount and removes or adds a component of that amount that is also presented in the financial statements, the resulting amount is considered a Non-GAAP Financial measure. As a simplified example, if the issuer company discloses net income less restructuring charges and loss on debt extinguishment (having determined all amounts in accordance with GAAP), the resulting performance amount, which may be labelled “Adjusted Net Income,” is a Non-GAAP Financial measure.

On the basis of Restated financial statements.

(in ₹ lakhs, except %)

| Particulars | For the period ended September 30, 2023 | Financial Year ended March 31, 2023 | Financial Year ended March 31, 2022 | Financial Year ended March 31, 2021 |
|--------------------------|---|-------------------------------------|-------------------------------------|-------------------------------------|
| EBITDA | 862.18 | 1,327.51 | 992.01 | 799.86 |
| Total Revenue | 1,863.46 | 4,280.57 | 3,291.48 | 2,560.58 |
| Adjusted PAT | 650.84 | 1,001.82 | 745.23 | 583.38 |
| Gross margin | 58.25% | 43.03% | 44.97% | 45.51% |
| Adjusted EBITDA margin * | 46.64% | 31.21% | 30.24% | 31.35% |



| | | | | |
|------------------------|----------|----------|----------|----------|
| Working capital | 2,784.74 | 2,279.26 | 1,644.58 | 921.52 |
| Adjusted PAT Margin ** | 34.93% | 23.40% | 22.64% | 22.78% |
| Net worth | 2,913.74 | 2,411.51 | 1,713.57 | 1,015.14 |

Apart from the above, Ministry of Corporate Affairs (MCA), vide its notification dated March 24, 2021, has issued certain amendments to the Schedule III to the Act. Pursuant to these amendments, the below ratios are also required to be presented in the financial statements of the companies.

On the basis of Restated financial statements.

| Particulars | For the period ended Sep. 30, 2023 | Financial Year ended March 31, 2023 | Financial Year ended March 31, 2022 | Financial Year ended March 31, 2021 |
|----------------------------------|------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Current ratio | 3.68 | 2.99 | 2.72 | 2.06 |
| Debt-equity ratio | - | - | 0.00 | 0.00 |
| Inventory turnover ratio | 200.82 | 406.21 | 96.30 | 45.12 |
| Trade receivables turnover ratio | 1.58 | 2.11 | 2.09 | 2.81 |
| Trade payables turnover ratio | 1.00 | 3.05 | 3.06 | 3.15 |
| Net capital turnover ratio | 1.33 | 1.87 | 1.99 | 2.77 |
| Net profit ratio | 17.60% | 23.56% | 22.72% | 22.86% |
| Return on equity ratio | 24.44% | 48.57% | 54.62% | 83.23% |
| Return on capital employed | 30.01% | 55.98% | 58.15% | 76.58% |

| Ratio | Explanation |
|----------------------------------|---|
| Current Ratio | Current Assets divided by Current Liabilities |
| Debt-equity ratio | Long Term Debt divided by Net Worth |
| Debt service coverage ratio | EBIT divided by Total Debt + Finance Cost |
| Inventory turnover ratio | Company only has consumables and spares in inventory |
| Trade receivables turnover ratio | Revenue from Operations divided by Average Debtors $\{(Opening + Closing)/2\}$ |
| Trade payables turnover ratio | Total Operating Expenses divided by Average Creditors $\{(Opening + Closing)/2\}$ |
| Net capital turnover ratio | Revenue from Operations divided by Working Capital |
| Net profit ratio | Profit after Tax divided by Revenue from Operations |
| Return on equity ratio | Profit after Tax divided by Average Net Worth |
| Return on capital employed | EBIT divided by Net worth Plus Long Term Debt |

1. Weighted average cost of acquisition

a) The price per share of our Company based on the primary/ new issue of shares

The details of the Equity Shares excluding shares issued under ESOP/ESOS and issuance of bonus shares during the 18 months preceding the date of this draft red-herring prospectus where such issuance is equal to or more than 5 per cent of the fully diluted paid-up share capital of the Issuer Company (*calculated based on*



the pre-issue capital before such transaction), in a single transaction or multiple transactions combined together over a span of rolling 30 days; and

| Date of allotment | No. of equity shares allotted | Face value | Issue price | Issue price (Adjusted for Bonus Shares) | Nature of allotment | Nature of consideration | Total consideration (in ₹) |
|-------------------|-------------------------------|------------|-------------|---|---------------------|-------------------------|----------------------------|
| NIL | | | | | | | |

b) The price per share of our Company based on the secondary sale/ acquisition of 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), 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) Weighted average cost of acquisition, floor price and cap price:

| Type of transaction | Weighted average cost of acquisition (₹ per equity shares) | Weighted average cost of acquisition after Bonus shares adjustment (₹ per equity shares) | Floor Price | Cap Price |
|--|--|--|-------------|-----------|
| Weighted average cost of primary / new issue acquisition | NIL | NIL | [●] | [●] |
| Weighted average cost of secondary acquisition | NIL | NIL | [●] | [●] |

*Calculated for last 18 months

**Calculated for Transfer of Equity Shares.

1. Explanation for Offer Price / Cap Price being [●] times and [●] times price of weighted average cost of acquisition of primary issuance price / secondary transaction price of Equity Shares (set out in (d) above) in view of the external factors which may have influenced the pricing of the Offer.

Not Applicable.

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STATEMENT OF TAX BENEFITS

Independent Auditor's Report on Statement of Special Tax Benefits

To,

The Board of Directors,
GEM Enviro Management Limited
(formerly Known as GEM Enviro Management Private Limited)
Unit No.203, Plaza- P 3, Central Square,
Bara Hindu Rao, Delhi 110006

Dear Sir/ Madam,

Sub: Statement of possible Special tax benefit ('the Statement') available to GEM Enviro Management 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')

1. We hereby confirm that the enclosed Annexure I, prepared by GEM Enviro Management Limited ('the Company'), which provides the possible special tax benefits under direct tax and indirect tax laws presently in force in India, including the Income Tax Act, 1961, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, (collectively the "Taxation Laws"), the rules, regulations, circulars and notifications issued thereon, as applicable to the assessment year 2024-25 relevant to the financial year 2023-24, available to the Company, its shareholders. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Taxation Laws. Hence, the ability of the Company and or its shareholders to derive the tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company faces in the future, the Company or its shareholders may or may not choose to fulfil.
2. This statement of possible special tax benefits is required as per Schedule VI (Part A) (9)(L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended ('SEBI ICDR Regulations'). While the term 'special tax benefits' has not been defined under the SEBI ICDR Regulations, it is assumed that with respect to special tax benefits available to the Company, its shareholders and the same would include those benefits as enumerated in the statement. The benefits discussed in the enclosed statement cover the possible special tax benefits available to the Company, its Shareholders and do not cover any general tax benefits available to them. Any benefits under the Taxation Laws other than those specified in the statement are considered to be general tax benefits and therefore not covered within the ambit of this statement. Further, any benefits available under any other laws within or outside India, except for those specifically mentioned in the statement, have not been examined and covered by this statement.
3. The benefits discussed in the enclosed Annexures are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that these Annexures are only intended to provide information to the investors and are neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and 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 proposed initial public offering.

4. In respect of non-residents, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.
5. We do not express any opinion or provide any assurance as to whether
 - i) the Company or its shareholders will continue to obtain these benefits in future;
 - ii) the conditions prescribed for availing the benefits have been met with; and
 - iii) the revenue authorities courts will concur with the views expressed herein.
6. The Content of the enclosed Annexures are based on information, explanations and representations obtained from the company and on the basis of their understanding of the business activities and operations of the company.
7. No assurance is given that the revenue authorities / Courts will concur with the view expressed herein. Our views are based on existing provisions of law and its implementation, which are subject to change from time to time. We do not assume any responsibility to updates the views consequent to such changes.
8. 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.
9. This certificate is provided solely for the purpose of assisting the addressee Company in discharging its responsibility under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 for inclusion in the Draft Red Herring Prospectus/ Red Herring Prospectus/Prospectus in connection with the proposed issue of equity shares and is not be used, referred to or distributed for any other purpose without our written consent.

For Rajiv Mehrotra & Associates
Chartered Accountants
Firm Reg No: 002253C
Peer Review Certificate No.: 012998

Shivani Yadav
Partner
Membership Number: 451408
UDIN: 24451408BKENYJ2262

Place: Kanpur
Date: 29.12.2023



ANNEXURE I TO THE STATEMENT OF TAX BENEFITS

The information provided below sets out the possible special tax benefits available to the Company, the Shareholders under the Taxation Laws presently in force 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 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.

YOU SHOULD CONSULT YOUR OWN TAX ADVISORS CONCERNING THE INDIAN TAX IMPLICATIONS AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN YOUR PARTICULAR SITUATION

A. SPECIAL TAX BENEFITS TO THE COMPANY

The Company is not entitled to any special tax benefits under the Taxation Laws.

B. SPECIAL TAX BENEFITS TO THE SHAREHOLDER

The Shareholders of the Company are not entitled to any special tax benefits under the Taxation Laws.

Note:

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.

We hereby give our consent to include our above referred opinion regarding the special tax benefits available to the Company, to its shareholders in the Draft Red Herring Prospectus / Red Herring Prospectus / Prospectus.

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SECTION V – ABOUT THE 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. Neither we nor any other person connected with the Issue have independently verified this information provided in this section. 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 ECONOMIC OVERVIEW

Global growth is forecast to slow from 3.5 percent in 2022 to 3.0 percent in 2023 and 2.9 percent in 2024. For advanced economies, the expected slowdown is from 2.6 percent in 2022 to 1.5 percent in 2023 and 1.4 percent in 2024, amid stronger-than-expected US momentum but weaker-than-expected growth in the euro area. Emerging market and developing economies are projected to have growth modestly decline, from 4.1 percent in 2022 to 4.0 percent in both 2023 and 2024, with a downward revision of 0.1 percentage point in 2024, reflecting the property sector crisis in China. Forecasts for global growth over the medium term, at 3.1 percent, are at their lowest in decades, and prospects for countries to catch up to higher living standards are weak. Global inflation is forecast to decline steadily, from 8.7 percent in 2022 to 6.9 percent in 2023 and 5.8 percent in 2024. But the forecasts for 2023 and 2024 are revised up by 0.1 percentage point and 0.6 percentage point, respectively, and inflation is not expected to return to target until 2025 in most cases.

Despite signs of economic resilience earlier this year and progress in reducing headline inflation, economic activity is still generally falling short of pre-pandemic projections, especially in emerging markets and developing economies. The strongest recovery among major economies has been in the United States, where GDP in 2023 is estimated to exceed its pre-pandemic path. In China, the pandemic-related slowdown in 2022 and the property sector crisis contribute to the larger output losses of about 4.2 percent, compared with pre-pandemic predictions. Other emerging markets and developing economies have seen even weaker recoveries, especially low-income countries, where output losses average more than 6.5 percent.

INFLATION

Global headline inflation has more than halved, from its peak of 11.6 percent in the second quarter of 2022 to 5.3 percent in the second quarter of 2023. About four-fifths of the gap between the 2022 peak and the pre-pandemic annual average level of 3.5 percent has closed. Among major economies, headline inflation in the second quarter of 2023 ranged from –0.1 percent in China to 2.8 percent in the euro area and 2.7 percent in the United States. A fall in energy prices and—to a lesser extent—in food prices has driven the decline in headline inflation. Notwithstanding a rebound in July, crude oil prices have declined during 2023 and are well below their June 2022 peak, on the back of lower global demand partly driven by tighter global monetary policy affecting activity. Natural gas prices also remain well below their 2022 peak, reflecting ample storage and supplies from Norway and northern Africa. Food prices have declined modestly in 2023, with lower demand offset by supply reductions, notably those resulting from Russia’s withdrawal from the Black Sea



Grain Initiative in July, which reduced the supply of wheat to the global market. The normalization of supply chains has further contributed to the decline in headline inflation in most countries.

GROWTH IN EMERGING ECONOMIES

Growth in emerging and developing Asia is projected to rise from 4.5 percent in 2022 to 5.2 percent in 2023, then to decline to 4.8 percent in 2024, with downward revisions of 0.1 percentage point and 0.2 percentage point for 2023 and 2024, respectively, compared with July projections.

Growth in China: - The revision reflects a lower forecast for China, which is revised downward by 0.2 percentage point for 2023 and by 0.3 percentage point for 2024 to growth of 5.0 percent in 2023 and 4.2 percent in 2024. With the property market crisis in that country, lower investment is the main contributor to the revision.

Growth in India: - Growth in India is projected to remain strong, at 6.3 percent in both 2023 and 2024, with an upward revision of 0.2 percentage point for 2023, reflecting stronger-than-expected consumption during April-June.

Source: <https://www.imf.org/-/media/Files/Publications/WEO/2023/October/English/text.ashx>

INDIAN ECONOMIC OVERVIEW

In the second quarter of fiscal year 2024, India's real GDP recorded a robust YoY growth of 7.6 percent, surpassing both the median forecasts of 6.8 percent by professional analysts and their highest projection of 7.4 percent. This resilient performance contributed to an overall real GDP growth of 7.7 percent in the first half of FY24, prompting the Reserve Bank of India (RBI) to revise its full-year growth projection from 6.5 percent to 7.0 percent. The driving forces behind this growth were strong domestic demand for both consumption and investment. Private Final Consumption Expenditure (PFCE) showed a growth of 4.5 percent, reaching its highest share in GDP (Current Prices) at 60.4 percent in the first half since FY12, excluding the pandemic year FY21. While urban consumption remains a primary driver, rural demand has also exhibited significant growth, indicating sustained momentum in the upcoming months.

The growth surge in the Indian economy during the first half of fiscal year 2024 stands in stark contrast to the slowdown observed in the global economy, as indicated by composite PMI indices. Notably, India emerged as the fastest-growing economy among major economies in the same period. According to the International Monetary Fund (IMF), India is anticipated to make a substantial contribution of over 16 percent to global growth in 2023. The global economic deceleration is primarily attributed to central banks implementing monetary tightening measures to curb inflation.

INDIAN EXPORT AND IMPORT AND FDI IN INDIA

During the first half of the fiscal year 2024, India's merchandise exports and imports experienced a contraction. However, this contraction has had a positive impact on the merchandise trade deficit. When coupled with an expanding surplus in the services trade account, it is anticipated that the current account deficit will diminish in the first half of the fiscal year 2024.

The optimism in Foreign Portfolio Investments (FPIs) has increased, as they transitioned from being net sellers in the first half of fiscal year 2023 to becoming net buyers in the corresponding period of fiscal year



2024. In contrast, Foreign Direct Investment (FDI) inflow into India, after accounting for repatriation, has decreased in the first half, aligning with the global trend of FDI flows. The decline in net FDI inflows was primarily influenced by a surge in repatriation, driven by global uncertainties. However, FPI inflows have shown increased activity during this period. Despite these short-term fluctuations, there is an anticipation of a resurgence in FDI inflows over the medium term, supported by robust government backing, a stable macroeconomic environment, and the growing economic prospects in India. This expectation is validated by a significant rebound in FDI observed in October 2023.

EMPLOYMENT LEVELS

In terms of employment, labour markets have completely rebounded to levels seen before the pandemic. High-frequency indicators additionally indicate an enhanced overall employment scenario across various sectors. The formal sector employment has experienced substantial growth, evident from a significant increase in the subscriber base of the Employees Provident Fund Organisation (EPFO). Both the PMI Manufacturing and services employment sub-indices highlight a widespread improvement in job creation. The outlook for the employment sector looks promising, with employers expressing intentions to either maintain or increase their workforce.

Source: https://dea.gov.in/sites/default/files/Half-Yearly%20Economic%20Review%20FY24_November%202023.pdf

INFLATION DATA

According to the National Statistical Office (NSO), Ministry of Statistics and Programme Implementation (MoSPI), the CPI inflation decreased to 5.55% in November 2023 as compared to 5.88% in November 2022. The CPI inflation for rural and urban areas for the month of November 2023 is 5.85% and 5.26% respectively.

Source: <https://www.mospi.gov.in/>

UNEMPLOYMENT LEVEL

India's overall unemployment rate in November fell to 9.16% from a 29-month high of 10.05% in October, on account of a decline in unemployment in rural areas amidst the rabi-sowing season, according to data from the Centre for Monitoring Indian Economy (CMIE).

The rural unemployment rate eased to 9.05% in November from 10.82% the previous month, while the urban unemployment rate rose to 9.39% from 8.44%.

Source: <https://www.financialexpress.com/policy/economy-unemployment-rate-falls-in-nov-as-farm-sector-boosts-rural-jobs-3327816/>

MARKET SIZE

In the financial year 2024, India's total economic output, known as the nominal Gross Domestic Product (GDP) at current market prices, is estimated to be around US\$ 3.62 trillion. Furthermore, during the first quarter of the fiscal year 2023-24, the nominal GDP at current market prices reached US\$ 848.92 billion (about Rs. 70.67 trillion). This represents a noteworthy growth of 10.4% when compared to the figures from the previous fiscal year, which stood at US\$ 785.85 billion (approximately Rs. 65.42 trillion) in 2022-23.

India has also gained prominence in the global tech industry, boasting a remarkable 115 unicorns with a combined valuation exceeding US\$ 350 billion as of February 2023. This achievement places India as the world's third-largest hub for such high-value startups.

PLASTIC INDUSTRY

GLOBAL PLASTIC INDUSTRY

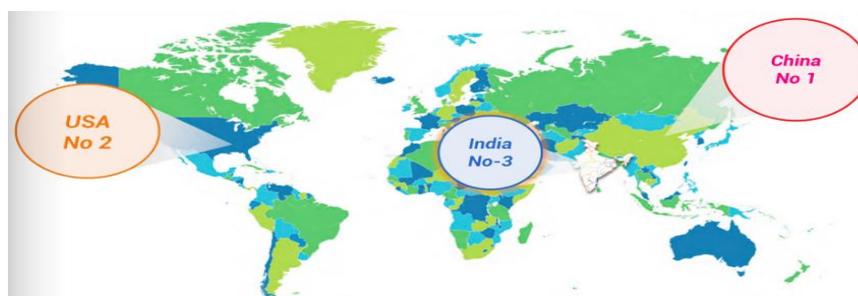
The global plastic industry, valued at \$584.7 billion in 2021, is poised for substantial growth, projected to reach \$753.1 billion by 2026, with a compound annual growth rate (CAGR) of 5.2%. This expansion is driven by escalating demand from diverse end-use sectors, including packaging, construction, automotive, and electronics. Factors such as population growth, urbanization, and evolving lifestyles contribute to heightened consumption of plastic in various applications, encompassing packaged foods and beverages, personal care products, personal protective equipment, and household items.

Notably, the Asia-Pacific region stands as the epicenter of the plastic market, representing over 50% of global demand. China spearheads consumption in this region, trailed by significant contributions from India, Japan, and South Korea. North America and Europe also play pivotal roles as substantial markets for plastic products.

However, the plastic industry confronts substantial risks, primarily stemming from mounting environmental concerns. Criticism has intensified over the industry's ecological impact, particularly with the alarming accumulation of plastic waste in oceans, adversely affecting marine life and ecosystems. In response, governments, organizations, and consumers are increasingly emphasizing initiatives to mitigate this environmental challenge. Measures such as recycling programs, outright bans on certain plastic products, and a shift towards more sustainable alternatives reflect the collective effort to address the environmental impact of the plastic industry. As sustainability gains prominence, the industry faces a critical juncture, prompting stakeholders to explore innovative and eco-friendly solutions to balance growth with environmental responsibility.

Source: KPMG report on The Future of Industry Focus on Plastics Manufacturing

China, the United States of America, and India stand as the top three contributors to worldwide plastic consumption.



Source: Plastics Industry Status Report – India – 2021-22 & 1H 2022-23 Update by Plastindia Foundation

INDIA'S PLASTIC INDUSTRY



The Indian plastic industry is one of the leading sectors in the country's economy. The history of the plastic industry in India dates back to 1957 with the production of polystyrene. Since then, the industry has made substantial progress and has grown rapidly. The industry is present across the country and has more than 2,000 exporters. It employs more than 4 million people in the country and constitutes 30,000 processing units; among these, 85-90% belong to small and medium enterprises. India manufactures various products such as plastics and linoleum, houseware products, cordage, fishnets, floor coverings, medical items, packaging items, plastic films, pipes, raw materials, etc. The country majorly exports plastic raw materials, films, sheets, woven sacks, fabrics, and tarpaulin. The Government of India intends to take the plastic industry from a current level of Rs. 3 lakh crore (US\$ 37.8 billion) of economic activity to Rs. 10 lakh crore (US\$ 126 billion) in 4-5 years.

In FY23, India's plastic exports stood at US\$ 11.96 billion. During this time period, the exports of writing instruments and stationery, medical items, plastic pipes and fittings increased by 22.7%, 18.0%, and 0.5% over the same time last year, respectively.

Source: <https://www.ibef.org/exports/plastic-industry-india>

RECYCLING

Recycling emerges as an environmentally conscious process that encompasses the transformation of used materials into fresh products, effectively preventing the squandering of potentially valuable resources. This sustainable practice plays a pivotal role in curbing the depletion of raw materials, minimizing energy consumption, and alleviating environmental issues like air pollution from incineration and water pollution from landfilling. By reducing the dependence on conventional waste disposal methods, recycling contributes significantly to the mitigation of greenhouse gas emissions. Within the realm of modern waste reduction strategies, recycling stands out as a crucial element, involving the reutilization of diverse products such as glass, paper, metal, plastic, textiles, and electronics. The recycling journey typically initiates with the delivery of materials to designated collection centres or curb side pickups, followed by meticulous sorting, cleaning, and reprocessing, ultimately yielding new materials poised for manufacturing.

Some common recyclable materials

Recycling plays a pivotal role in sustainable resource management, encompassing a diverse array of common recyclable materials. The following materials can be recycled through industrial process:

Non-ferrous Metals: Recycling non-ferrous metals like aluminium, copper, and brass is essential for conserving resources and realizing significant energy savings.

Ferrous Metals: The recycling of ferrous metals, including steel and iron, contributes to resource conservation and reduces greenhouse gas emissions associated with their production.

Plastic: Various plastic types, such as PET and HDPE, are recyclable, playing a crucial role in reducing the demand for new plastic and mitigating environmental impacts.

Glass: Glass is a highly recyclable material, offering endless reprocessing opportunities without compromising quality, thereby conserving energy and raw materials.

Paper: Recycling paper helps conserve forests, reducing energy and water consumption associated with paper production, and promoting a more sustainable approach to resource use.

Batteries: Battery recycling is essential for preventing environmental contamination and recovering valuable metals like lead, cadmium, and nickel.

Electronics: Recycling electronic waste is crucial for resource recovery, particularly valuable components like gold, silver, and copper.

Other Common Recyclables: Several other materials are also commonly recycled, such as textiles, ship breaking, tires etc.

PLASTIC RECYCLING INDUSTRY

Recycled plastics are the plastics that made from post-consumer or post-industrial plastics instead of the virgin resin. The process of recycling used plastic from consumable products is an efficient means to reprocess the material into useful products. Many different products make great sources of recyclable material, including: soda bottles, plastic packaging, sheets and pellets. Recycled plastic is used to make many different types of products. The type of product that is made out of recycled plastic depends on the type of plastic resin. There are several different types of plastic resin used to make different products, such as PET, PP, HDPE and LDPE.



INDIA'S PLASTIC RECYCLING INDUSTRY

India has a population of more than 1.4 billion and generates 26,000 tonnes of plastic waste – every day. This is the equivalent of approximately 26,000 small cars. India produces 3.4 million tonnes of plastic waste in a year and only 30% of it is recycled. The India Plastic Recycling market stood at approximately 5700 thousand tonnes in FY 2023 and is likely to grow at a steady CAGR of 5.84% in the forecast period by FY 20230. The plastic recycling industry in India is rapidly growing owing to the rise in the number of small-scale plants in the country and the increasing focus of non-governmental entities on the secondary use economy. Plastic recycling has various benefits such as financial benefits, reducing the need for the production of fresh plastics, creating employment, opportunities, and reducing energy consumption. Additionally, development in various industries such as packaging, and automotive, and policies and regulations by the government are driving the market. This can be attributed to the increasing environmental awareness and viable applicability of the products derived from plastic waste. Although this sector is mostly managed by unorganized local players, the Government of India has enforced plastic waste management rules that prohibit the use of single-use plastics that have low utility and high littering potential.

Nowadays, environmental protection has become India's topmost priority which paves the path to design and implement methods to manage plastic waste effectively to minimize the pollution generated through non-decomposable plastics. To curb the negative impact of plastics on the environment, several major steps have been taken by the government and local players who are putting their efforts into making this country and planet Earth pollution-free.

Additionally, many fashion brands have recently taken charge of the situation and begun recycling PET plastic bottles into garments which makes this one of the significant ways to reduce waste generation making the country more environmentally friendly. Government initiatives, public awareness, and emerging ventures across the regions of India are collectively expected to foster market growth during the forecast period.

Plastics are generally categorized in two types:

Thermoplastics
 Thermoplastics or Thermo-softening plastics are the plastics which soften on heating and can be molded into desired shape such as ET, HDPE, LDPE, PP, PVC, PS etc.

Thermosets
 Thermoset or thermosetting plastics strengthen on heating, but cannot be remolded or recycled such as Sheet Molding Compounds (SMC), Fiber Reinforced Plastic (FRP), Bakelite etc. are the examples of the same

Source:

- <https://www.csiro.au/en/news/all/articles/2023/december/circular-economy-roadmap-india>
- <https://www.chemanalyst.com/industry-report/india-plastic-recycling-market-512>
- <https://online.fliphtml5.com/wtqof/olmw/#p=224>
- <https://economictimes.indiatimes.com/news/india/india-recycles-only-30-per-cent-of-3-4-mt-plastic-waste-generated-annually-report/articleshow/96918352.cms?from=mdr>

The Society of the Plastics Industry, Inc. (SPI) introduced its resin identification coding system in 1988 at the urging of recyclers around the country. The seven types of plastic include:

| Symbol | Materials | Example | Common Uses |
|--------|----------------------------------|---------|--|
| | PET (Polythene Terephthalate) | | Bottles, Polyester Fibres, Films, Food Packaging |
| | HDPE (High-Density Polyethylene) | | Cleaning-Agent Containers, Milk Containers, Pipes, Household Goods |
| | PVC (Polyvinyl Chloride) | | Pipes, Floor Coverings, Window Frames, Electric Cables, Boots, Shower Curtains |
| | LDPE (Low-Density Polyethylene) | | Plastic Bags, Clingfilm, Garbage Bags, Milk Carton Coatings |
| | PP (Polypropylene) | | Food Packaging, Houseware, Bottle Lids, Furniture, Ripe, Automobile Parts |
| | PS (Polystyrene) | | Food Takeaway Containers, Plastic Cutlery, Egg Trays |

| | | | |
|--|-------|--|---|
| | Other | | Includes Polycarbonate, Poly lactide, Acrylonitrile, Styrene, Fiberglass and Nylon Acrylic, Butadiene, Nylon |
|--|-------|--|---|

Source: <https://www.icpe.in/recyclingprojects.html>

PLASTIC WASTE

Plastic waste (PW) is one of the most rapid-growing waste streams in municipal solid waste all over the world. India has become a global player in the plastic value chain. Despite low consumption, domestic generation and imports create a significant burden on the overall waste management system, which requires in-depth understanding of the scenario and pathways that can mitigate the crisis. Although Indian researchers have widely researched technology-related issues in academic papers, a substantial knowledge gap exists in understanding the problem’s depth and possible solutions.

Source: <https://www.mdpi.com/2071-1050/14/8/4425>

THE CHALLENGES OF PLASTIC WASTE MANAGEMENT (PWM) IN INDIA

There are a number of challenges to managing plastic waste in India. One challenge is the lack of infrastructure. India has a limited number of landfills and recycling facilities, and many of these facilities are not properly managed. This makes it difficult to collect and dispose of plastic waste in an environmentally sound manner.

Another challenge is the lack of awareness about the environmental impacts of plastic waste. Many people in India are not aware of the harm that plastic waste can cause to the environment. This lack of awareness makes it difficult to change people’s behaviour and encourage them to recycle plastic waste.

EXTENDED PRODUCER RESPONSIBILITY (EPR)

WHAT DOES EPR MEAN?

Extended Producer Responsibility is the strategy to increase the interests of different Brand-owners, Producers, and Importers in producing various Environment-Friendly products. Management of all the costs related to Environmental Waste and for the production of different products from the product’s Validity to its Market Price.

Extended Producers Responsibilities (EPR) are the responsibilities that are managed by the government for Post-consumer Waste Management. It is generally for different Brand Owners, Producers, and Importers who are obligated to follow the guidelines of Extended Producer Responsibilities (EPR) provided by the Central Pollution Control Board (CPCB).

EPR DEVELOPMENT IN INDIA

In India, the law related to environment is governed by an umbrella legislation, the Environment Protection Act 1986 (“EPA 1986”) and the rules made thereunder. The concept of Extended Producer Responsibility is relevant in the case of waste streams where the generation of waste is at the customer end, and hence more



difficult to control. Hence, the rules relating to E-Waste, Plastic Waste, Batteries, Solid Waste, Waste Tyres and Used Oil incorporate the concept EPR. The different types of wastes are managed through the rules issued under the EPA 1986. Rules currently governing the waste management are as under:

| Sr. No. | Types of Waste | Rules |
|---------|--|---|
| 1 | Lead Acid Batteries | Batteries Waste Management Rules 2022 (“BWM Rules 2022”) |
| 2 | Electronic Waste | E-Waste Management Rules 2022 (“EWM Rules 2022”) |
| 3 | Plastic and plastic packaging | Plastic Waste Management Rules 2016 (“PWM Rules 2016”) |
| 4 | Solid Waste | Solid Waste Management Rules 2016 (“SWM Rules 2016”). |
| 5 | Hazardous waste including Waste Tyres and Used Oil | Hazardous and Other Wastes (Management and Transboundary Movement) Rules 2016 |
| 6 | Construction & Debris waste | Construction and Demolition Waste Management Rules 2016 |
| 7 | Bio-medical waste | Bio-Medical Waste Management Rules 2016 |

Main features of the EPR Rules in respect of Batteries, Electrical or Electronic Equipment and Plastic Waste

A table on the main features of the EPR rules in Batteries, Electrical or Electronic Equipment and Plastic Waste in the Indian legal framework is mentioned as below:

| Applicable Rules | Battery Waste Management Rules, 2022 | E-Waste Management Rules, 2022 | Plastic Waste Management Rules, 2016 (as amended upto 2023) |
|----------------------|---|---|--|
| Product Coverage | All types of Batteries or components thereof except used in equipment for military purpose or sent into space | Electrical and electronic equipment including solar photo-voltaic moudles/ panels/cells, whole or in part | Plastic Waste including packaging waste |
| Effective Date | August 22, 2022 | April 01, 2023 | March 18, 2016 |
| Stakeholder Coverage | Producer, dealer, consumer and other entities involved in collection, segregation, transportation, re-furbishment and recycling | Manufacturer, producer, refurbisher, dismantler and recycler | Every waste generator, local body, Gram Panchayat, Manufacturer, Importer and Producer |
| Responsibility | Collection of Waste Batteries and its | Collection of E-Waste & Channelisation to | Collection of plastic waste generated and channelisation to Registered Recyclers |

| | | | |
|----------------|---|--|---|
| | recycling through Registered Recyclers | Registered Refurbishers/ Recyclers | |
| Targets | Targets are in terms of collection of waste batteries, minimum use of recycling material and minimum recovery of Battery material, for different types of batteries | Targets based on % of quantity of EEE placed in the market | Targets in terms of collection of plastic waste, recycling and use of recycled plastic in packaging |

Source: Chartered Secretary Journal of ICSI, August 2023

EPR FOR PLASTIC WASTE IS APPLICABLE FOR AND EMPHASIZES ON:

- Producer of Plastic Packaging
- Brand Owners
- Importer
- Plastic Waste Processors



GUIDING PRINCIPLES FOR EFFECTIVE PLASTIC WASTE MANAGEMENT (PWM):

Reuse: Obligated entities are urged to prioritize the reuse and cogeneration of resources, minimizing dependence on virgin plastic. Emphasis should be placed on utilizing waste as an energy resource during production.

Recycling: In accordance with EPR guidelines set forth by the CPCB, entities are required to recycle their plastic packaging waste. It is crucial for entities to collaborate with recognized Plastic Waste Recycling Companies for effective plastic waste management.

Use of Recycled Plastic Materials: To foster sustainability, all entities must responsibly manage and actively integrate recycled plastic products or materials into their operations. This not only aids in cost-cutting but also contributes to the conservation of valuable resources.

End-of-Life Disposal: For the proper management and disposal of end-of-life waste materials, strict adherence to CPCB's EPR guidelines is imperative. Entities should ensure the handover of such waste to authorized Plastic Waste Processors or End-of-Life Disposers.





IMPLEMENTATION OF EPR RULES AND REPORTING

The incorporation of sustainable development principles is inherent in the Extended Producer Responsibility (EPR) concept. It stands as a crucial compliance aspect for corporate professionals, as failure to adhere not only impacts stakeholders due to legal repercussions but also poses harm to the environment in the long run. Consequently, the implementation mechanism for EPR rules across various waste streams is of paramount importance. Key steps for EPR compliance encompass:

- **Registration on CPCB Central Portal:** Corporates are required to register on the CPCB Central Portal for specific waste streams, ensuring alignment with relevant authorities.
- **Collaboration with Waste Management Agencies:** Establishing partnerships with Waste Management, Collection Agencies, and Producer Responsibility Organisations (PROs) proves vital for the effective execution of EPR rules. These entities manage reverse logistics and collaborate with registered recyclers to ensure environmentally friendly waste processing.
- **Submission of Periodic Returns:** Registered entities must regularly submit returns on the CPCB portal, facilitating proper management of waste product inventory and enabling the monitoring of set targets and achievements.
- **EPR Certificate Procurement:** Producers can fulfil EPR targets by procuring EPR Certificates from Recyclers/Refurbishers, contributing to the promotion of responsible waste management.

In addition to adhering to the Waste Management Rules, Extended Producer Responsibility (EPR) forms an integral part of the reporting obligations set by the Securities and Exchange Board of India (SEBI). SEBI, through its circular no. SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 dated July 12, 2023, mandates the inclusion of EPR in the Business Responsibility & Sustainability Report (BRSR). The BRSR Core, providing reasonable assurance, encompasses a set of Key Performance Indicators for disclosures related to diverse waste streams, including plastic waste, e-waste, bio-medical waste, construction and demolition waste, battery waste, radio-active waste, and other hazardous waste.

Moreover, the Business Responsibility & Sustainability Reporting Format requires entities to articulate their stance on the applicability of EPR to their business activities. Companies are also expected to detail the measures undertaken to fulfill their extended producer responsibility, thus emphasizing their commitment to sustainable practices.

KEY PWM STAKEHOLDERS AND THEIR RESPONSIBILITIES IN INDIA:

| Sr. No. | PWM Stakeholders | Key Responsibilities |
|---------|---|---|
| 1 | Pollution Control Boards (CPCB and SPCBs) | <ul style="list-style-type: none"> • Overall EPR Implementation • Stakeholders' registration and certification • Create and manage technology platform • Set targets and impose penalties |
| 2 | Producers, Importers, Brand Owners | <ul style="list-style-type: none"> • Overall PWM responsibility • Plastic credit mechanism • Compliance reporting to CPCB/ SPCBs • Co-ordinating and funding of PROs |

| | | |
|---|--|---|
| 3 | PROs | <ul style="list-style-type: none"> • EPR Planning • Capacity building of waste value chain • Material flow through value chain • Waste processing |
| 4 | Waste Processors | <ul style="list-style-type: none"> • Waste processing including collection from Urban Local Body (ULBs), segregation, and recycling |
| 5 | Local Bodies (ULBs or Gram Panchayats) | <ul style="list-style-type: none"> • Demarcate locations/ areas, set up infrastructure and access funds from various sources for PWM • Ensure source segregation and collection • Create citizen communities and allocate human resources • Co-ordinate with PROs/ Independent Processors and review progress |
| 6 | Retailers and Street Vendors | <ul style="list-style-type: none"> • Consumer awareness • Provide dustbins for waste disposal • Ensure that plastic waste enters appropriately into PWM value chain |
| 7 | End users (institutional or individual waste generators) | <ul style="list-style-type: none"> • Minimise waste generation by reduced consumption, following sustainable disposal methods, and putting public pressure on producers • Ensure that waste produced is directed correctly into the PWM value chain • Segregation at point-of-disposal |

Source: Research report of India – Australia Industry and Research Collaboration for Reducing Plastic Waste

HOW DOES EPR WORK?

The liability of extended producer responsibility gets passed on from the seller of a commodity to its purchaser – in this case, plastic packaging – to avoid duplication in accounting. It means that when a producer buys plastic from an importer, and then directly places the product on the market, the liability to collect back and recycle falls on the producer.

Similarly, if a brand owner buys plastic from a producer or an importer and uses it to place its products on the market, the brand owner becomes liable for end-of-life management of that amount of plastic waste.

The collection target (also known as EPR target) is arrived at by calculating the average of the amount of the plastic that a polluter has placed on the market in the last two consecutive years. EPR is ‘brand neutral’ – this means that a polluter does not necessarily limit itself to its own plastic packaging while collecting back; it can collect and recycle plastics put on the market by any other brand to fulfil its EPR targets.

However, the 2022 EPR notification binds the polluter to the plastic category. This means the EPR targets for every polluter will have to be fulfilled only for the category of plastic that they release into the market. For instance, if a polluter does not use multi-layered plastic (MLP-category IV as per the EPR policy) for packaging any of its products, it does not have the liability to collect MLP.

The new EPR policy also introduces a plastic credit system. This implies that if a polluter manages to recycle more plastic waste than it had put into the market, it can either carry it forward for consideration in the



following fiscal year or sell it off to another polluter who has a mandate to recycle the same category of plastic.

The EPR certificates can only be issued to the ‘polluters’ by authorised plastic waste processors/recyclers.

The EPR policy has divided plastics into four broad categories:

- **Category I** - Rigid plastics
- **Category II** - Flexible plastics (made up of more than one layer of plastic and may contain different types of plastic material)
- **Category III** - Multi-layered plastics (at least one layer of plastic along with a layer of non-plastic material)
- **Category IV** - Compostable plastics

The PIBOs have been assigned collection, recycling and use of recycled content targets as follows:

a. Collection target (calculated on the basis of the preceding two-year average of the plastic put out on the market)

| Year | Collection targets |
|---------|--------------------|
| 2021-22 | 25% |
| 2022-23 | 70% |
| 2023-24 | 100% |

b. Recycling targets (calculated on the basis of collection/EPR targets)

| Plastic category | 2024-25 | 2025-26 | 2026-27 | 2027-28 |
|-------------------|---------|---------|---------|---------|
| I-Rigid | 50% | 60% | 70% | 80% |
| II-Flexible | 30% | 40% | 50% | 60% |
| III-Multi-layered | 30% | 40% | 50% | 60% |
| IV-Compostable | 50% | 60% | 70% | 80% |

c. Use of recycled content (calculated on the basis of the amount of plastic manufactured in a year)

| Plastic category | 2025-26 | 2026-27 | 2027-28 | 2028-29 |
|---------------------|---------|---------|---------|---------|
| I - Rigid | 30% | 40% | 50% | 60% |
| II - Flexible | 10% | 10% | 20% | 20% |
| III - Multi-layered | 5% | 5% | 10% | 10% |

d. End-of-life disposal limit (calculated on the basis of the difference between total plastic put out on the market and recycling targets)

| Plastic category | 2024-25 | 2025-26 | 2026-27 | 2027-28 |
|---------------------|---------|---------|---------|---------|
| I - Rigid | 50% | 40% | 30% | 20% |
| II - Flexible | 70% | 60% | 50% | 40% |
| III - Multi-layered | 70% | 60% | 50% | 40% |
| IV - Compostable | 50% | 40% | 30% | 20% |



IMPACT OF PLASTIC WASTE EPR IN INDIA

With the introduction of PWM 2022 Rules Central Pollution Control Board (CPCB) has developed an online portal for the registration of Producers, Importers, Brand Owners & Plastic Waste Processors. As on 3rd January 2024 the following entities has been registered on CPCB portal:

| Sr. No. | Particulars | Total Registrations |
|---------|--------------------------|---------------------|
| 1 | Producer | 3,871 |
| 2 | Importer | 27,419 |
| 3 | Brand Owner | 2,370 |
| 4 | Plastic Waste Processors | 2,323 |

The EPR targets assigned to PIBOs as on 3rd January, 2024 in MT is as follows:

| Sr. No. | Type of Entity | Cat-I (Rigid) | Cat-II (Flexible) | Cat-III (MLP) | Cat-IV (Compostable) | Sub-Total |
|--------------|----------------|---------------|-------------------|---------------|----------------------|----------------|
| 1 | Brand Owner | 669763 | 722638 | 271439 | 494 | 1664335 |
| 2 | Producer | 94697 | 45211 | 22535 | 26 | 162470 |
| 3 | Importer | 19378 | 69260 | 7708 | 390 | 96735 |
| Total | | 783838 | 837109 | 301682 | 910 | 1923539 |

Source: https://eprplastic.cpcb.gov.in/#/plastic/home/main_dashboard; (Centralized Extended Producers Responsibility Portal for Plastic Packaging)

POSITIVE OUTLOOK OF RECYCLED PLASTIC WASTE MANAGEMENT IN INDIA

The positive outlook for the recycled plastic waste management market in India is underlined by a confluence of factors that signal robust growth and sustainability in the sector. With increasing awareness about environmental conservation and a growing commitment to sustainable practices, the demand for extended producer responsibility (EPR) services in recycled plastic waste management is poised to witness a substantial uptick. Government initiatives and stringent regulations mandating responsible disposal of plastic waste have not only spurred the adoption of EPR services but have also created a conducive environment for market expansion.

Additionally, the rising consumer consciousness towards eco-friendly products and packaging amplifies the demand for recycled plastics, incentivizing companies to invest in EPR services. The untapped potential of the market, coupled with the commitment of stakeholders towards a greener future, positions the recycled plastic waste management industry as a key player in India's sustainable development narrative, promising investors an opportunity to participate in a sector that aligns with both environmental responsibility and economic growth.

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OUR BUSINESS

Some of the information contained in the following discussion, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You shall read the chapter titled “Forward Looking Statements” beginning on Page No. 21 of this Draft red herring, for a discussion of the risks and uncertainties related to those statements and also the section “Risk Factors” for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal are to the twelve-month period ending March 31 of that year.

The financial information used in this section, unless otherwise stated, is derived from our Financial Information, as restated prepared in accordance with Indian GAAP, Companies Act and SEBI Regulations. The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Draft red herring, including the information contained in the sections titled “Risk Factors” and “Financial Information” beginning on Page No. 31 and 190 respectively.

BUSINESS OVERVIEW

GEM Enviro Management Limited ("GEM") is a forward-thinking company dedicated to addressing one of the most pressing environmental challenges of India: plastic waste management and the implementation of Extended Producer Responsibility (EPR) programs. GEM Enviro is specialising in collection and recycling of packaging waste and promotion of recycled green products. We are a Waste Management Agency (WMA) providing sustainability services to our clients and thereby addressing the profound environmental issues posed by waste. We provide a range of services, including EPR (Extended Producer Responsibility) compliance, Scrap Management, ESG (Environment, Social and Governance) Consulting, BRSR (Business Responsibility and Sustainability Reporting) Reporting, Project Advisory and Management of Plastic Credits, Sales and Marketing of recycled products, and Eco-Awareness Campaigns, adopting a closed-loop model that significantly reduces the environmental impact and also deals in plastics scraps trading.

Established in the year 2013 and initially promoted by Mr. Sachin Sharma, Mr. Dinesh Pareekh and Mrs. Sangeeta Pareekh, has emerged as a trailblazer in the industry, combining cutting-edge systems and processes, environmental stewardship, and a commitment to sustainability to create a more responsible and eco-friendly approach to plastics. Further GEM Enviro Management aspires to create a sustainable future where every producer takes responsibility for their products' entire life cycle, from production to end-of-life disposal, minimizing the environmental footprint and promoting a circular economy.

With a diverse portfolio of 100+ clients, GEM Enviro Management has established strong relationships across various industries, including Food and Beverages (F&B), Fast Moving Consumable Goods (FMCG), Cement, Fertilizers, Packaging, Consumer Goods and many more. Few of GEM's prominent clients are companies such as Bengal Beverages Private Limited (Bottler of THE COCA-COLA COMPANY), Varun Beverages Limited, National Fertilizers Limited, PepsiCo India Holdings Private Limited, Krishak Bharati Cooperative Limited (KRIBHCO) etc. These clients have recognized the importance of EPR in fostering eco-responsibility and have chosen to partner with GEM for their sustainability efforts. GEM team collaborates closely with each client to develop and implement EPR programs tailored to their specific needs and goals. Through these partnerships, GEM has seen the transformation of companies' attitudes towards environmental responsibility, making it an integral part of their business strategy.



GEM, a key player in India's Extended Producer Responsibility (EPR) sphere for plastic waste, provided more than 300,000 MT of EPR credits to its customers in the financial year 2022-23. It works with more than 25 plastic waste processors for the same.

Mission:

GEM's mission is to revolutionize the way society deals with plastic waste. GEM's aims to minimize the negative impact of plastics on the environment by providing innovative solutions for recycling and waste management.

Vision:

GEM's vision is to build a world where plastics are viewed as a valuable resource rather than a disposable commodity, ensuring a cleaner, greener, and more sustainable future for generations to come.

Our Company is an ISO 45001:2018 certified provides different types of services relating to collection and recycling of all type of plastic waste including manufacturing and marketing of recycled products.

Mr. Sachin Sharma, Mr. Dinesh Pareekh and Mrs. Sangeeta Pareekh, the initial promoters of GEM Enviro Management Limited, bring a wealth of experience and dedication to the realm of sustainability. Mr. Sachin Sharma is a dynamic/ accomplished individual and a staunch advocate of sustainability with a diverse and impressive professional journey that spans across engineering, business management, and entrepreneurship. With a Bachelor of Technology (B. Tech), Textiles Technology and a Post Graduate Diploma in Computer Aided Management from IIM Calcutta, he has leveraged his extensive knowledge and experience to excel in the corporate world and become a successful entrepreneur. During the corporate journey with various organizations including Edelweiss, Sachin developed a deep appreciation of the environment and decided to explore sustainable solutions to address the planet's growing waste crisis. After a decade of enriching corporate experiences, Sachin made a decision to explore entrepreneurship in plastic waste management by co-founding GEM Enviro Management Limited ("GEM") in the year 2013 which focusses on innovative ways to manage and recycle the plastic waste.

Mr. Dinesh Pareekh, a seasoned businessman and investor, has actively fostered the growth of plastic recycling in India through strategic investments in various businesses. His passion for sustainable practices extends beyond financial support; Mr. Dinesh Pareekh has a vision to manage the Company professionally, promoting transparency and accountability in their sustainability endeavors.

Mrs. Sangeeta Pareekh is a seasoned businesswoman and committed investor with dedication to promote and invest in sustainability businesses. She is highly passionate about growth of plastic recycling in India and she believes that by promoting and investing in sustainable business in India she can create a positive impact on environment. Her initiatives have helped to channel capital towards companies dedicated to sustainability. Further her active engagement with companies encourages transparency and accountability in their sustainability practices.

Financial Snapshot:

Amount in ₹ lakhs

| Particulars | For the period ended | For the year ended |
|-------------|----------------------|--------------------|
|-------------|----------------------|--------------------|



| | 30-Sep-23 | 31-Mar-23 | 31-Mar-22 | 31-Mar-21 |
|-------------------------|-----------|-----------|-----------|-----------|
| Revenue from operations | 1,848.58 | 4,253.02 | 3,280.00 | 2,551.42 |
| EBITDA | 877.06 | 1,355.06 | 1,003.49 | 809.02 |
| PAT | 650.84 | 1,001.82 | 745.23 | 583.38 |

OUR SERVICES AND SOLUTIONS PORFOLIO

1. **EPR Program Management and Implementation**
2. **Sustainability Consultation**
3. **Collection and Transportation of Plastic waste**
4. **Education and Advocacy**

1. EPR Program Management and Implementation

GEM partners with businesses, governments, and industries to develop and implement EPR programs. EPR shifts the responsibility of managing and recycling plastic products from consumers and local municipalities to the Brand Owners / Producers, encouraging eco-friendly product design and responsible disposal.

GEM offers a comprehensive suite of services to help businesses implement and manage their EPR programs:

i. **EPR Program Development**

GEM consultants work closely with clients to design customized EPR programs that align with their industry, products, and environmental goals. These programs help the clients meet regulatory requirements and fulfil their environmental responsibilities.

ii. **Compliance Management**

GEM provides end-to-end compliance management services, ensuring that its clients meet all legal obligations regarding EPR, Government guidelines, and reporting requirements.

iii. **Data Analysis and Reporting**

GEM employs advanced data analysis tools to monitor and report on EPR program performance. Our detailed reports enable clients to track progress and make data-driven decisions.

iv. **Educational Workshops and Training**

GEM conducts workshops and training sessions to educate its clients and their staff on the principles of EPR and the best practices for reducing their environmental impact.

v. **Stakeholder Engagement**

GEM helps clients engage with stakeholders, including consumers, environmental organizations, and government agencies, to build strong relationships and transparent communication channels.

2. Sustainability Consultation

GEM offers consultation services to Brand Owners and Producers interested in reducing the environmental impact of their plastic products. GEM experts provide guidance on EPR cost minimization, sustainable material selection and waste reduction strategies. GEM advises its clients on ways and means to achieve plastic neutrality in its operations.

GEM also provides expert consultation to businesses, helping them understand and navigate the complex



world of plastic credits. GEM is registered with 'Verra' as consultant for plastic credits. 'Verra' is USA based organization that sets the world's leading standards for climate action and sustainable development.

Plastic Credits operate on a simple principle: businesses or individuals earn credits by taking actions that reduce, recover, or recycle plastic waste. These credits can then be traded or sold in the market, creating a financial incentive for sustainable plastic management practices. This mechanism not only encourages responsible waste management but also transforms environmental responsibility into an economic opportunity.

GEM assists its clients in monetising plastic credits, ensuring economic returns to them for their efforts to reduce and offset plastic waste. GEM helps its clients in making their business processes more sustainable; thus contributing to a cleaner and greener planet.

3. Collection and Transportation of Plastic waste:

GEM operates a robust collection and transportation network to efficiently gather plastic waste from various sources, including businesses, and industrial sites. GEM ensures responsible transportation and segregation of plastics for recycling.

4. Education and Advocacy:

GEM conducts outreach programs and educational campaigns to raise awareness about plastic waste issues and advocate for EPR implementation. The objective is to make a world where individuals, communities, and businesses are fully aware of the environmental impact of plastic waste and are empowered to take action to reduce, reuse, and recycle plastics.

GEM designs and conducts plastic waste awareness programs tailored to various audiences. These programs inform and educate individuals, schools, businesses, and communities about the challenges posed by plastic pollution.

The company offers workshops on plastic waste reduction, recycling, and sustainability. These workshops equip participants with the knowledge and practical skills to make eco-conscious decisions in their daily lives.

PLASTICS SCRAP TRADING

GEM Enviro specializes in plastic scrap trading, navigating the intricate landscape of sourcing, processing, and recycling plastic waste. The company has set high standards for itself, embodying the principles of the circular economy and championing innovation in plastic collection/recycling.

Sustainable Sourcing:

One of GEM Enviro's distinguishing features lies in its commitment to sustainable sourcing practices. The company has established a comprehensive network for procuring plastic scrap from diverse sources. By collaborating with waste management organizations, municipalities, and businesses, GEM Enviro ensures a steady supply of plastic scrap, thereby preventing these materials from ending up in landfills or oceans.

The company places a strong emphasis on ethical sourcing, adhering to international regulations governing the transboundary movement of plastic waste. GEM Enviro's stringent quality control measures during the sourcing phase contribute to a more efficient downstream process, ultimately yielding high-quality recycled plastic.

Relationship with Recyclers:

GEM Enviro has strong relationship with recyclers for recycling of plastic scrap that it collects. GEM Enviro



ensures that whatever material it collects is recycled as per the legal and environmental norms of India.

AWARDS, CERTIFICATIONS, AND RECOGNITION HONORED TO OUR COMPANY

The trust of our customers is a result of the consistent high quality of our services. Our company has been awarded various prominent certifications as a testament to our commitment to excellence. Some of which are as under:

- Times Business Awards North 2023 – For being a Recycling Partner.
- ISO 45001:2018 certificate number K22100304 from Deutsche Accreditation Board for providing different types of services relating to collection and recycling of all type of plastic waste including manufacturing and marketing of recycled products.
- Appreciation certificate from CBIC, Ministry of Finance, Government of India for FY 2021- 22 and 2022- 23 for prompt filing of returns and payment of Goods and Services Tax.

BUSINESS PROCESS FLOW

The business acquisition process for GEM is a multifaceted process that involves a strategic approach, effective communication, and a clear understanding of the environmental landscape. Below are the various steps involved in the business acquisition process:

Process Flow of Plastic Scrap Business:

1. Purchase or Procurement Process

GEM Enviro engages in two types of industrial waste/ pre-consumer purchases:

- **Unregistered Dealer (URD) purchases:** The Company acquires industrial waste/ pre-consumer waste from small dealers and waste collectors. The material is transported to our collection center, where it is baled and cut for easier transportation.
- **Registered Dealer (RD) purchases:** The Company buys finished raw material of industrial waste/ pre-consumer waste from existing collection center holders.

2. Material Verification and Quotation

Following material verification, The Company request quotations from various recyclers. The Company share details like images, quantity, and quality. Upon receiving bids, The Company sign an agreement for the current and future purchases based on the most favourable offer & then the recycler issue a purchase order accordingly.

3. Transportation Quotation

Once rates are finalized, The Company obtain quotations from transporters for moving the material from the collection center to the recycler's warehouse.

4. Loading and Vehicle Weighing

Before hiring a transporter, The Company arrange loading personnel. An empty vehicle is weighed at the collection center. Afterwards, the material is loaded, and the loaded vehicle is weighed again to determine the

actual material weight.

5. Purchase Order and Payment

After receiving weight, The Company issue a purchase order to the collection center holder and make payment as per the agreement's terms and conditions.

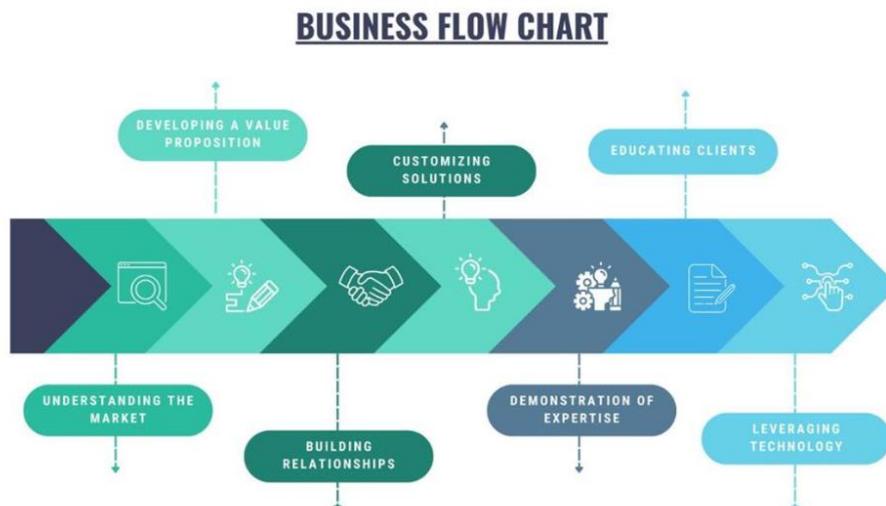
6. Material Sale

Upon receiving all purchase documents from the collection center, The Company obtain purchase orders from the recycler. The Company then generate sales documents based on the agreed-upon rates.

7. Material Unloading

At the recycler's warehouse, the material is unloaded and a report is provided. The Company negotiate any discrepancies within the report with both the collection center and the recycler.

Process Flow of EPR Services:



1. Understanding the Market:

Before embarking on the business acquisition journey, we conduct a thorough analysis of the market. We identify key players in the plastic industry, understand their EPR requirements, and assess their commitment to compliance and sustainability.

2. Developing a Value Proposition:

As a next step GEM crafts, a compelling value proposition for attracting potential clients. This involves highlighting the benefits of GEM EPR services, emphasizing how GEM can help in Client's contribution to environmental conservation, regulatory compliance, and corporate social responsibility. We further emphasizes cost-effectiveness, streamlined processes, and its expertise in managing plastic waste responsibly.

3. Building Relationships:

Our team gives great importance to building lasting relationships. Our team regularly attends industry conferences (most of the times as a speaker), networking events, and engage with potential clients through various channels. Establishing a personal connection and understanding their specific needs and challenges



enables GEM to tailor its services accordingly. Building trust is crucial in the EPR sector, where clients are entrusting Service Provider with the responsible management of their environmental impact and compliances.

4. Customizing Solutions:

Since every client is unique with varying plastic waste management needs, GEM tailors EPR services to meet the specific requirements of each client. This includes designing a customized collection and recycling program and providing comprehensive reporting for regulatory compliance.

5. Demonstration of Expertise:

GEM develops case studies highlighting successful implementations of its EPR services. GEM further illustrates how its strategies have resulted in reduced environmental impact, increased recycling rates, and compliance with regulatory standards. Such tangible evidence of its capabilities instill confidence in potential clients, reinforcing the value of choosing GEM's services.

6. Educating Clients:

Given the evolving nature of environmental regulations, many businesses may not be fully aware of the intricacies of plastic waste management. As part of client acquisition strategy, GEM invests in educational initiatives. GEM regularly provides resources, workshops, and training sessions to help clients understand the importance of EPR and how GEM's services align with their sustainability goals.

7. Leveraging Technology:

GEM incorporates technology into business acquisition process to streamline operations and enhance efficiency. It utilizes data analytics to provide insights into clients' plastic waste generation patterns, EPR requirements, recycling rates, and environmental impact. GEM has implemented digital platforms for transparent reporting and communication.

In conclusion, the business acquisition process for GEM involves a combination of market understanding, relationship-building, expertise demonstration, and technological integration. By focusing on these aspects and continuously adapting to the evolving needs of clients and the regulatory landscape, GEM has established itself as trusted partners in the sustainable management of plastic waste.

SWOT ANALYSIS

GEM's strength and weaknesses, opportunities in the market and threats to its business (SWOT) are analysed as given below;

Strength:

- GEM has in depth understanding of regulatory landscape for EPR.
- GEM has built in processes and workforce to quickly learn and adapt to the EPR requirements of other sectors.
- GEM is an emerging player in plastic EPR and has strong brand recall.
- GEM has relationship with the stakeholders (recyclers and waste aggregators) in the plastic and other EPR value chain.



Weakness

- The waste services industry is new and hence, there is dearth of trained manpower available in the market for hiring. Therefore, GEM has to train and retain its executive workforce.
- Other than Plastic Credit market, GEM's major market is domestic market in India. Hence, GEM is excessively exposed to the risks in the Indian EPR market.

Opportunity

- The market size for EPR is huge and is growing fast as stated in above section.
- The market size for other businesses of GEM is also huge and presents ample opportunities for GEM to grow.
- The waste tech / enviro tech industry is new and offers opportunities for high growth with the use of cutting-edge technologies such as AI and Blockchain.

Threat

- There is ever growing competition in the EPR segment as there are no entry barriers of licensing or capex.
- There are frequent changes in regulations by CPCB.
- There might be pricing pressure in EPR segments due to the increase in bargaining power of the recyclers.
- SEBI might impose licensing requirements in future to conduct ESG audits.

OUR COMPETITIVE STRENGTH

- Expertise:** With a robust background in waste management and Extended Producer Responsibility (EPR), GEM brings a wealth of industry experience. GEM's team of EPR experts (qualified team of cross functional talent (environment science graduates, engineers, MBA, CS etc.) possesses extensive knowledge of environmental regulations, recycling best practices, and industry-specific challenges. This expertise ensures that the clients receive the most effective EPR solutions.
- Innovation:** GEM stays at the cutting edge of EPR by constantly exploring new systems and strategies to improve recycling and reduce waste, which benefits both its clients and the environment.
- Sound understanding of the regulatory landscape:** Our company boasts a comprehensive understanding of the regulatory landscape governing waste management and sustainability. This in-depth knowledge positions us as a reliable partner for clients seeking compliance with environmental regulations. It allows us to stay ahead of industry changes and proactively adapt to evolving standards.
- Commitment to Transparency:** GEM believes in complete transparency in reporting, helping clients demonstrate their commitment to environmental responsibility to their stakeholders.
- Relationship with other stakeholders in the value chain:** We value strong relationships across the entire value chain. Collaborating seamlessly with various stakeholders, including suppliers, partners, and clients, has been instrumental in our success. These relationships contribute to the efficiency and effectiveness of our waste management solutions.

OUR BUSINESS STRATEGY



1. Diversification and Comprehensive Sustainability Services

Our Company's strategy involves diversifying its service portfolio beyond its initial focus on scrap management for beverage giants. The company now offers a comprehensive range of sustainability services, including EPR compliance, ESG consulting, BRSR reporting, and project advisory. This diversified approach positions GEM Enviro Management Limited as a one-stop solution provider for clients seeking holistic environmental solutions.

2. Broaden presence in current markets and explore entry into new geographical markets

Currently we have a presence particularly in Metros and Tier I cities. We aim to deepen our penetration in existing markets and increase our presence by expanding services to new cities and states. As a business strategy, we intend to expand our footprint in Tier-2 cities and Tier-3 cities as there are untapped opportunities in these cities for us to grow our business operations. We aim to deepen our penetration and continue to grow our scale of operations.

3. Promotion of Environmental Awareness and Acceptance of Recycled Merchandise:

GEM's initiatives go beyond operational aspects to actively promote environmental awareness. The company aims to encourage recycling, ensure EPR compliance, and advocate for the acceptance of recycled products among the masses. This strategy aligns with GEM's mission to transform society's approach to plastic waste and positions the company as an advocate for sustainable practices.

4. Prominent Leadership and Strong Industry Relationships:

GEM's business strategy centers around harnessing the expertise and dedication of its promoters, Mr. Sachin Sharma, Mr. Dinesh Pareekh and Mrs. Sangeeta Pareekh. Their extensive experience in business, finance, and sustainability is instrumental in steering GEM toward effective and sustainable plastic waste management. The company's strong ties with stakeholders, including recyclers, NGOs, and regulatory bodies, are crucial for the successful implementation of their initiatives. Additionally, maintaining robust relationships with brand owners across diverse industries, such as F&B, FMCG, and manufacturing, further enhances GEM's market influence and growth trajectory.

5. Innovation and Technology:

Embracing innovation and leveraging technology will be central to our strategy. We aim to explore and implement cutting-edge technologies for waste tracking, recycling, and material recovery, ensuring that our processes are efficient, transparent, and environmentally sustainable.

OUR GROWTH STRATEGY

GEM is adopting the strategy of related diversification for its future growth. GEM would leverage technology and customized processes to quickly grow in each of the chosen segments of operation.

a. Plastic Waste EPR:

GEM is planning to target an additional 1000 customers to serve their plastic waste management related needs. GEM's suit of services in this regard might range from registering the client on CPCB's online portal



to charting out their specific waste management plan, training and development of their employees and value chain partners, EPR fulfilment and regulatory compliance management.

b. E-Waste EPR:

GEM has tied up with recyclers to serve the E-Waste producers. Many of GEM’s existing clients have both the plastic waste and E-waste EPR requirements. GEM has also onboarded new clients and got them registered with CPCB. GEM Enviro Management Limited stays updated on changes in waste services by providing advisory services that align with the evolving regulatory landscape. GEM informs and educates its clients to make them fully compliant and risk ready.

c. Plastic Credit Consulting:

GEM is registered with Verra, the renowned international agency for standard setting and maintaining the credit registry. GEM collaborates with the plastic waste recycler 'Ganesha Overseas Pvt. Ltd.' to provide PC volume to be purchased approx. 10,000 MT/ Yr, credit for recycling and about 10,000 MT/ Yr. for collection in Nepal. GEM is working with domestic and international clients to advise and handhold them regarding registration, validation, verification, and sale of the plastic credits accruing from their plastic waste collection and recycling activities.

d. ESG Advisory:

The ESG reporting has been mandatory by SEBI for the top 1000 listed companies. GEM is geared to provide its clients not only the BRSR (Business Responsibility and Sustainability Report) services but also the strategic ESG advisory.

GEM team shall formulate/tweak ESG strategy and chalk out the ESG risk mitigation plan in consultation with client’s senior management and the subject matter experts (SMEs). GEM shall also help the client in aligning the business processes of the company with ‘ESG’ strategy. GEM, with its understanding of the waste management and environmental space and its cross functional team, is fully geared to capture the substantial share of the huge ESG advisory market.

e. Battery and Tyre Waste EPR:

GEM would also be targeting the Battery and Tyre waste EPR markets as GEM has completed understanding of the EPR process and the value chain. GEM has already developed the collaterals (marketing material) to approach and acquire clients in this segment. GEM is also hiring and developing human resources to capture the substantial share of these markets.

SEGMENT WISE REVENUE

Amount in ₹ Lakhs

| Revenue | 30.09.2023 | F.Y. 2022-23 | F.Y. 2021-22 | F.Y. 2020-21 |
|----------------------|-------------------|-------------------------|-------------------------|-------------------------|
| Sale of EPR Services | 1,802.39 | 3,504.73 | 2,939.60 | 2,067.46 |
| Sale of Garments | 3.63 | 7.45 | 13.19 | 4.89 |
| Sale of Scrap/ Waste | 42.56 | 740.84 | 327.21 | 479.07 |



| | | | | |
|--------------|-----------------|-----------------|-----------------|-----------------|
| Total | 1,848.58 | 4,253.02 | 3,280.00 | 2,551.42 |
|--------------|-----------------|-----------------|-----------------|-----------------|

TOP CUSTOMERS CONTRIBUTION TO REVENUE

The following table sets forth the revenue bifurcation from customers for period ended September 30, 2023 and for FY 2023, FY 2022 and FY 2021:

Amount in ₹ Lakhs

| Customer | For period ended September 30, 2023 | | For year ended March 31, 2023 | |
|--------------------------------------|-------------------------------------|--------------------------|-------------------------------|--------------------------|
| | Revenue contribution | % of operational revenue | Revenue contribution | % of operational revenue |
| Top 5 Customer | 721.57 | 39.03% | 1,949.03 | 45.83% |
| Top 10 Customer | 1,026.97 | 55.55% | 2,444.63 | 57.48% |
| Total Revenue from Operations | 1,848.58 | | 4,253.02 | |

| Customer | For year ended March 31, 2022 | | For year ended March 31, 2021 | |
|--------------------------------------|-------------------------------|--------------------------|-------------------------------|--------------------------|
| | Revenue contribution | % of operational revenue | Revenue contribution | % of operational revenue |
| Top 5 Customer | 1,677.04 | 51.13% | 1,294.84 | 50.75% |
| Top 10 Customer | 2,171.52 | 66.20% | 1,569.17 | 61.50% |
| Total Revenue from Operations | 3,280.00 | | 2,551.42 | |

TOP SUPPLIERS CONTRIBUTION TO PURCHASES

| Suppliers | For period ended September 30, 2023 | | For year ended March 31, 2023 | |
|------------------------|-------------------------------------|----------------|-------------------------------|----------------|
| | Purchase contribution | % of Purchases | Purchase contribution | % of Purchases |
| Top 5 Suppliers | 637.53 | 82.47% | 1,161.59 | 48% |
| Top 10 supplier | 773.04 | 100.00% | 1,658.77 | 69% |

| Suppliers | For year ended March 31, 2022 | | For year ended March 31, 2021 | |
|------------------------|-------------------------------|----------------|-------------------------------|----------------|
| | Purchase contribution | % of Purchases | Purchase contribution | % of Purchases |
| Top 5 Suppliers | 724.77 | 30% | 762.50 | 57% |
| Top 10 supplier | 1120.37 | 47% | 1081.53 | 80% |

CAPACITY AND CAPACITY UTILISATION

Being in service industry, capacity and capacity utilisation is not applicable on our company.



INFRASTRUCTURE FACILITIES

Infrastructure Facilities

Our registered office is located in Delhi and is equipped with computer systems, servers, relevant software and other communication equipment's, uninterrupted power supply, internet connectivity, security and other facilities, which are required for our business operations to function smoothly.

Power Facilities

Our Company requires power for the normal requirement of the Office for lighting, systems etc. Adequate power is available which is met through the electric supply.

Water Facilities

Our registered office has adequate water supply arrangements for human consumption purpose. The requirements are fully met at the existing premise.

INDUSTRY COMPETITION ANALYSIS

The Plastic EPR service provider industry is experiencing intense competition driven by regulatory changes, technological advancements, and strategic collaborations. Companies that navigate these competitive forces effectively, stay abreast of emerging trends, and adapt their strategies accordingly will be well-positioned to lead in this crucial sector. As the industry continues to evolve, the ability to provide sustainable and efficient solutions will be the key to success in the dynamic landscape of plastic waste management.

Our competitive edge lies in our ability to stay abreast of industry regulations and evolving technology. We believe that the principal competitive factors include service quality, reliability, and price that are able to comprehensively address varying requirements of different customer segments and specific customer needs. We believe that our ability to compete effectively is primarily dependent on ensuring consistent service quality and timely services at competitive prices, thereby strengthening our brand over the years.

HUMAN RESOURCES

We believe human capital is one of the most valuable assets of our company as their technical know-how and skill sets position us at a competitive advantage in our business segment in providing some of our services. We have developed a pool of skilled and experienced personnel. As on the date of this DRHP, we have 51 fully time employees. The following table sets forth a breakdown of our employees by function:

| Department | Number of Employees |
|--------------------|---------------------|
| Finance & Accounts | 5 |
| Compliance | 2 |
| Sales & Marketing | 4 |
| Administration | 8 |
| Operations | 25 |
| Store | 2 |
| IT | 1 |



| | |
|---------------|-----------|
| Peon / Driver | 3 |
| Designer | 1 |
| Total | 51 |

COLLABORATION

As on date of Draft Red Herring Prospectus, our Company has not entered into any technical or financial collaboration agreements.

QUALITY CONTROL

Our Company has been accredited with ISO 45001:2018 for collection and recycling of all type of plastic waste (PET, H.DP.E, L.D.P.E, P.P., MLP, Beverage Cartons) including Manufacturing & Marketing of recycled products. The said certificate is issued by Deutsche Accreditation Board.

INSURANCE POLICIES OF OUR COMPANY

We have taken insurance policies insuring major risks relating to the employees of the company. However, the insurance policies may not provide adequate coverage in certain circumstances and are subject to deductibles, exclusions and limit on coverage.

In addition to above our company has purchased below specified insurance policies:

| Sr. No. | Name of the Insurance Company | Type of Policy | Validity Period Upto | Policy No. | Sum Insured (₹ in Lakhs) | Premium per annum (₹) |
|---------|---|--------------------|----------------------|-----------------------|--------------------------|-----------------------|
| 1 | SBI General Insurance Company Limited | Burglary Insurance | 16-01-2025 | POSME P010000 6645 | 41.50 | 2,789 |
| 2 | HDFC Ergo General Insurance Company Limited | Motor Insurance | 27-07-2024 | 2315205 5818482 00000 | 1,68,37 8 | 19,335 |

OUR PROPERTY

Properties owned by our Company:

As on the date of this Draft Red Herring Prospectus, our company does not own any immovable property.

Properties taken on rent by our Company:

| Sr. No. | Document Date | Name of Owner | Name of Tenant | Description of Property | Rental in ₹ lakh | Use |
|---------|----------------|-----------------------|-----------------------|-------------------------|------------------|-------------------|
| 1 | April 03, 2023 | Mrs. Sangeeta Pareekh | GEM Enviro Management | Unit No. 203, Plaza-3, | 0.70/- per | Registered Office |

| | | | | | | |
|---|---|------------------|-------------------------------|---|------------------|-------------------|
| | (Validity: April 03, 2023 to March 31, 2024) | | Limited | Central Square, Bara Hindu Rao, Delhi-110006 | month | |
| 2 | July 01, 2023 (Validity: July 01, 2023 to May 31, 2024) | Mr. Amit Kothari | GEM Enviro Management Limited | Unit No. 131, Plaza-3, Central Square, Bara Hindu Rao, Delhi-110006 | 0.25/- per month | For staff working |

INTELLECTUAL PROPERTY

We regard our intellectual property as one of the most important factors in contributing to our success, and our intellectual property rights include trademarks associated with our businesses and other rights arising from confidentiality agreements relating to our database and website content and technology.

Trademarks

| Logo/Trademark | Class | Nature of Trademark | Owner | Trademark No. & Date & Status | Authority |
|---|-------|---------------------|--|---|---|
|  | 39 | Logo | GEM Enviro Management Private Limited. | Trademark No.- 4057038 Date: January 15,2019 Status: Registered | Trade Mark Registry, Intellectual Property, India |
|  | 40 | Logo | GEM Enviro Management Private Limited | Trademark No.- 4057037 Date: January 15,2019 Status: Registered | Trade Mark Registry, Intellectual Property, India |
|  | 16 | Logo | GEM Enviro Management Private Limited | Trademark No.- 2893945 Date: February 06,2015 Status: Registered | Trade Mark Registry, Intellectual Property, India |
|  | 25 | Logo | GEM Enviro Management Private Limited | Trademark No.- 3050141 Date: September 08,2015 Status: Registered | Trade Mark Registry, Intellectual Property, India |
|  | 25 | Logo | GEM Enviro Management Private Limited | Trademark No.- 3082924 Date: October 21,2015 Status: Registered | Trade Mark Registry, Intellectual Property, India |



Domain Name

| Domain Name & ID | Sponsoring Registrar & ID | Registrant Name, ID and Address | Creation Date | Registry Expiry Date |
|----------------------|----------------------------|--|------------------|----------------------|
| www.gemrecycling.com | 1761698462_DOMAIN_COM-VRSN | SAN ASIA B- 89, North Ex-Mall, Sector 9, Rohini, Delhi-110085 Email Id: contact@sanasia.in | November 25,2012 | November 25. 2028 |

CORPORATE SOCIAL RESPONSIBILITY

We have adopted a Corporate Social Responsibility (“CSR”) policy in compliance with the requirements of the Companies Act 2013 and the Companies (Corporate Social Responsibility) Rules, 2014 notified by the Central Government. Our CSR initiatives are aimed by serving the community through programmes and projects having focus on:

- Preventive Healthcare
- Education and empowering women socially and economically;
- Environmental sustainability and rural development;
- Welfare of under privilege and destitute children, including girl child and upliftment of weaker sections of society;
- Empowerment of physically/ mentally challenged and under privileged children adults and providing free education.

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KEY INDUSTRY REGULATIONS AND POLICIES

The business of our Company requires, at various stages, the sanction of the concerned authorities under the relevant Central, State legislation and local laws. The following description is an overview of certain laws and regulations in India, which are relevant to our Company. Certain information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below are not exhaustive, and are only intended to provide general information to Applicants and is neither designed nor intended to be a substitute for professional legal advice.

The statements below are based on current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions. For details of government approvals obtained by us, see the chapter titled “Government and Other Approvals” beginning on page 253 of this Draft Red Herring Prospectus.

IN GENERAL

THE COMPANIES ACT, 2013

The consolidation and amendment in law relating to the Companies Act, 1956 made way to enactment of the Companies Act, 2013 and rules framed thereunder. The Companies Act deals with incorporation and post incorporation. The conversion of private company into public company and vice versa is also laid down under the Companies Act, 2013. The provisions of this act shall also apply to banking companies, companies engaged in generation or supply of electricity and any other company governed by any special act for the time being in force. A company can be formed by seven or more persons in case of public company and by two or more persons in case of private company. A company can even be formed by one person i.e. One Person Company. The provisions relating to formation and allied procedures are mentioned in the act.

FOREIGN EXCHANGE MANAGEMENT ACT, 1999

The 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.

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.

THE COMPETITION ACT, 2002

The Competition Act, 2002 (the “Competition Act”) 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. The provisions of the Competition Act relating to combinations were notified recently 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. A combination is defined under Section 5 of the Competition Act as an acquisition, merger or amalgamation of enterprise(s) that meets certain asset or turnover thresholds. There are also different thresholds for those categorized as Individuals and Group. The CCI may enquire into all combinations, even if taking place outside India, or between parties outside India, if such combination is Likely to have an appreciable adverse effect on competition in India. Effective June 1, 2011, all combinations have to be notified to the CCI within 30 days of the execution of any agreement or other document for any acquisition of assets, shares, voting rights or control of an enterprise under Section 5(a) and (b) of the Competition Act (including any binding document conveying an agreement or decision to acquire control, shares, voting rights or assets of an enterprise); or the board of directors of a company (or an equivalent authority in case of other entities) approving a proposal for a merger or amalgamation under Section 5(c) of the Competition Act. The obligation to notify a combination to the CCI falls upon the acquirer in case of an acquisition, and on all parties to the combination jointly in case of a merger or amalgamation.

CONSUMER PROTECTION ACT, 2019 (“CONSUMER PROTECTION ACT”) AND RULES MADE THEREUNDER

The Consumer Protection Act was designed and enacted to provide simpler and quicker access to redress consumer grievances. It seeks, amongst other things, to promote and protect the interests of consumers against deficiencies and defects in goods or services and secure the rights of a consumer against unfair trade practices, which may be practiced by manufacturers, service providers and traders. The definition of “consumer” under the Consumer Protection Act includes persons engaged in offline or online transactions through electronic means or by tele-shopping or direct-selling or multi-level marketing. It provides for the establishment of consumer disputes redressal forums and commissions for the purposes of redressal of consumer grievances. In addition to awarding compensation and/or passing corrective orders, the forums and commissions under the Consumer Protection Act, in cases of misleading and false advertisements, are empowered to impose imprisonment for a term which may extend to two years and fine which may extend to ten lakhs. In line with the Consumer Protection Act, the Ministry of Consumer Affairs, Food and Public Distribution, Government of India (“Ministry of Consumer Affairs”) has also notified the Consumer Protection (E-Commerce) Rules, 2020 (“E-Commerce Rules”) on July 23, 2020, which provide a framework to regulate the marketing, sale and purchase of goods and services online. The E-Commerce Rules govern e-commerce entities which own, operate, or manage, a digital or electronic facility or platform for electronic commerce, but does not include a seller offering his goods or services for sale on a marketplace e-commerce entity. The Ministry of Consumer Affairs has also released draft amendments to the E-Commerce Rules for public comments. The aforesaid draft amendments require e-commerce entities to, amongst other things, register themselves with the Department for Promotion of Industry and Internal Trade, and appoint a chief compliance officer, a nodal contact person and a resident grievance officer. Additionally, the draft



amendments prohibit e-commerce entities from misleading users by manipulating search results, prohibit flash sales and abuse of dominant position, and mandate e-commerce entities to identify sponsored listings of products and services with clear and prominent disclosures.

THE INDIAN CONTRACT ACT, 1872 (“CONTRACT ACT”)

The Contract Act 1872 codifies the way in which a contract may be entered into, executed, implementation of the provisions of a contract and effects of breach of a contract. A person is free to contract on any terms he chooses. The Contract Act consists of limiting factors subject to which contract may be entered into, executed and the breach enforced. It provides a framework of rules and regulations that govern formation and performance of contract. The contracting parties themselves decide the rights and duties of parties and terms of agreement.

ARBITRATION AND CONCILIATION ACT, 1996

This Arbitration and Conciliation Act, 1996 (“Arbitration Act”) was enacted by the Parliament to consolidate and amend the law relating to domestic arbitration, international commercial arbitration and enforcement of foreign arbitral awards and also to define the law relating to conciliation and for matters connected therewith or incidental thereto. The main objectives of the Arbitration Act is to comprehensively domestic arbitration and conciliation and also international and commercial ; 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 use mediation, conciliation or other procedures during the arbitral proceedings; to encourage settlement of disputes; to provide that every final arbitral award enforced in the same manner as if it was 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 for enforcement of foreign awards.

TAXATION LAWS

INCOME-TAX ACT, 1961

The government of India imposes an income tax on taxable income of all persons including individuals, Hindu Undivided Families (HUFs), companies, firms, association of persons, body of individuals, local authority and any other artificial judicial person. Levy of tax is separate on each of the persons. The levy is governed by the Indian Income Tax Act, 1961. The Indian Income Tax Department is governed by CBDT and is part of the Department of Revenue under the Ministry of Finance, Govt. of India. Income tax is a key source of funds that the government uses to fund its activities and serve the public. The quantum of tax determined as per the statutory provisions is payable as: a) Advance Tax; b) Self-Assessment Tax; c) Tax Deducted at Source (TDS); d) Tax Collected at Source (TCS); e) Tax on Regular Assessment.

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 levels of taxation of interstate and intra state transactions. When the supply of goods or services happens within a state called 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.

PROFESSIONAL TAX

The professional tax slabs in India are applicable to those citizens of India who are either involved in any profession or trade. The State Government of each State is empowered with the responsibility of structuring as well as formulating the respective professional tax criteria and is also required to collect funds through professional tax. The professional taxes are charged on the incomes of individuals, profits of business or gains in vocations. The professional taxes are classified under various tax slabs in India. The tax payable under the State Acts by any person earning a salary or wage shall be deducted by his employer from the salary or wages payable to such person before such salary or wages is paid to him, and such employer shall, irrespective of whether such deduction has been made or not when the salary and wage is paid to such persons, be liable to pay tax on behalf of such person and employer has to obtain the registration from the assessing authority in the prescribed manner. Every person liable to pay tax under these Acts (other than a person earning salary or wages, in respect of whom the tax is payable by the employer), shall obtain a certificate of enrolment from the assessing authority.

INDUSTRY SPECIFIC LEGISLATIONS

The industry specific regulation (applicable policies/rules) for multiple businesses of the company are listed below:

| Business Segment | Regulator | Applicable Rules |
|-------------------------|------------------|---|
| Plastic Waste EPR | CPCB | Plastic Waste Management Rules, 2016 with amendments and Plastic Waste Management Rules (Amendment) Rules, 2023 |
| E-Waste EPR | CPCB | E Waste Management Rules, 2016 with amendments and E Waste Management (Amendment) Rules, 2023 |
| Battery Waste EPR | CPCB | Battery Waste (Management) Rules, 2022 and Battery Waste Management(Amendment) Rules 2023 |
| Tyre Waste EPR | CPCB | Hazardous and Other Wastes (Management and Transboundary Movement) Amendment Rules, 2022 |
| Plastic Credit | Verra | Verra's Plastic Waste Collection and Recycling Methodologies |
| ESG Reporting (BRSR) | SEBI | SEBI's guidelines and format for BRSR Reporting |

THE PLASTIC WASTE MANAGEMENT RULES 2016 AND AMENDMENTS THERETO:



The guidelines seek to promote development of new alternatives to plastics and provide a roadmap for businesses to move towards sustainable plastic packaging. The guidelines provide a framework to strengthen the circular economy of plastic packaging waste. A circular economy depends on reuse, sharing, repair, refurbishment, re-manufacturing, and recycling of resources to create a closed-loop system, minimising the use of resources, generation of waste, pollution and carbon emissions.

It mandates the generators of plastic waste to take steps to minimize generation of plastic waste, prevent littering of plastic waste, and ensure segregated storage of waste at source among other measures. The rules also mandate the responsibilities of local bodies, gram panchayats, waste generators, retailers and street vendors to manage plastic waste.

Extended Producers Responsibility (EPR) regime is implemented in Plastic Waste Management Rules, 2016, according to which it is the responsibility of Producers, Importers and Brand-owners to ensure processing of their plastic packaging waste through recycling, re-use or end of life disposal (such as co-processing/Waste-to-energy/Plastic-to-oil/roadmaking/industrial-composting). In order to streamline implementation process of EPR, the Ministry of Environment, Forest and Climate Change, Government of India, in its fourth Amendment to the Plastic Waste Management Rules, dated February 16, 2022, notified 'Guidelines on Extended Producer Responsibility for Plastic Packaging' in the Schedule II of the Rules. As per these guidelines, Producers, Importers and Brand Owners (PIBOs) shall have to register through the online centralized portal developed by the Central Pollution Control Board (CPCB).

The portal has been developed to register PIBOs who are operating in more than two States with CPCB and those operating in one or two States/UTs shall be registered with the concerned State Pollution Control Boards (SPCBs). PWP's shall also have to register with the concerned SPCB/PCC in accordance with the provisions of the Section 13(3) of the Plastic Waste Management Rules, 2016 on this centralized portal developed by CPCB. The EPR Portal for Plastic Packaging provides provision for registration of PIBOs/PWPs in accordance with the notified EPR Guidelines. The portal will help in improving accountability, traceability and transparency of fulfilment of EPR Obligations. The portal is planned to have seven modules, which allows registration of PWP's and PIBOs, issue certificates by PWP's & exchange of credits, allows real-time monitoring of transactions between PIBOs and PWP's, allows levy of environmental compensation and provides system generated reports and facilitates filing of annual returns for the stakeholders.

THE E WASTE MANAGEMENT RULES, 2016 AND AMENDMENTS THERETO:

The MoEFCC (Ministry of Environment, Forest and Climate Change) released E-Waste (Management) Rules with the aim to curb the pollution caused by the unwanted electronic gadgets like computers, ACs, mobile phones, television, fax machines, etc. and to adopt proper methodology should be followed to control the pollution caused by e-waste products.

The rules and regulations issued by the E-Waste Management Rules 2016 have made the producers accountable for picking up the e-waste and channelising it for exchange purposes. This process is called "Extended Producer Responsibility" (EPR). The producers have also been encouraged to maintain a Producer Responsibility Organisation (PRO), providing the scope for the removal of e-waste in a sustainable manner.

The government of India has also taken the initiative to motivate the state governments to hire skilled and certified professionals to carry out the deconstruction and recycling process of e-waste. Municipalities and corporations have been delegated the responsibility of gathering the e-waste from different sources and distributing it to the designated dismantlers or recyclers.



THE BATTERY WASTE (MANAGEMENT) RULES 2022:

The Ministry of Environment, Forest and Climate Change, Government of India published the Battery Waste Management Rules, 2022 on 24th August 2022 to ensure environmentally sound management of waste batteries. The rules function based on the concept of Extended Producer Responsibility (EPR) where the producers (including importers) of batteries are responsible for collection and recycling/refurbishment of waste batteries and use of recovered materials from wastes into new batteries.

EPR mandates that all waste batteries to be collected and sent for recycling/refurbishment, and it prohibits disposal in landfills and incineration. To meet the EPR obligations, producers may engage themselves or authorise any other entity for collection, recycling, or refurbishment of waste batteries.

It will enable setting up a mechanism and centralized online portal for exchange of EPR certificates between producers and recyclers/refurbishes to fulfil the obligations of producers, promotes setting up of new industries and entrepreneurship in collection and recycling/refurbishment of waste batteries and mandates the minimum percentage of recovery of materials from waste batteries under the rules will bring new technologies and investment in recycling and refurbishment industry and create new business opportunities. It prescribes for the use of certain number of recycled materials in making of new batteries will reduce the dependency on new raw materials and save natural resources.

The online registration & reporting, auditing, and committee for monitoring the implementation of rules and to take measures required for removal of difficulties are salient features of rules for ensuring effective implementation and compliance. On the principle of Polluter Pays Principle, environmental compensation will be imposed for non-fulfilment of Extended Producer Responsibility targets, responsibilities and obligations set out in the rules. The funds collected under environmental compensation shall be utilised in collection and refurbishing or recycling of uncollected and non-recycled waste batteries.

THE HAZARDOUS AND OTHER WASTE (MANAGEMENT AND TRANSBOUNDARY MOVEMENT) RULES 2012 AND AMENDMENTS THERETO:

The Ministry notified the rules on 4th April 2016 incorporating waste management hierarchy in the sequence of priority i.e. prevention, minimization, reuse, recycling, recovery, co-processing and safe disposal.

These rules shall apply to every occupier of the facility who is engaged in handling, generation, collection, storage, packaging, transportation, use, treatment, processing, recycling, recovery, pre-processing, utilization, offering for sale, transfer, or disposal of hazardous and other wastes.

The Ministry of Environment, Forest and Climate Change vide notification dated 21st July 2022 has issued the Hazardous and Other Wastes (Management and Transboundary Movement) Amendment Rules, 2022. The amendment provides that the Central Pollution Control Board shall develop the portal to establish an online system for the registration and filing of quarterly returns, generation and adjustment of extended producer responsibility certificate and submission of monthly information by recyclers.

THE INFORMATION TECHNOLOGY ACT, 2000 (THE "IT ACT") AND THE RULES MADE THEREUNDER:

The IT Act seeks to (i) provide legal recognition to transactions carried out by various means of electronic data interchange involving alternatives to paper-based methods of communication and storage of



information, (ii) facilitate electronic filing of documents and (iii) create a mechanism for the authentication of electronic documentation through digital signatures. The IT Act has extraterritorial jurisdiction over any offence or contravention under the IT Act committed outside India by any person, irrespective of their nationality, if the act or conduct constituting the offence or contravention involves a computer, computer system or computer network located in India. Additionally, the IT Act empowers the Government of India to direct any of its agencies to intercept, monitor or decrypt any information in the interest of sovereignty, integrity, defense and security of India, among other things. The Information Technology (Procedure and Safeguards for Blocking for Access of Information by Public) Rules, 2009 specifically permit the Government of India to block access of any information generated, transmitted, received, stored or hosted in any computer resource by the public, the reasons for which are required to be recorded by it in writing.

The IT Act facilitates electronic commerce by recognizing contracts concluded through electronic means, protects intermediaries in respect of third-party information liability and creates liability for failure to protect sensitive personal data. The IT Act also prescribes civil and criminal liability including fines and imprisonment for computer related offences including those relating to unauthorized access to computer systems, tampering with or unauthorised manipulation of any computer, computer system or computer network and, damaging computer systems and creates liability for negligence in dealing with or handling any sensitive personal data or information in a computer resource and in maintaining reasonable security practices and procedures in relation thereto. The IT Act empowers the Government of India to formulate rules with respect to reasonable security practices and procedures and sensitive personal data. In exercise of this power, the Department of Information Technology, Ministry of Electronics and Information Technology, Government of India (“DoIT”), in April 2011, notified the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011 (“IT Security Rules”) which prescribe directions for the collection, disclosure, transfer and protection of sensitive personal data by a body corporate or any person acting on behalf of a body corporate. The IT Security Rules require every such body corporate to provide a privacy policy for handling and dealing with personal information, including sensitive personal data, ensuring security of all personal data collected by it and publishing such policy on its website. The IT Security Rules further require that all such personal data be used solely for the purposes for which it was collected and any third party disclosure of such data is made with the prior consent of the information provider, unless contractually agreed upon between them or where such disclosure is mandated by law.

The DoIT also notified the Information Technology (Intermediaries Guidelines) Rules, 2011 (“IT Intermediary Rules”) requiring intermediaries receiving, storing, transmitting or providing any service with respect to electronic messages to not knowingly host, publish, transmit, select or modify any information prohibited under these IT Intermediaries Rules and to disable hosting, publishing, transmission, selection or modification of such information once they become aware of it.

THE DIGITAL PERSONAL DATA PROTECTION ACT, 2023 (“DPDP ACT”)

The DPDP Act was notified on August 11, 2023 and replaces the existing data protection provision, as contained in Section 43A of the IT Act. The DPDP Act seeks to balance the rights of individuals to protect their personal data with the need to process personal data for lawful and other incidental purposes. The DPDP Act provides that personal data may be processed only for a lawful purpose after obtaining the consent of the individual. A notice must be given before seeking consent. It further imposes certain obligations on data fiduciaries including (i) make reasonable efforts to ensure the accuracy and completeness of data, (ii) build reasonable security safeguards to prevent a data breach, (iii) inform the Data Protection Board of India (the “DPB”) and affected persons in the event of a breach, and (iv) erase personal data as soon



as the purpose has been met and retention is not necessary for legal purposes (storage limitation). In case of government entities, storage limitation and the right of the data principal to erasure will not apply. The Central Government will establish the DPB. Key functions of the DPB include: (i) monitoring compliance and imposing penalties, (ii) directing data fiduciaries to take necessary measures in the event of a data breach, and (iii) hearing grievances made by affected persons. The DPB members will be appointed for two years and will be eligible for re-appointment. The Central Government will prescribe details such as the number of members of the DPB and the selection process.

THE DELHI SHOPS AND ESTABLISHMENTS ACT, 1954:

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 MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 (THE “MSME ACT”):

The Micro, Small and Medium Enterprises Development Act, 2006 and Industries (Development and Regulation) Act, 1951 The Micro, Small and Medium Enterprises Development Act, 2006 (“MSME Act”) In order to promote and enhance the competitiveness of Micro, Small and Medium Enterprise (MSME) the Micro, Small and Medium Enterprises Development Act, 2006 is enacted. A National Board shall be appointed and established by the Central Government for MSME enterprise with its head office at Delhi in the case of the enterprises engaged in the manufacture or production of goods pertaining to any industry mentioned in first schedule to Industries (Development and Regulation) Act, 1951.

LABOUR LAWS

THE EMPLOYEE’S PROVIDENT FUNDS AND MISCELLANEOUS PROVISIONS ACT, 1952 (“EMPLOYEES PROVIDENT FUND AND MISCELLANEOUS PROVISIONS ACT”):

The Employees’ Provident Funds and Miscellaneous Provisions Act, 1952 is a social welfare legislation to provide for the institution of Provident Fund, Pension Fund and Deposit Linked Insurance Fund for employees working in factories and other establishments. The Act aims at providing social security and timely monetary assistance to industrial employees and their families when they are in distress.

The Act is administered by the Government of India through the Employees' Provident Fund Organisation (EPFO). The following three schemes have been framed under the Act by the Central Government:

- (a) The Employees’ Provident Fund Schemes, 1952;
- (b) The Employees’ Pension Scheme, 1995; and
- (c) The Employees’ Deposit-Linked Insurance Scheme; 1976.



The Central Government has been constituted Employees' Provident Funds Appellate Tribunal to exercise the powers and discharge the functions conferred on such by Employees' Provident Funds and Miscellaneous Provisions Act, 1952.

India has extensive Labour related legislations. Certain other laws and regulations that may be applicable to our Company in India include the following which is an indicative list of labour laws applicable to the business and operations of Indian companies engaged in manufacturing activities:

- Contract Labour (Regulation and Abolition) Act, 1970.
- Employees' Compensation Act, 1923.
- Workmen's Compensation Act, 1923.
- Industrial Employment (Standing orders) Act 1946.
- Child Labour (Prohibition and Regulation) Act, 1986
- Maternity Benefit Act, 1961.
- Minimum Wages Act, 1948.
- Payment of Bonus Act, 1965.
- Payment of Gratuity Act, 1972.
- Apprentices Act, 1961.
- Weekly Holidays Act, 1942
- Payment of Wages Act, 1936.
- Equal Remuneration Act, 1976.
- Public Liability Insurance Act, 1991.
- Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013; and
- Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979

EMPLOYEES' STATE INSURANCE ACT, 1948

It Employees' State Insurance Act to provide for certain benefits to employees in case of sickness, maternity and employment injury and to make provision for certain other matters in relation thereto. Whereas it is expedient to provide for certain benefits to employees in case of sickness, maternity and employment injury and to make provision for certain other matters in relation thereto; this Act requires all the employees of the establishment to which this act applies to be insured to the manner provided there under. The Employer and Employees both are required to make contribution to the fund. The return of the contribution made is required to be filed with the Employee State Insurance department.

PAYMENT OF BONUS ACT, 1965



The Payment of Bonus Act, 1965 imposes statutory liability upon the employers of every establishment covered under this Act to pay bonus to their employees. It further provides for payment of minimum and maximum bonus and linking the payment of bonus with the production and productivity.

PAYMENT OF GRATUITY ACT, 1972

The Payment of Gratuity Act, 1972 (“PG Act”) applies to every factory and shop or establishment in which ten or more employees are employed. Gratuity is payable to an employee on the termination of his employment after he has rendered continuous service for not less than 5 (five) years:

- a) On his/her superannuation.
- b) On his/her retirement or resignation.
- c) On his/her death or disablement due to accident or disease (in this case the minimum requirement of 5 (five) years does not apply). Gratuity is payable to the employee at the rate of 15 (fifteen) days’ wages for every completed year of service or part thereof in excess of 6 (six) months.

MATERNITY BENEFIT ACT, 1961

The Maternity Benefit Act, 1961, as amended, regulates the employment of pregnant women and ensures that they get paid leave for a specified period during and after their pregnancy. The Maternity Benefit Act is applicable to establishments in which 10 or more employees are employed, or were employed on any day of the preceding 12 months. Under the Maternity Benefit Act, a mandatory period of leave and benefits should be granted to female employees who have worked in the establishment for a minimum period of 80 days in the preceding 12 months from the date of her expected delivery. Such benefits essentially include payment of average daily wage for the period of actual absence of the female employee. The maximum period for which any woman shall be entitled to maternity benefit shall be 12 weeks, of which not more than six 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.

MINIMUM WAGES ACT, 1948

The Minimum Wages Act, 1948 came into force with an objective to provide for the fixation of a minimum wage payable by the employer to the employee. Every employer is mandated to pay the minimum wages to all employees engaged to do any work skilled, unskilled, and manual or clerical (including out-workers) in any employment listed in the schedule to this Act, in respect of which minimum rates of wages have been fixed or revised under the Act.

SEXUAL HARASSMENT AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Sexual Harassment at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (SHWPPR Act) provides for protection against sexual harassment at the workplace to women and prevention and redressal of complaints of sexual harassment. The SHWPPR Act defines-Sexual Harassment to include any unwelcome sexually determined behaviour (whether directly or by implication). Workplace under the SHWPPR Act has been defined widely 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 stadiums used for training individuals. The SHWPPR Act requires an employer to set up an



Internal Complaints Committee at each office or branch, of an organization employing at least 10 employees. The Government in turn is required to set up a Local Complaint Committee at the district level to investigate complaints regarding sexual harassment from establishments where our internal complaints committee has not been constituted.

INTELLECTUAL PROPERTY LAWS

TRADEMARKS ACT, 1999 (TM Act)

A trademark is used in relation to goods so as to indicate a connection in the course of trade between the goods and a person having the right as proprietor or user to use the mark. The Trademarks Act, 1999, (Trademarks Act) governs the registration, acquisition, transfer and infringement of trademarks and remedies available to a registered proprietor or user of a trademark. Registration is valid for a period of 10 years but can be renewed in accordance with the specified procedure. As per the Trademarks (Amendment) Bill, 2009, Registrar of Trade Marks is empowered to deal with international applications originating from India as well as those received from the International Bureau and maintain a record of international registrations. It also removes the discretion of the Registrar to extend the time.

COPYRIGHTS ACT, 1957 (Copyright)

The Copyrights Act governs copyright protection in India. Under the Copyright Act, copyright may subsist in original literary, dramatic, musical or artistic works, cinematograph films, and sound recordings. Following the issuance of the International Copyright Order, 1999, subject to certain exceptions, the provisions of the Copyright Act apply to nationals of all member states of the World Trade Organization.

While copyright registration is not a prerequisite for acquiring or enforcing a copyright, registration creates a presumption favoring ownership of the copyright by the registered owner. Copyright registration may expedite infringement proceedings and reduce delay caused due to evidentiary considerations. Once registered, the copyright protection of a work lasts for 60 years.

The remedies available in the event of infringement of a copyright under the Copyright Act include civil proceedings for damages, account of profits, injunction and the delivery of the infringing copies to the copyright owner. The Copyright Act also provides for criminal remedies, including imprisonment of the accused, imposition of fines and seizure of infringing copies.

PATENTS ACT, 1970 (Patent Act)

The purpose of the Patent Act in India is to protect inventions. Patents provide the exclusive rights for the owner of a patent to make, use, exercise, distribute and sell a patented invention. The patent registration confers on the patentee the exclusive right to use, manufacture and sell his invention for the term of the patent. An application for a patent can be made by (a) person claiming to be the true and first inventor of the invention; (b) person being the assignee of the person claiming to be the true and first invention in respect of the right to make such an application; and (c) legal representative of any deceased person who immediately before his death was entitled to make such an application. Penalties for the contravention of the provisions of the Patents Act include imposition of fines or imprisonment or both.

OTHER LAWS

THE INDIAN STAMP ACT, 1899



Stamp duty is payable on all instruments/ documents evidencing a transfer or creation or extinguishment of any right, title, or interest in immoveable property. The Indian Stamp Act, 1899 (the “Stamp Act”) provides for the imposition of stamp duty at the specified rates on instruments listed in Schedule I of the Stamp Act. However, under the Constitution of India, the states are also empowered to prescribe or alter the stamp duty payable on such documents executed within the state. Instruments chargeable to duty under the Stamp Act but which have not been duly stamped, are incapable of being admitted in court as evidence of the transaction contained therein. The Stamp Act also provides for impounding of instruments by certain specified authorities and bodies and imposition of penalties, for instruments which are not sufficiently stamped or not stamped at all. Instruments which have not been properly stamped instruments can be validated by paying a penalty of up to 10 times of the total duty payable on such instruments.

FOREIGN TRADE (DEVELOPMENT AND REGULATION) ACT, 1992 (“FTA”)

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 DIRECT INVESTMENT POLICY, 2020

With the intent and objective of the Government of India to attract and promote foreign direct investment in order to supplement domestic capital, technology, and skills, for accelerated economic growth. The Government of India has put in place a policy framework on Foreign Direct Investment, which is transparent, predictable, and easily comprehensible. This framework is embodied in the Circular on Consolidated FDI Policy, which may be updated every year, to capture and keep pace with the regulatory changes effected in the interregnum. The Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce & Industry, Government of India makes policy pronouncements on FDI through press notes/press releases which are notified by the RBI as amendments to the FEMA Regulations. These notifications take effect from the date of issue of press notes/ press releases, unless specified otherwise therein. In case of any conflict, the relevant FEMA Notification will prevail. The procedural instructions are issued by the RBI vide A.P. (DIR Series) Circulars. The regulatory framework, over a period of time, thus, consists of Acts, Regulations, Press Notes, Press Releases, Clarifications, etc.

In addition to the above, our Company is also required to comply with the provisions of the SEBI regulations and rules framed thereunder, and other applicable statutes enacted by the Government of India or relevant state governments and authorities for our day-to-day business and operations. Our Company is also subject to various central and state tax laws.

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OUR HISTORY AND CERTAIN OTHER CORPORATE MATTERS

Our Company was originally incorporated as a private limited company under the Companies Act, 1956 in the name and style of “Ganesha Enviro Management Private Limited” bearing Corporate Identification Number U93000DL2013PTC247767 dated February 01, 2013 issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana. Thereafter, the name of the Company was changed from “Ganesha Enviro Management Private Limited” to “GEM Enviro Management Private Limited” pursuant to special resolution passed by the shareholders at the Extra Ordinary General Meeting held on October 09, 2013 and consequent to name change a fresh Certificate of Incorporation was granted to our Company on November 04, 2013 by the Registrar of Companies, National Capital Territory of Delhi and Haryana. Subsequently, our Company was converted into a Public Limited Company vide Special Resolution passed by the Shareholders at the Annual General Meeting, held on August 31, 2023 and consequently the name of our Company was changed from “GEM Enviro Management Private Limited” to “GEM Enviro Management Limited” vide a fresh certificate of incorporation dated October 18, 2023 issued by the Registrar of Companies, Delhi bearing CIN U93000DL2013PLC247767. At present, the registered office of the company situated at Unit No.203, Plaza- P 3, Central Square, Bara Hindu Rao, Delhi-110006.

Initial subscribers to the Memorandum of Association of our Company

1. Mr. Dinesh Pareekh
2. Mr. Bajrang Lal Pareekh

Current Promoters of our Company

1. Mr. Sachin Sharma
2. Mr. Dinesh Pareekh
3. Mrs. Sangeeta Pareekh
4. Mr. Sarthak Agarwal
5. BLP Equity Research Private Limited

For a description of our activities, services, products, market segments, the growth of our Company, the standing of our Company with reference to prominent competitors in connection with our services, management, environmental issues, regional geographical segment etc., see “Our Business”, “Industry Overview” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Government and Other Statutory Approvals” on pages 122, 108, 234 and 253 respectively. For details of the management of our Company and its managerial competence, see “Our Management” on page 155.

Except as mentioned below, there has not been any change in our Registered Office since inception till the date of the Draft Red Herring Prospectus.

| From | To | Effective Date | Reason for Change |
|---|--|-------------------|----------------------------|
| Shop No 37 Shankar Market, Connaught Circus, Delhi-110001 | Unit No.203, Plaza- P 3, Central Square, Bara Hindu Rao, Delhi, Delhi-110006 | November 14, 2018 | Administrative convenience |



KEY EVENTS AND MILESTONES IN THE HISTORY OF OUR COMPANY

| Year | Event |
|------|---|
| 2013 | Change of Name from “Ganesh Enviro Management Private Limited” to “Gem Enviro Management Private Limited”. |
| 2016 | Collaboration with Bisleri India for providing sustainability and plastic waste management solutions to their organization |
| 2016 | Foray into post-consumer plastic waste collection by developing model for direct collection of plastic waste from point of origin through hotels, restaurants, etc. |
| 2017 | Setting up more than 28 Reverse Vending Machines across India (particularly in Delhi NCR, Mumbai, Ahmedabad, Kolkata, etc.) |
| 2018 | Expansion of service offering beyond waste collection to include Extended Producer Responsibility (“EPR”) business |
| 2021 | Achievement of revenue of ₹ 2,551.41/- lakhs in the year 2021 as compared to 1,292.34/- lakhs in the year 2020 |
| 2021 | Accomplishing EPR business of more than 100 clients |
| 2023 | Achievement of PAT of more than ₹ 10 Crore |
| 2023 | Provided more than 3,00,000 MT of EPR credits to various clients |

OUR MAIN OBJECTS

The object clauses of the Memorandum of Association of our Company enable us to undertake our present activities. The main objects of our Company are:

1. To carry out the business of waste management (all kinds) in India & Abroad.
2. To set up chain of waste collection centers in different part of the country/globe.
3. To carry out the business to recycle all kind of wastes.
4. To sell/manufacture/trade/promote/distribute the recycled items made out of waste.
5. To convene educational and promotional programmes to encourage recycling and collection of waste activities.
6. To carry out the business of various kind of event management.

AMENDMENTS TO THE MEMORANDUM OF ASSOCIATION

Since incorporation, the following changes have been made to our Memorandum of Association:

| Date of Shareholder’s Approval | Amendment |
|--------------------------------|---|
| October 09, 2013 | Alteration in Name Clause: Change in the Name Clause from “Ganesh Enviro Management Private Limited” to “GEM Enviro Management Private Limited” |
| March 27, 2014 | Alteration in Capital Clause: |



| | |
|-------------------|---|
| | The authorized share capital of our Company has been increased from ₹ 1,00,000/- divided into 10,000 Equity Shares of ₹ 10/- each to ₹ 25,00,000/- divided into 2,50,000 Equity Shares of ₹ 10/- each. |
| March 01, 2018 | Alteration in Capital Clause: The authorized share capital of our Company has been increased from ₹ 25,00,000/- divided into 2,50,000 Equity Shares of ₹ 10/- each to ₹ 40,00,000/- divided into 4,00,000 Equity Shares of ₹ 10/- each. |
| January 22, 2020 | Adoption of new MOA & AOA The new set of the documents were adopted by the company in line with the Companies Act 2013. |
| August 31, 2023 | Alteration in Capital Clause: The Equity shares of the company having the face value of ₹ 10, was sub divided to two shares of ₹ 5 each. The authorized capital of the company changed from ₹ 40,00,000/- divided into 4,00,000 Equity Shares of ₹ 10/- each to 8,00,000 equity shares of ₹ 5 each. |
| August 31, 2023 | Alteration in Capital Clause: The authorized share capital of our Company has been increased from ₹ 40,00,000/- divided into 8,00,000 Equity Shares of ₹ 5/- each to ₹ 7,50,00,000/- divided into 1,50,00,000 Equity Shares of ₹ 5/- each. |
| August 31, 2023 | Conversion of the company to Public Limited: The conversion of the company to public limited company and fresh certificate of incorporation was issued in the name and style of “GEM ENVIRO MANAGEMENT LIMITED” on October 18,2023. |
| November 01, 2023 | Alteration in Capital Clause: The authorized share capital of our Company has been increased from ₹ 7,50,00,000/- divided into 1,50,00,000 Equity Shares of ₹ 5/- each to ₹ 15,00,00,000/- divided into 3,00,00,000 Equity Shares of ₹ 5/- each |

ADOPTING NEW ARTICLES OF ASSOCIATION OF THE COMPANY

Our Company has adopted a new set of Articles of Association of the Company, in the Annual General Meeting of the Company dated August 31, 2023.

HOLDING COMPANY OF OUR COMPANY

Our Company has no holding company as on the date of filing of this Draft Red Herring Prospectus.

SUBSIDIARY COMPANY OF OUR COMPANY

Our Company has no subsidiary company as on the date of filing of this Draft Red Herring Prospectus.

ASSOCIATE COMPANIES



Our Company does not have any associate Companies as on the date of filing of this Draft Red Herring Prospectus.

DETAILS OF MERGERS AND ACQUISITIONS

There has been no merger or acquisitions of businesses or undertakings in the history of the Company.

JOINT VENTURES OF OUR COMPANY

Our Company does not have joint ventures as on the date of this Draft Red Herring Prospectus.

INJUNCTIONS OR RESTRAINING ORDERS

Except as stated in the section titled “Outstanding Litigation and Material Developments” on page 245 there are no injunctions or restraining orders against our Company or Associate Companies.

TIME/ COST OVERRUN

We have not encountered any time and cost overruns in respect of our business.

REVALUATION OF ASSETS

Our Company has not revalued its assets since incorporation.

CHANGES IN ACTIVITIES OF OUR COMPANY DURING THE LAST FIVE (5) YEARS

There has not been any change in the activities of Our Company during the last five years. For details in relation to our activities, refer to section titled “Our Business” beginning on page 122.

TECHNOLOGY, MARKET COMPETENCE AND CAPACITY BUILD-UP

For details on the technology, market competence and capacity build-up of our Company, please refer to the chapter titled "Our Business" beginning on page 122.

DETAILS OF PAST PERFORMANCE

For details in relation to our financial performance in the previous financial years, including details of non-recurring items of income, refer to section titled “Financial Information” beginning on page 190.

COLLABORATION AGREEMENTS

Our Company is not a party to any collaboration agreements.

MATERIAL AGREEMENT

Our Company has not entered into any material agreement.

EXCLUSIVE AGREEMENT



As on date of this Draft Red Herring Prospectus, Our Company has not entered into an exclusive agreement.

NON-COMPETE AGREEMENT

Our Company has not entered into any Non- compete Agreement as on the date of filing of this Draft Red Herring Prospectus.

SHAREHOLDERS AGREEMENTS

Our Company has not entered into any shareholder’s agreement as on date of filing of this Draft Red Herring Prospectus.

OTHER AGREEMENTS

As on the date of this Draft Red Herring Prospectus our Company has not entered into any agreements other than those entered into in the ordinary course of business and there are no material agreements entered into more than two years before the date of this Draft Red Herring Prospectus.

GUARANTEES GIVEN BY OUR COMPANY

Our Company has not provided any guarantee as on the of this Draft Red Herring Prospectus.

RESTRICTIVE COVENANTS IN LOAN AGREEMENTS

There is no outstanding debts as per the restated financial statements of the Company.

UNSECURED LOANS

Our company has no unsecured loan as on the date of the Draft Red Herring Prospectus.

STRATEGIC/ FINANCIAL PARTNERS

Our Company has no strategic and financial partners as on the date of filing of this Draft Red Herring Prospectus.

CONVERSION OF LOANS INTO EQUITY SHARES

There has been no incident of conversion of loans availed from Banks into equity shares as on the date of filing of this Draft Red Herring Prospectus.

CAPITAL RAISING ACTIVITIES THROUGH EQUITY

For details in relation to our capital raising activities through Equity, please see the chapters “Capital Structure” beginning on page 71.

STRIKE AND LOCK-OUTS



We have not faced any strikes or lockouts in our operations since our incorporation.

CHANGES IN THE MANAGEMENT

For details of change in Management, please see chapter titled “Our Management” on page 155.

DEFAULTS OR RESCHEDULING OF BORROWINGS WITH FINANCIAL INSTITUTIONS OR BANKS

There have been no defaults or rescheduling of borrowings with financial institutions or banks as on the date of this Draft Red Herring Prospectus.

NUMBER OF SHAREHOLDERS

Our Company has Seven (7) shareholders on the date of this Draft Red Herring Prospectus. For further details on the shareholding pattern of our Company, please refer to the chapter titled “Capital Structure” beginning on page 71.

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OUR MANAGEMENT

As per the Articles of Association of our Company, we are required to have not less than 3 directors and not more than 15 directors, subject to Section 149 of Companies Act, 2013. Currently, our Company has 4 (four) directors on our Board, of which 1 (one) Director is Executive director, 1 (one) Non- Executive Director and rest of the 2 (two) Directors are Independent Director.

| | | |
|---------------------|---|-----------------------------------|
| Mr. Dinesh Pareekh | - | Chairman & Non-Executive Director |
| Mr. Sachin Sharma | - | Managing Director |
| Mrs. Mamta Gupta | - | Independent Director |
| Mr. Anil Kumar Behl | - | Independent Director |

The following table sets forth details regarding the Board of Directors as on the date

| Mr. Dinesh Pareekh | |
|----------------------------|--|
| Father's Name | Mr. Bajrang Lal Pareekh |
| DIN | 00629464 |
| Date of Birth | February 16, 1969 |
| Age | 54 Years |
| Designation | Director |
| Status | Non-Executive |
| Qualification | Intermediate Pass |
| No. of Years of Experience | 30 years |
| Address | H-2/ 78-79, Second Floor, Sector- 16, Rohini, Delhi- 110089 |
| Occupation | Business |
| Nationality | Indian |
| Current terms | Appointed w.e.f. October 27, 2023, liable to retire by rotation |
| Period of directorship | Director since incorporation of the Company |
| Other Directorships | <p>India Private Companies: BGP 11 Analytics Private Limited Securocrop Securities India Private Limited BLP Equity Research Private Limited Securocrop Business Re-Engineering Private Limited</p> <p>India Public Companies: NA</p> <p>Section 8 Companies: NA</p> <p>Indian LLPs: NA</p> |
| Other Ventures | NA |



| Mr. Sachin Sharma | |
|----------------------------|--|
| Father's Name | Mr. Madan Pal Sharma |
| DIN | 05281526 |
| Date of Birth | April 10, 1976 |
| Age | 47 Years |
| Designation | Managing Director |
| Status | Executive |
| Qualification | He has completed his B. Tech in Textiles Technology in 1998 from Guru Jambheshwar University, Post Graduate Diploma in Computer Aided Management from Indian Institute of Management Calcutta in 2002. |
| No. of Years of Experience | 20 Years |
| Address | A-15 Brij Vihar, Chander Nagar, Hapur Ghaziabad, Uttar Pradesh- 201011 |
| Occupation | Business |
| Nationality | Indian |
| Current terms | Appointed w.e.f. November 01, 2023 |
| Period of directorship | Director since October 09, 2013 |
| Other Directorships | <p>India Private Companies: NA</p> <p>India Public Companies: NA</p> <p>Section 8 Companies: NA</p> <p>Indian LLPs: NA</p> |
| Other Ventures | NA |

| Mrs. Mamta Gupta | |
|----------------------------|---|
| Father's Name | Mr. Jai Prasad Bansal |
| DIN | 02789086 |
| Date of Birth | March 10, 1973 |
| Age | 50 years |
| Designation | Non-Executive Director |
| Status | Independent |
| Qualification | She has completed M. Tech in Human Resources Development & Management in 1997 from Indian Institute of Technology, Kharagpur, M.Sc. (Chemistry) in 1995 from University of Roorkee. |
| No. of Years of Experience | 20 years |
| Address | 1B Nandini Kanha Shyam, Indra Nagar, Kalyanpur, Kanpur Nagar Uttar Pradesh 208017 |
| Occupation | Professional |
| Nationality | Indian |
| Current terms | Appointed w.e.f. September 30, 2023 |



| | |
|------------------------|--|
| Period of directorship | Appointed for term of 5 years |
| Other Directorships | <p>India Private Companies: G.M Capital Advisors Private Limited</p> <p>India Public Companies: NA</p> <p>Section 8 Companies: NA</p> <p>Indian LLPs: NA</p> |
| Other Ventures | NA |

| Mr. Anil Kumar Behl | |
|----------------------------|--|
| Father's Name | Mr. Sushil Kumar Behl |
| DIN | 00697588 |
| Date of Birth | July 05, 1958 |
| Age | 65 Years |
| Designation | Non-Executive Director |
| Status | Independent |
| Qualification | He is a fellow member of The Institute of Chartered Accountant of India. |
| No. of Years of Experience | 40 years |
| Address | H. No. B-18 East of Kailash, New Delhi-110065 |
| Occupation | Professional |
| Nationality | Indian |
| Current terms | Appointed w.e.f. September 30, 2023 |
| Period of directorship | Appointed for term of 5 years |
| Other Directorships | <p>India Private Companies: Pavan-Sut Stock Broking Services Private Limited</p> <p>India Public Companies: Race Eco Chain Limited</p> <p>Section 8 Companies: NA</p> <p>Indian LLPs: NA</p> |
| Other Ventures | NA |

BRIEF PROFILE OF OUR DIRECTORS

Mr. Dinesh Pareekh



Mr. Dinesh Pareekh, aged 54 years is a distinguished business leader and a seasoned professional in the corporate world, brings a wealth of expertise to his role as the Chairman and Non-Executive Director of the company. With an illustrious career spanning over 30 years, he has played a pivotal role in shaping and nurturing the growth of the organization since its inception in 2013.

Apart from his significant contributions to the current company, Mr. Dinesh Pareekh is also promoter director of our promoter company BLP Equity Research Private Limited. Leveraging his extensive experience in capital markets, he has successfully navigated through various market scenarios, displaying a keen acumen for strategic investments and business development.

Mr. Dinesh Pareekh is not only a visionary in the corporate sector but also exhibits a deep commitment to sustainable practices. His experience in the recycling and waste management sector further underscores his dedication to environmental responsibility. Known for his proficiency in managing businesses and investments, he has emerged as a key figure in the industry, providing leadership that is both innovative and pragmatic.

Mr. Sachin Sharma

Mr. Sachin Sharma, aged 47 years, is a Managing Director of the Company. He is a dynamic/ accomplished individual and a staunch advocate of sustainability with a diverse and impressive professional journey that spans across engineering, business management, and entrepreneurship. He has total 20 years of experience and with a Bachelor of Technology (B. Tech), Textiles Technology and a Post Graduate Diploma in Computer Aided Management from IIM Calcutta, he has leveraged his extensive knowledge and experience to excel in the corporate world and become a successful entrepreneur. During the corporate journey with various organisation including Edelweiss, Mr. Sachin developed a deep appreciation of the environment and decided to explore sustainable solutions to address the planet's growing waste crisis. After a decade of enriching corporate experiences, Sachin made a decision to explore entrepreneurship in plastic waste management by co-founding GEM Enviro Management Limited ("GEM") in the year 2013 which focusses on innovative ways to manage and recycle the plastic waste.

Under his leadership, the company expanded its operations, collaborating with businesses, governments, and communities to implement large-scale plastic waste management solutions.

Mrs. Mamta Gupta

Mrs. Mamta Gupta, aged 51 years, is the independent director of the company. She holds master's degree in technology (HRDM) from IIT Kharagpur and master's degree in science (Chemistry) from University of Roorkee. She holds dual postgraduate degree and has 20 years of experiences that brings in a rich blend of technical expertise and scientific knowledge. Having dedicated her skills to the social sector, she worked with an NGO, contributing to community development. Her passion for education led her to teach at the degree college level, imparting valuable insights to students.

Currently engaged in cutting-edge research, she explores innovative solutions to pressing challenges. A trailblazer in academia and social impact, she exemplifies the intersection of technology, education, and research in making a positive difference in society.



Mr. Anil Kumar Behl

Mr. Anil Kumar Behl, aged 65 years, is the Independent Director of the Company. He is a fellow member of the Institute of Chartered Accountants of India bearing membership number: 500-85201. He was in practice for more than 40 years and has gained expert knowledge in the field of audit & taxation during his practice tenure. His sterling reputation history of success, combined with more than 30 years of experience in building business would be a welcome step of the board.

Note:

As on the date of the Draft Red Herring Prospectus:

- 1) None of the above-mentioned Directors are on the RBI List of wilful defaulters or Fraudulent Borrowers.*
- 2) 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.*
- 3) 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.*
- 4) None of our Directors are/were director of any company whose shares were delisted from any stock exchange(s) up to the date of filing of this Draft Red Herring Prospectus.*
- 5) None of Promoters or Directors of our Company are a fugitive economic offender.*
- 6) 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.*
- 7) 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

None of the Directors of the Company are related to each other as per Section 2(77) of the Companies Act, 2013.

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.

APPOINTMENT TERMS, COMPENSATION AND BENEFITS TO THE EXECUTIVE DIRECTORS ARE AS FOLLOWS: -



| | |
|--|--|
| Name | Mr. Sachin Sharma |
| Designation | Managing Director |
| Date of Appointment/ Change in Designation | He was appointed as director on October 09, 2013. Thereafter, his designation was changed as the Managing Director with effect from November 01, 2023. |
| Period | 5 years with w.e.f. from November 01, 2023 |
| Salary | ₹ 32.34 lakhs per annum |
| Bonus | Nil |
| Perquisite/Benefits | Travelling, Lodging, Boarding, Communication expenses shall be reimbursed on actual basis and shall not part of his remuneration. |
| Commission: | Nil |
| Compensation/ remuneration paid during the F.Y. 2022-23 | ₹ 30.47 lakhs |

TERMS AND CONDITIONS FOR NON-EXECUTIVE DIRECTORS AND INDEPENDENT DIRECTORS

Our Company will not pay any remuneration to the Independent Directors of our company except the applicable sitting fee and reimbursement of expenses as per the Companies Act, 2013.

As per the terms of appointment, no sitting fee shall be given to the directors for FY 2023-24. The board of directors shall decide the sitting fee for directors for attending the board meeting and committee meetings as and when board decide.

SHAREHOLDING OF DIRECTORS

The shareholding of our directors as on the date of this Draft Red Herring Prospectus is as follows:

| Sr. No. | Name of Directors | No. Equity Shares held | Category/ Status |
|----------------|--------------------------|-------------------------------|-----------------------------------|
| 1. | Mr. Sachin Sharma | 45,83,000 | Managing Director |
| 2. | Mr. Dinesh Pareekh | 6,80,000 | Chairman & 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 anybody 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 and Promoter Group, none of our Directors have any interest in the promotion of our Company.

Interest in the property of Our Company

Except as stated/referred to in the heading titled “Immovable Property” beginning on page 134. 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

Save and except as stated otherwise in “Related Party Transaction” in the chapter titled “*Financial Information*” beginning on page number 190 of this Draft Red Herring Prospectus, our directors do not have any other interests in our Company as on the date 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.

SERVICE CONTRACTS

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. However, the directors have been issued Appointment letters for their term of appointment.

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.



BONUS OR PROFIT-SHARING PLAN FOR THE DIRECTORS

There is no bonus or profit-sharing plan for the Directors of our Company.

CONTINGENT AND DEFERRED COMPENSATION PAYABLE TO DIRECTORS

No Director has received or is entitled to any contingent or deferred compensation.

OTHER INDIRECT INTEREST

Except as stated in chapter titled “*Financial Information*” beginning on page 190 of this Draft Red Herring Prospectus, none of our sundry debtors or beneficiaries of loans and advances are related to our Directors.

BORROWING POWERS OF THE BOARD OF DIRECTORS

In terms of the special resolution passed in the Extra Ordinary General Meeting of our Company held on November 01, 2023, consent of the members of our Company was accorded to the Board of Directors of our Company pursuant to Section 180(1)(c) of the Companies Act, 2013 to borrow any sum or sums of monies from time to time notwithstanding that the money or monies already borrowed by the Company (apart from temporary loans obtained from the Company’s bankers in the ordinary course of the business) may exceed the aggregate of the paid up share capital of the Company, its free reserves and securities premium, that is to say, reserves not set apart for any specific purposes, provided that the total amount which may be so borrowed by the Board of Directors and outstanding at any time (apart from temporary loans obtained from the Company’s bankers in the ordinary course of the business) may exceed the aggregate of the paid up capital of the Company and free reserve, provided that the total outstanding amount so borrowed, shall not at any time exceed the limit of ₹ 100/- Crore (Rupees One Hundred Crore Only).

CHANGES IN THE BOARD OF DIRECTORS DURING THE LAST THREE YEARS

| Name of Key Managerial Personnel | Date of Event | Nature of Event | Reason for the changes |
|----------------------------------|--------------------|-----------------|---|
| Mr. Sachin Sharma | November 01, 2023 | Appointment | Appointed as Managing Director. |
| Mr. Anil Kumar Behl | November 01, 2023 | Regularised | Regularised as an Independent Director. |
| Mrs. Mamta Gupta | November 01, 2023 | Regularised | Regularised as an Independent Director. |
| Mr. Dinesh Pareekh | October 27, 2023 | Appointment | Re-designated to Chairman and Non-Executive Director. |
| Mr. Rajendra Kumar Gupta | September 30, 2023 | Cessation | Resignation from the post of director. |
| Mr. Anil Kumar Behl | September 30, 2023 | Appointment | Appointed as an Additional Independent Director. |
| Mrs. Mamta Gupta | September 30, 2023 | Appointment | Appointed as an Additional Independent Director. |

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 as amended from time to time, the requirement 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 is not applicable to our Company, although we require to comply with requirement of the Companies Act, 2013 wherever applicable. 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.

The Board functions either as a full Board or through various committees constituted to oversee specific operational areas. Our Company has constituted the following Committees of the Board:

- 1. Audit Committee**
- 2. Nomination and Remuneration Committee**
- 3. Stakeholders Relationship Committee**

Details of composition, terms of reference etc. of each of the above committees are provided hereunder:

1. Audit Committee:

The Audit Committee was constituted vide Board resolution dated December 06, 2023 pursuant to Section 177 of the Companies Act, 2013. As on the date of this Draft Red Herring Prospectus, the Audit Committee comprises of:

The constitution of the Audit Committee is as follows:

| Name of the Directors | Designation | Nature of Directorship |
|------------------------------|--------------------|-------------------------------|
| Mr. Anil Kumar Behl | Chairman | Independent Director |
| Mr. Sachin Sharma | Member | Managing Director |
| Mrs. Mamta Gupta | Member | Independent Director |

The Audit Committee shall vested with the following roles and responsibilities and powers:

1. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:



- a. Matters required being included in the Directors Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
 - b. Changes, if any, in accounting policies and practices and reasons for the same;
 - c. Major accounting entries involving estimates based on the exercise of judgment by management;
 - d. Significant adjustments made in the financial statements arising out of audit findings;
 - e. Compliance with listing and other legal requirements relating to financial statements;
 - f. Disclosure of any related party transactions;
 - g. Modified opinion(s) in the draft audit report.
5. Reviewing, with the management, the half yearly and annual financial statements before submission to the board for approval
 6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/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.
 7. Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process.
 8. Approval of any transactions of the Company with Related Parties, including any subsequent modification thereof.
 9. Scrutiny of inter-corporate loans and investments.
 10. Valuation of undertakings or assets of the Company, wherever it is necessary.
 11. Evaluation of internal financial controls and risk management systems.
 12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
 13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
 14. Discussion with internal auditors on any significant findings and follow up thereon.
 15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
 16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
 17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.



18. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
19. 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.
20. To overview the Vigil Mechanism of the Company and took appropriate actions in case of repeated frivolous complaints against any Director or Employee.
21. Implementation of Indian Accounting Standards as and when they become(s) applicable to the Company.
22. To review the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
23. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the company and its shareholders.
24. Monitoring the end use of funds raised through public offers and related matters.

The Audit Committee shall mandatorily review the following information:

1. Management Discussion and Analysis of financial condition and results of operations.
2. Management letters/letters of internal control weaknesses issued by the statutory auditors.
3. Internal audit reports relating to internal control weaknesses.
4. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
5. Statement of deviations:
 - a) Half yearly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32 (7).

Powers of the Audit Committee:

- Investigating any activity within its terms of reference;
- Seeking information from any employee;
- Obtaining outside legal or other professional advice; and



- Securing attendance of outsiders with relevant expertise, if it considers necessary.

The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, are binding on the Board. If the Board is not in agreement with the recommendations of the Audit Committee, reasons for disagreement shall have to be minuted in the Board Meeting and the same has to be communicated to the shareholders. The chairman of the committee has to attend the Annual General Meetings of our Company to provide clarifications on matters relating to the audit.

The Audit Committee is required to meet at least four times in a year. The quorum will be either two members or one third of the members of the Audit Committee whichever is greater, but there should be a minimum of two independent members present.

Any member of the committee may be removed or replaced at any time by the Board. Any member of the committee ceasing to be a director shall also cease to be a member of the Audit Committee.

2. Nomination and Remuneration Committee:

The Nomination and Remuneration Committee was constituted at a meeting of the Board of Directors held on November 17, 2023. As on the date of this Draft Red Herring Prospectus the Nomination and Remuneration Committee comprises of:

| Name of the Directors | Designation | Nature of Directorship |
|------------------------------|--------------------|-------------------------------|
| Mr. Anil Kumar Behl | Chairman | Independent Director |
| Mrs. Mamta Gupta | Member | Independent Director |
| Mr. Dinesh Pareekh | Member | Non- Executive Director |

The Nomination and Remuneration Committee shall vested with the following roles and responsibilities and powers:

1. To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees.
2. For every appointment of an independent director, 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. uses the services of an external agencies, if required;
 - b. considers candidates from a wide range of backgrounds, having due regard to diversity; and
 - c. considers the time commitments of the candidates.
3. To formulate criteria for evaluation of performance of independent directors and the board of directors
4. Ensure that our Company has in place a programme for the effective induction of new directors;



5. Recommend to the Board, the remuneration packages of the Company's Managing/Joint Managing/Deputy Managing/Whole time / Executive Directors, including all elements of remuneration package (i.e. salary, benefits, bonuses, perquisites, commission, incentives, stock options, pension, retirement benefits, details of fixed component and performance linked incentives along with the performance criteria, service contracts, notice period, severance fees etc.);
6. Authorized at its duly convened meeting to determine on behalf the Board of Directors and on behalf of the shareholders with agreed terms of reference, the Company's policy on specific remuneration packages for Company's Managing/Joint Managing/ Deputy Managing/ Whole time/Executive Directors, including pension rights and any compensation payment;
7. Review, on an ongoing basis, the structure of the board, its committees and their inter relationship;
8. Implement, supervise and administer any share or stock option scheme of our Company;
9. Recommend to the board, all remuneration, in whatever form, payable to senior management; and
10. Attend to any other responsibility as may be entrusted by the Board within the terms of reference.

The Nomination and Remuneration Committee is required to meet at least two times in a year. The quorum will be either two members or one third of the members of the Nomination and Remuneration Committee whichever is greater, but there should be a minimum of two independent members present.

Any member of the committee may be removed or replaced at any time by the Board. Any member of the committee ceasing to be a director shall also cease to be a member of the Nomination and Remuneration Committee.

3. Stakeholders Relationship Committee:

The Stakeholders' Relationship Committee has been formed by the Board of Directors at the meeting held on November 17, 2023. As on the date of this Draft Red Herring Prospectus the Stakeholders' Relationship Committee comprises of:

| Name of the Directors | Designation | Nature of Directorship |
|------------------------------|--------------------|-------------------------------|
| Mr. Dinesh Pareekh | Chairman | Non-Executive Director |
| Mr. Anil Kumar Behl | Member | Independent Director |
| Mr. Sachin Sharma | Member | Executive Director |

The Stakeholders' Relationship Committee shall vested with the following roles and responsibilities and powers:

1. To resolve the grievances of the security holders of the company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. To review of measures taken for effective exercise of voting rights by shareholders.
3. To review of adherence to the service standards adopted by the company in respect of various services being rendered by the Registrar & Share Transfer Agent.



4. To review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

The Stakeholder Relationship Committee is required to meet at least two times in a year. The quorum will be either two members or one third of the members of the Stakeholder Relationship Committee whichever is greater, but there should be a minimum of two independent members present.

Any member of the committee may be removed or replaced at any time by the Board. Any member of the committee ceasing to be a director shall also cease to be a member of the Stakeholder Relationship Committee.

Corporate Social Responsibility Committee:

The Corporate Social Responsibility Committee of our Board was constituted by a resolution of our Board at their meeting held on December 06,2023.

The constitution of the Corporate Social Responsibility Committee is as follows:

| Name of the Directors | Designation | Nature of Directorship |
|------------------------------|--------------------|-------------------------------|
| Mr. Sachin Sharma | Chairman | Executive Director |
| Mr. Dinesh Pareekh | Member | Non-Executive Director |
| Mr. Anil Kumar Behl | Member | Independent |

The scope and functions of the Corporate Social Responsibility Committee are in accordance with Section 135 of the Companies Act, and its terms of reference are as disclosed below:

- i. To formulate and recommend to the Board, a corporate social responsibility policy stipulating, amongst others, the guiding principles for selection, implementation and monitoring the activities as well as formulation of the annual action plan;
- ii. The annual action plan shall include the following:-
 - a) the list of corporate social responsibility projects or programmes that are approved to be undertaken in areas or subjects specified in Schedule VII of the Companies Act;
 - b) the manner of execution of such projects or programs as specified in the rules notified under the Companies Act;
 - c) the modalities of utilisation of funds and implementation schedules for the projects or programmes;
 - d) Monitoring and reporting mechanism for the projects or programmes; and
 - e) Details of need and impact assessment, if required, for the projects undertaken by the company.
- iii. Recommending the amount of expenditure to be incurred, amount to be at least 2% of the average net profit of the company in the three immediately preceding financial years;
- iv. To identify corporate social responsibility policy partners and corporate social responsibility policy programmes;
- v. To monitor the corporate social responsibility policy from time to time;



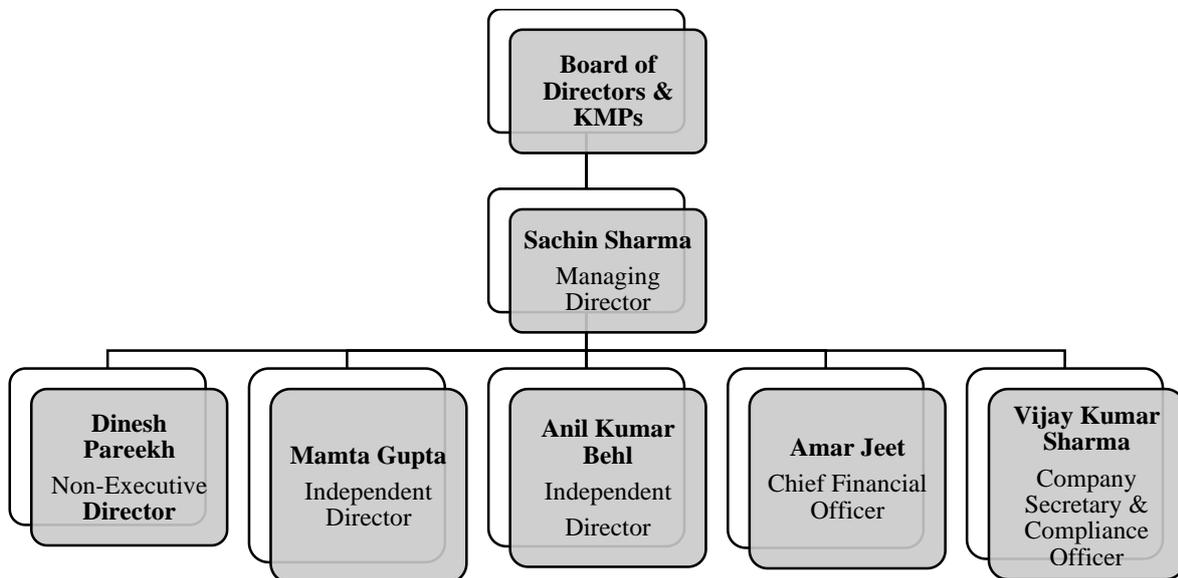
- vi. To review and recommend the amount of expenditure to be incurred for the corporate social responsibility activities and the distribution of the same to various corporate social responsibility programmes undertaken by the Company;
- vii. To delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;
- viii. To review and monitor the implementation of corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes;
- ix. To perform such other duties and function as the Board may require the CSR committee to undertake to promote the corporate social responsibility activities of the company and exercise such other powers as may be conferred upon the CSR Committee in terms of the provisions of Section 135 of the Act;
- x. To take note of the compliance made by implementing agency (if any) appointed for the corporate social of the Company;
- xi. Any such terms of reference as may be prescribed under the Companies Act.

Quorum

The quorum for a meeting of the CSR Committee shall be one-third of its total strength (any fraction contained in that one-third be rounded off as one) or two members, whichever is higher.

MANAGEMENT ORGANISATION CHART

The management organization structure of the company is depicted from the following chart:



OUR KEY MANAGEMENT PERSONNEL OTHER THAN EXECUTIVE DIRECTOR

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. 2022-23 (₹ in Lakhs) |
|---------------------------------------|--|---|----------------------------------|--|
| Name | Mr. Vijay Kumar Sharma | He is a Member of the Institute of Company Secretaries of India (ICSI) having Membership number-17929. He is B. Com Graduate from Delhi University and holds Master Degree in Financial Management from Pondicherry University. | Swagtam Trading Services Limited | 4.98 |
| Designation | Company Secretary and Compliance Officer | | | |
| Date of Appointment | September 30, 2023 | | | |
| Overall Experience | He has 20 years of post-qualification experience in the field of corporate laws. | | | |

| | | | | |
|----------------------------|--|--|----|------|
| Name | Mr. Amar Jeet | He holds a bachelor's degree in commerce from University of Delhi. He has 10 years of experience in the field of accounting and finance. | NA | 5.25 |
| Designation | Chief Financial Officer | | | |
| Date of Appointment | September 30, 2023 | | | |
| Overall Experience | He has an experience of over 10 years served as Senior Accountant in GEM Enviro Management Limited for such period. He is engaged in overseeing the financial activities and financial planning in consultation with the Board of directors. | | | |

OUR SENIOR MANAGEMENT PERSONNEL

| Name, Designation and Date of Joining | | Qualification | Remuneration paid in F.Y. 2022-23 (₹ in Lakhs) |
|---------------------------------------|---|--|--|
| Name | Mr. Chaitanya Jee Srivastava | He holds a Bachelor of Technology (Civil Engineering) from Indian Institute of Technology Kanpur in the year 1998 and Post Graduate Diploma in management from Indian Institute of Management Calcutta in year 2010. He has 20 years of industry + strategy consulting experience. | 7.20 |
| Designation | Head – Tech. & New Business Initiatives | | |
| Date of Appointment | August 01, 2022 | | |

Notes:

- All of our Key Managerial Personnel mentioned above are on the payrolls of our Company as permanent employees.



- *There is no agreement or understanding with major shareholders, customers, suppliers or others pursuant to which any of the above mentioned personnel was selected as a director or member of senior management.*
- *None of our Key Managerial Personnel has entered into any service contracts with our company and no benefits are granted upon their termination from employment other than statutory benefits provided by our Company. However, our Company has appointed certain Key Managerial Personnel for which our company has not executed any formal service contracts; although they abide by their terms of appointments.*

RELATIONSHIP BETWEEN KEY MANAGEMENT PERSONNEL

None of the KMP of the Company are related to each other as per section 2(77) of the Companies Act, 2013.

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.

CONTINGENT AND DEFERRED COMPENSATION PAYABLE TO KEY MANAGERIAL PERSONNEL

None of our Key Managerial Personnel has received or is entitled to any contingent or deferred compensation.

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.

| Sr. No. | Name of Key Management Personnel | No. Equity Shares held | Category/ Status |
|----------------|---|-------------------------------|-------------------------|
| 1. | Mr. Sachin Sharma | 45,83,000 | Managing Director |

INTEREST OF KEY MANAGERIAL PERSONNEL

None of our key managerial personnel have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to our Company as per the terms of their appointment and reimbursement of expenses incurred by them during the ordinary course of business and to the extent of equity shares in the company as specified in above table.

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. Sachin Sharma | November 01, 2023 | Appointment | He was appointed as the Managing Director of the company |
| Mr. Amar Jeet | September 30, 2023 | Appointment | He was appointed as the CFO of the company |
| Mr. Vijay Kumar Sharma | September 30, 2023 | Appointment | He was appointed as the CS of the company |

SCHEME OF EMPLOYEE STOCK OPTIONS OR EMPLOYEE STOCK PURCHASE

Our Company does not have any Employee Stock Option Scheme or other similar scheme giving options in our Equity Shares to our employees.

LOANS TO KEY MANAGERIAL PERSONNEL

There are no loans outstanding against the key managerial personnel as on the date of this Draft Red Herring Prospectus.

PAYMENT OF BENEFITS TO OFFICERS OF OUR COMPANY (NON-SALARY RELATED)

Except for the payment of salaries and perquisites and reimbursement of expenses incurred in the ordinary course of business, and the transactions as enumerated in the chapter titled “*Financial Information*” and the chapter titled “*Our Business*” beginning on pages 190 and 122 of this Draft Red Herring Prospectus, we have not paid/ given any benefit to the officers of our Company, within the two preceding years nor do we intend to make such payment/ give such benefit to any officer as on the date of this Draft Red Herring Prospectus.

RETIREMENT BENEFITS

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of his employment in our Company.

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OUR PROMOTERS

The Promoters of our Company are:

| Sr. No. | Name | Category | Shareholding |
|---------|-------------------------------------|---------------------|--------------|
| 1. | Mr. Sachin Sharma | Individual Promoter | 45,83,000 |
| 2. | Mrs. Sangeeta Pareekh | Individual Promoter | 27,20,000 |
| 3. | BLP Equity Research Private Limited | Corporate Promoter | 71,26,400 |

For details of the build-up of our promoters' shareholding in our Company, see section titled "Capital Structure" beginning on page 71 of this Draft Red Herring Prospectus.

Brief profile of our Individual Promoters is as under:

| | |
|--|---|
|  | <p>Mr. Sachin Sharma, aged 47 years, is the Managing Director of the Company. He is a dynamic/ accomplished individual and a staunch advocate of sustainability with a diverse and impressive professional journey that spans across engineering, business management, and entrepreneurship. He has total 20 years of experience and with a Bachelor of Technology (B. Tech), Textiles Technology and a Post Graduate Diploma in Computer Aided Management from IIM Calcutta, he has leveraged his extensive knowledge and experience to excel in the corporate world and become a successful entrepreneur. During the corporate journey with various organizations including Edelweiss, Mr. Sachin Sharma developed a deep appreciation of the environment and decided to explore sustainable solutions to address the planet's growing waste crisis. After a decade of enriching corporate experiences, Mr. Sachin made a decision to explore entrepreneurship in plastic waste management by co-founding GEM Enviro Management Limited ("GEM") in the year 2013 which focusses on innovative ways to manage and recycle the plastic waste.</p> <p>Under his leadership, the company expanded its operations, collaborating with businesses, governments, and communities to implement large-scale plastic waste management solutions.</p> |
| Date of Birth | April 10, 1976 |
| Age | 47 Years |
| Permanent Account Number | AVPPS5368H |
| Qualification | B. Tech (Textiles Technology), Post Graduate Diploma in Computer Aided Management |
| Personal Address | A-15 Brij Vihar, Chander Nagar, Hapur, Ghaziabad, Uttar Pradesh-201011 |
| Experience | 20 years |
| Occupation | Business |
| No. of Equity Shares & % | 45,83,000 |



| | |
|---|--|
| Of Shareholding (Pre-Offer) | 21.77% |
| Directorship held | NA |
| Other Ventures | NA |
|  | <p>Mr. Dinesh Pareekh, aged 54 years is a distinguished business leader and a seasoned professional in the corporate world, brings a wealth of expertise to his role as the Chairman and Non-Executive Director of the company. With an illustrious career spanning over 30 years, he has played a pivotal role in shaping and nurturing the growth of the organization since its inception in 2013.</p> <p>Apart from his significant contributions to the current company, Mr. Dinesh Pareekh is also promoter director of our promoter company BLP Equity Research Private Limited. Leveraging his extensive experience in capital markets, he has successfully navigated through various market scenarios, displaying a keen acumen for strategic investments and business development.</p> <p>He is not only a visionary in the corporate sector but also exhibits a deep commitment to sustainable practices. His experience in the recycling and waste management sector further underscores his dedication to environmental responsibility. Known for his proficiency in managing businesses and investments, he has emerged as a key figure in the industry, providing leadership that is both innovative and pragmatic.</p> |
| Date of Birth | January 10, 1970 |
| Age | 54 Years |
| Permanent Account Number | AASPP5260H |
| Qualification | Intermediate Pass |
| Personal Address | H-2/ 78-79, Second Floor, Sector- 16, Delhi- 110089 |
| Experience | 30 years |
| Occupation | Business |
| No. of Equity Shares & % Of Shareholding (Pre-Offer) | 6,80,000 3.23% |
| Directorship held | <p>Indian Private Companies:</p> <ul style="list-style-type: none"> • BGP 11 Analytics Private Limited • Securocrop Securities India Private Limited • BLP Equity Research Private Limited • Securocrop Business Re-Engineering Private Limited <p>Indian Public Companies Nil</p> <p>Section 8 Companies Nil</p> <p>Indian LLPs Nil</p> |

| | |
|-----------------------|----|
| Other Ventures | NA |
|-----------------------|----|

| | |
|---|---|
|  | <p>Mrs. Sangeeta Pareekh, aged 54 years, is the promoter of the company. She has been associated with the company since 2014. She is a seasoned businesswoman with total experience of 25 years in capital and finance market. She is a committed investor with dedication to promote and invest in sustainability businesses.</p> <p>She is highly passionate about growth of plastic recycling in India and she believes that by promoting and investing in sustainable business in India she can create a positive impact on environment. Her initiatives have helped to channel capital towards companies dedicated to sustainability.</p> <p>Further her active engagement with companies encourages transparency and accountability in their sustainability practices.</p> |
|---|---|

| | |
|---|---|
| Date of Birth | January 10, 1970 |
| Age | 54 years |
| Permanent Account Number | AASPP5260H |
| Qualification | Intermediate Pass |
| Address | H-2/ 78-79, Second Floor, Sector- 16, Delhi- 110089 |
| Experience | 25 Years |
| Occupation | Business |
| No. of Equity Shares & % Of Shareholding (Pre-Offer) | 27,20,000 12.92% |
| Directorship held | NA |
| Other Ventures | NA |

| | |
|---|--|
|  | <p>Mr. Sarthak Agarwal, aged 21 years, is dedicated to advancing his knowledge and skills in the industry. With a strong foundation in science, he successfully completed his Intermediate from CBSE Board with a focus on Physics, Chemistry, and Mathematics (PCM).</p> <p>Currently pursuing a Bachelor's degree in Mechanical Engineering from BITS Pilani Hyderabad Campus. As a Mechanical Engineering student at one of India's premier institutions, he engages in a rigorous curriculum that combines theoretical learning with practical applications. His academic journey is marked by a commitment to excellence, evident in his pursuit of a specialized degree that encompasses the intricacies of mechanical systems.</p> <p>Driven by a passion for understanding the complexities of machinery and systems, he is on a path to not only graduate with a valuable degree but also contribute to the ever-evolving landscape of mechanical engineering.</p> |
|---|--|

| | |
|---------------------------------|--|
| Date of Birth | January 25, 2003 |
| Age | 21 years |
| Permanent Account Number | EAAPA5126B |
| Qualification | Pursuing Bachelor's degree in Mechanical Engineering from BITS |



| | |
|---|---|
| | Pilani Hyderabad Campus. |
| Address | 7/180 Flat No. 205, Prem Ratan Vatika, Kanpur Nagar, Uttar Pradesh- 208002 |
| Experience | Nil |
| Occupation | NA |
| No. of Equity Shares & % Of Shareholding (Pre-Offer) | 52,63,200 25% |
| Directorship held | <p>Indian Private Companies:</p> <ul style="list-style-type: none"> • Dev Bhoomi Commercial Private Limited • Securocrop Re-Engineering Private Limited <p>Indian Public Companies</p> <ul style="list-style-type: none"> • SNS Properties and Leasing Limited <p>Section 8 Companies</p> <p>Nil</p> <p>Indian LLPs</p> <p>Nil</p> |
| Other Ventures | NA |

Brief Profile of our corporate promoter is as under:

BLP Equity Research Private Limited

Corporate Information

BLP Equity Research Private Limited (“BLP Equity”) was incorporated on January 17, 2017, as a private limited company bearing Corporate Identification Number U74999DL2017PTC310662 under the Companies Act, 2013, BLP Equity Research is currently having registered office situated at Unit No. 203, Plaza- P 3, Central Square, Bara Hindu Rao, Delhi-110006. BLP Equity is not listed on any stock exchange.

Change in activities

There has been no change in object of BLP Equity in past three years.

Present activities of BLP Equity

Conducting market survey and research of Indian cand compiling of database and to carry out research activities on commercial basis in various asset classes including equity/ real estate/ others.

Details of change in control

There has been no change in control of BLP Equity during last three years immediately preceding the date of filing of this Draft Red Herring Prospectus.

Promoter of BLP Equity

The promoter of BLP Equity are as follows:

1. Mr. Dinesh Pareekh



2. Securocrop Securities India Private Limited

Board of Directors of BLP Equity

As of the date of this DRHP, the board of directors of BLP Equity are as under:

| Sr. No. | Name | Designation |
|---------|----------------|-------------|
| 1 | Dinesh Pareekh | Director |
| 2 | Rajiv Purohit | Director |

Class of Shares

BLP Equity has two classes of shares. Shares with voting rights and without voting rights.

Shareholding Pattern of BLP Equity

| Sr. No. | Name of Allotees | No. of Shares | % of holdings |
|---------|---|--------------------|----------------|
| 1 | Rajiv Purohit* | 100 | 0.00% |
| 2 | Dinesh Pareekh* | 19,900 | 0.15% |
| 3 | Vikash Gupta | 5,00,000 | 3.74% |
| 4 | Securocrop Securities India Private Limited | 28,85,000 | 21.58% |
| 5 | Anurag Gupta | 7,50,000 | 5.61% |
| 6 | Sanjay Gupta HUF | 5,00,000 | 3.74% |
| 7 | Sanjay Kumar Satija | 22,500 | 0.17% |
| 8 | Pushp Lata Sharma | 25,000 | 0.19% |
| 9 | Rakesh Chand Pareek | 30,000 | 0.22% |
| 10 | Dr. Anil Kumar Pareek | 2,20,000 | 1.65% |
| 11 | Smridhi Farms Private Limited | 8,50,000 | 6.36% |
| 12 | Vikram Sharma | 20,000 | 0.15% |
| 13 | Puja Malik | 26,00,000 | 19.45% |
| 14 | Rajesh Kumar Sugandh | 4,00,000 | 2.99% |
| 15 | Kartik Chandrasekharan | 3,00,000 | 2.24% |
| 16 | Leena B Mirani | 3,00,000 | 2.24% |
| 17 | Nitesh Sugandh | 2,00,000 | 1.50% |
| 18 | Manoj Gupta | 2,60,000 | 1.95% |
| 19 | Kanwal Jit Singh | 2,35,000 | 1.76% |
| 20 | Kawal Deep Singh | 1,50,000 | 1.12% |
| 21 | New Modern Buildwell Private Limited | 5,00,000 | 3.74% |
| 22 | Rajinder Pal Singh | 3,00,000 | 2.24% |
| 23 | SAV Infosystems LLP | 8,00,000 | 5.98% |
| 24 | Swift Mercantile LLP | 3,00,000 | 2.24% |
| | Vipul Finvest Limited | 12,00,000 | 8.98% |
| | Total | 1,33,67,500 | 100.00% |

*Shares with voting rights

Our Company confirms that the PAN, CIN, Bank account number of BLP Equity (our Promoter) and the details of the Registrar of Companies, Delhi, where BLP Equity is registered will be submitted to the Stock Exchange, at the time of filing of this Draft Red Herring Prospectus with the Stock Exchange.

Relationship of Promoters with our Directors



Except as disclosed herein, none of our Promoter(s) are related to any of our Company’s directors within the meaning of Section 2(77) of the Companies Act, 2013.

| Sr. No. | Name of Promoter | Name of Director/ Promoter | Relation |
|---------|-----------------------|-------------------------------|----------|
| 1. | Mrs. Sangeeta Pareekh | Mr. Dinesh Pareekh | Spouse |

OTHER UNDERTAKINGS AND CONFIRMATIONS

- Our Company undertakes that the details of Permanent Account Number, Bank Account Number, Aadhar and Passport Number of the Promoters will be submitted to the SME Platform of BSE, where the securities of our Company are proposed to be listed at the time of submission of Draft Red Herring Prospectus.
- Our Promoters have confirmed that they have not been identified as willful defaulters.
- No violations of securities laws have been committed by our Promoters in the past or are currently pending against them. None of our Promoters are debarred or prohibited from accessing the capital markets or restrained from buying, selling, or dealing in securities under any order or directions passed for any reasons by the SEBI or any other authority or refused listing of any of the securities issued by any such entity by any stock exchange in India or abroad.

INTEREST OF PROMOTERS

Interest in promotion of Our Company

Our Promoters and Promoter Group are interested in the promotion of our Company in their capacity as a shareholder of our Company and having significant control over the management and influencing policy decisions of our Company.

Interest in the property of Our Company

Except as disclosed above and in the chapters titled “Our Business” and “Restated Financial Statement – Related Party Transactions” on page 122 and 190 respectively of this Draft Red Herring Prospectus, our Promoter and Promoter Group do not have any interest in any property acquired two years prior to the date of this Draft Red Herring Prospectus.

Interest as member of Our Company

Our Promoters jointly hold 2,03,72,600 Equity Shares aggregating to 96.77% of pre-issue Equity Share Capital in our Company and are therefore interested to the extent of their respective shareholding and the dividend declared, if any, by our Company. Except to the extent of their respective shareholding in our Company and benefits provided to Mr. Sachin Sharma given in the chapter titled – *Our Management* beginning on page 155 of this Draft Red Herring Prospectus, our Promoters hold no other interest in our Company.

Interest as Director of our Company

Except as stated in the “*Related Party Transactions*” beginning on page number 187 of the Draft Red Herring Prospectus, our Promoters / Directors, may be deemed to be interested to the extent of fees, if any, payable



to them for attending meetings of our Board or Committees thereof as well as to the extent of remuneration and/or reimbursement of expenses payable to them for services rendered to us in accordance with the provisions of the Companies Act and in terms of our AOA.

Disassociation by the Promoters in the last three years

Our Promoter have not disassociated themselves from any of the companies/partnership firms during preceding three years.

Other Ventures of our Promoters

Save and except as disclosed in the chapters titled “*Our Group Companies*” beginning on page 183 of the Draft Red Herring Prospectus, there are no other ventures of our Promoters in which they have business interests/other interests.

Change in the control of Our Company

There is no change in the control of our Company in the last three years.

Litigations involving our Promoters

For details of legal and regulatory proceedings involving our Promoters, please refer chapter titled “*Outstanding Litigation and Material Developments*” beginning on page 245 of this Draft Red Herring Prospectus.

Payment of benefits to our Promoters and Promoter Group during the last two years

Save and except as disclosed under “*Statement of Related Party Transactions*”, as Restated appearing in Financial Statements Restated on page number [●] of the section titled “*Financial Statement*” beginning on page number [●] of the Draft Red Herring Prospectus, there has been no payment or benefit to promoters during the 2 years preceding the date of filing of this Draft Red Herring Prospectus, nor is there any intention to pay or give any benefit to our Promoters as on the date of this Draft Red Herring Prospectus.

Other Confirmations

As on the date of this Draft Red Herring Prospectus, our Promoters and members of our Promoter Group have not been prohibited by SEBI or any other regulatory or governmental authority from accessing capital markets for any reasons. Further, our Promoters were not and are not promoters or persons in control of any other company that is or has been debarred from accessing the capital markets under any order or direction made by SEBI or any other authority. There is no litigation or legal action pending or taken by any ministry, department of the Government or statutory authority against our Promoters during the last five (5) years preceding the date of this Draft Red Herring Prospectus, except as disclosed under chapter titled “*Outstanding Litigation and Material Developments*” beginning on page 245 of this Draft Red Herring Prospectus.

Our Promoters and members of our Promoter Group have neither been declared as a wilful defaulters nor as a fugitive economic offender as defined under the SEBI (ICDR) Regulations, and there are no violations of securities laws committed by our Promoters in the past and no proceedings for violation of securities laws are pending against our Promoters.



Guarantees

Except as stated in the section titled "*Financial Information*" beginning on page 190 of this Draft Red Herring Prospectus, there are no material guarantees given by the Promoters to third parties with respect to specified securities of the Company as on the date of this Draft Red Herring Prospectus.

Related Party Transactions

For details of related party transactions entered into by our Company, please refer to "*Statement of Related Party Transactions*", in Financial Statements Restated on page number 210 of the section titled "*Financial Information*" beginning on page number 190 of the section titled "*Financial Information*" beginning on page number 190 of the Draft Red Herring Prospectus.

Information of our group entities

For details related to our group companies please refer "Our Group Companies" on page no. 183 of this Draft Red Herring Prospectus.

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OUR PROMOTER GROUP

Our Promoters and Promoter Group in terms of Regulation 2(1)(pp) of the SEBI (ICDR) Regulations is as under

A. Natural Persons who form part of our Promoter Group:

The following natural persons being the immediate relatives of our Promoters in terms of the SEBI (ICDR) Regulations 2018 form part of our Promoter Group:

| Relationship | Name of the Relatives | |
|------------------|--|---|
| | Mr. Sachin Sharma | Mr. Dinesh Pareekh |
| Father | Mr. Madan Pal Sharma | Late Mr. Bajrang Lal Pareekh |
| Mother | Mrs. Pushp Lata Sharma | Mrs. Gita Devi Pareekh |
| Spouse | Mrs. Poonam | Mrs. Sangeeta Pareekh |
| Brother | NA | Mr. Rakesh Pareekh Mr. Prakash Pareekh |
| Sister | NA | Mrs. Uma Pareekh |
| Son | Mr. Aayushman Sharma Mr. Atharva Sharma | NA |
| Daughter | NA | NA |
| Spouse's Father | Mr. Laxman Sharma | Mr. Shree Chand Sharma |
| Spouse's Mother | Mrs. Jai Mala | Mr. Bimla Dev Sharma |
| Spouse's Brother | Mr. Ravi Mr. Nishant | Mr. Anil Sharma, Mr. Pankaj Sharma |
| Spouse's Sister | NA | NA |

| Relationship | Name of the Relatives | |
|------------------|---|-------------------------|
| | Mrs. Sangeeta Pareekh | Mr. Sarthak Agarwal |
| Father | Mr. Shree Chand Sharma | Mr. Gopal Agarwal |
| Mother | Mrs. Bimla Devi Sharma | Late Mrs. Priti Agarwal |
| Spouse | Mr. Dinesh Pareekh | NA |
| Brother | Mr. Anil Sharma Mr. Pankaj Sharma | NA |
| Sister | NA | Ms. Anika Agarwal |
| Son | NA | NA |
| Daughter | NA | NA |
| Spouse's Father | Mr. Bajrang Lal Pareekh | NA |
| Spouse's Mother | Mrs. Gita Devi Pareekh | NA |
| Spouse's Brother | Mr. Rakesh Pareekh Mr. Prakash Pareekh | NA |
| Spouse's Sister | Mrs. Uma Pareekh | NA |

B. Body Corporates who form part of our Promoter Group:

The following persons being the subsidiary or holding company or by the virtue of holding % in terms of the SEBI (ICDR) Regulations 2018 form part of our Promoter Group:



| Particulars | Entity |
|---|---|
| Subsidiaries Company of the BLP Equity Research Private Limited | NA |
| Holding Company of BLP Equity Research Private Limited | NA |
| Body Corporate in which BLP Equity Research Private Limited holds twenty per cent or more of equity share capital | NA |
| Body corporate which holds twenty per cent or more of the equity share capital of the BLP Equity Research Private Limited | Securocrop Securities India Private Limited |

C. Companies, partnership, and proprietorship firms forming part of our Promoter Group are as follows:

| Nature of Relationship | Name of Entities |
|---|---|
| Anybody corporate in which 20% or more of the share capital is held by the promoters or an immediate relative of the promoters or a firm or HUF in which the promoters or any one or more of his immediate relatives is a member. | Securocrop Securities India Private Limited Securocrop Business Re-Engineering Private Limited BGP 11 Analytics Private Limited Race Eco Chain Limited Rotographics (India) Limited |
| Anybody corporate in which a body corporate as mentioned above holds 20% or more of the total share capital | NA |
| Any HUF or firm in which the aggregate share of the promoters and his relatives is equal to or more than 20% of the total capital | NA |

COMMON PURSUITS OF OUR PROMOTERS

Our Promoters are not involved with any ventures which are in the same line of activity or business as that of our Company.

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OUR GROUP COMPANIES

Below mention are the details of Companies / Entities promoted by the Promoters of our Company. No equity shares of our group entities are listed on any of the stock exchange, and they have not made any public or rights issue of securities in the preceding three years.

A. The Group Companies of our Company are as follows:

1. Securocrop Securities India Private Limited

Details of Group Companies

Securocrop Securities India Private Limited

Corporate Information

Securocrop Securities India Private Limited was incorporated under the Companies Act, 2013 on February 17, 1995, having CIN U74899DL1995PTC065534. The registered office of Securocrop Securities India Private Limited is situated at Unit No.203, Plaza- P 3, Central Square Bara, Hindu Rao, Delhi- 110006.

Board of Directors

The directors of Securocrop Securities India Private Limited as on the date of this Draft Red Herring Prospectus are as follows:

| Name of Director | Designation |
|----------------------------|-------------------|
| Mr. Dinesh Pareekh | Managing Director |
| Mr. Rakesh Chandra Pareekh | Director |

Class of Shares

Securocrop Securities India Private Limited has two classes of shares. Shares having 1:1 voting rights and Shares having 120:1 voting rights.

Shareholding Pattern

The Shareholding Pattern of Securocrop Securities India Private Limited as on the date of this Draft Red Herring Prospectus are as follows:

| Sr. No. | Name of Allotees | No. of Shares | % of holdings |
|---------|---|---------------|---------------|
| 1 | Dinesh Pareekh | 1,06,072 | 35.37% |
| 2 | Sangeeta Pareekh | 103 | 0.03% |
| 3 | Ganesh Ji | 11 | 0.00% |
| 4 | Anil Pareekh | 1,792 | 0.60% |
| 5 | Interior Plasts | 50 | 0.02% |
| 6 | Shilpa Marwah | 1,350 | 0.45% |
| 7 | Pankaj Sharma Joint With Sangeeta Pareekh | 3,393 | 1.13% |
| 8 | Anand Kumar | 400 | 0.13% |
| 9 | Agk Infotech | 151 | 0.05% |
| 10 | Ajay Goel | 3,483 | 1.16% |
| 11 | Anil Sharma Joint With Sangeeta Pareekh | 12,041 | 4.02% |



| | | | |
|----|--|-----------------|----------------|
| 12 | Bollywood Enterprises | 1,850 | 0.62% |
| 13 | Dinesh Gupta | 24 | 0.01% |
| 14 | Lekhraj | 18 | 0.01% |
| 15 | Prakash Pareekh | 235 | 0.08% |
| 16 | Rakesh Pareekh | 1,845 | 0.62% |
| 17 | Sanjay Sharma | 124 | 0.04% |
| 18 | Surender Singh | 6,101 | 2.03% |
| 19 | FMS Securities | 1,976 | 0.66% |
| 20 | S.C Sharma | 200 | 0.07% |
| 21 | Uma Pareekh Joint With Anil Pareekh | 12,642 | 4.22% |
| 22 | Mukul Maheshwari | 50 | 0.02% |
| 23 | Rajesh Sharma Joint With Rakesh Pareekh | 17,266 | 5.76% |
| 24 | Vinita Sharma | 299 | 0.10% |
| 25 | Amma Creations | 5,000 | 1.67% |
| 26 | AMGF Intercorp Pvt Ltd | 3,849 | 1.28% |
| 27 | Abhinav Rastogi Joint With Rajiv Purohit | 6,750 | 2.25% |
| 28 | ABN India Equity Pvt Ltd | 3,333 | 1.11% |
| 29 | Anurag Pareekh Joint With Rakesh Pareekh | 2,666 | 0.89% |
| 30 | Cosmic Finlease Ltd | 9,032 | 3.01% |
| 31 | Ethics Investment Pvt Ltd | 8,332 | 2.78% |
| 32 | Rajiv Purohit | 13,750 | 4.59% |
| 33 | Sameer | 6,666 | 2.22% |
| 34 | Vipul Finvest Ltd | 8,332 | 2.78% |
| 35 | Beckons Industries Ltd | 14,070 | 4.69% |
| 36 | G.T. Comex | 2,240 | 0.75% |
| 37 | Harvin Exports | 4,200 | 1.40% |
| 38 | SSJ Foods | 3,220 | 1.07% |
| 39 | Sunita Purohit Joint With Rajiv Purohit | 7,000 | 2.33% |
| 40 | Kalyan Capitals Limited | 4,166 | 1.39% |
| 41 | NSMK Investments Private Limited | 2,550 | 0.85% |
| 42 | Vinayaka Finlease Pvt Ltd | 3,332 | 1.11% |
| 43 | Vikash Gupta | 12,169 | 4.06% |
| 44 | Atul Saluja | 1,666 | 0.56% |
| 45 | New Modern Buildwell Private Limited | 3,333 | 1.11% |
| 46 | Dinesh Pareekh (DVR Shares)* | 2,732 | 0.91% |
| | | 2,99,864 | 100.00% |

*Shares with 120: 1 voting rights

Financial Performance

Certain details of the audited financials of Securocrop Securities India Private Limited are set forth below:

(Amount ₹ in lakhs)

| Particulars | FY 2022-23 | FY 2021-22 | FY 2020-21 |
|----------------------|------------|------------|------------|
| Total Income | 10,056.66 | 10,772.46 | 19,254.72 |
| Profit after Tax | 557.29 | 1,469.44 | 3,738.79 |
| Equity Capital | 299.86 | 299.86 | 269.916 |
| Reserves & Surplus | 6,604.10 | 6,124.01 | 4,021.27 |
| Net worth | 6,903.96 | 6,423.87 | 4,291.19 |
| NAV per share (in ₹) | 2,302.36 | 2,142.26 | 1,589.82 |



| | | | |
|---|----------|----------|----------|
| Earnings per share (EPS) (in ₹) | 185.85 | 490.04 | 1,385.17 |
| Nos. of Equity Shares of ₹ 100/- each (In numbers) | 2,99,864 | 2,99,864 | 2,69,916 |

B. Other Group Entities:

Nil

DECLARATIONS

- None of the entities in the Promoter Group Companies is restrained by any SEBI Order or have ever become defunct.
- None of the entities in the Promoter Group Companies is listed at any Stock Exchange nor have such entities made any public issue or right issue in the preceding three years.
- None of the entities in the Promoter Group Companies has become a sick company under the meaning of the Sick Industrial Companies (Special Provisions) Act, 1985 nor is under winding up or liquidation.

LITIGATIONS

For details on litigations and disputes pending against our Promoter Group and Group Companies please refer to the section titled -Outstanding Litigations and Material Developments on page 245 of the Draft Red Herring Prospectus.

DEFUNCT GROUP COMPANIES

There is no defunct Group Companies of our Company as on the date of this Draft Red Herring Prospectus.

UNDERTAKING / CONFIRMATIONS

Our Promoters and Group Companies confirm that they have not been declared as a willful defaulter by the RBI or any other governmental authority and there have been no violations of securities laws committed by them or any entities they are connected with in the past and no proceedings pertaining to such penalties are pending against them.

None of the Promoters or Promoter Group Companies or persons in control of the Promoters has been:

- i) Prohibited from accessing the capital market under any order or direction passed by SEBI or any other authority; or
- ii) Refused listing of any of the securities issued by such entity by any stock exchange, in India or abroad. None of the Promoters is or has ever been a promoter, director or person in control of any other company, which is debarred from accessing the capital markets under any order or direction passed by the SEBI.

OTHER DETAILS OF GROUP COMPANIES/ENTITIES:

1. There are no defaults in meeting any statutory/ bank/ institutional dues;
2. No proceedings have been initiated for economic offences against our Group Companies/Entities.

NATURE AND EXTENT OF INTEREST OF GROUP COMPANIES



(a) In the promotion of our Company

None of our Group Companies have any interest in the promotion of our Company or any business interest or other interests in our Company, except to the extent identified in “Related Party Transaction” under chapter titled “Financial Information” on page 190 of this Draft Red Herring Prospectus.

(b) In the properties acquired or proposed to be acquired by our Company in the past 2 years before filing the Draft Red Herring Prospectus with Stock Exchange

Our Group Companies do not have any interest in the properties acquired or proposed to be acquired by our Company in the past 2 years before filing this Draft Red Herring Prospectus with Stock Exchange.

(c) In transactions for acquisition of land, construction of building and supply of machinery

None of our Group Companies is interested in any transactions for the acquisition of land, construction of buildings or supply of machinery.

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RELATED PARTY TRANSACTION

For details on related party transaction of our Company, please refer to “Restated Financial Information – Notes to Financial Information- Note 3E-Related Party Transactions” at page 210 of this Draft Red Herring Prospectus.

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DIVIDEND POLICY

The Board of Directors at its meeting held on December 06, 2023 has adopted a dividend distribution policy. The declaration and payment of dividends, if any, will be recommended by our Board of Directors and approved by our Shareholders, at their discretion, subject to the provisions of the Articles of Association and other applicable law, including the Companies Act. Our Company may pay dividend by cheque or any electronic mode or any other mode, as may be approved by our Board from time to time.

The quantum of dividend, if any, and our ability to pay dividends will depend on a number of factors, including, but not limited to, our Company's profits, past dividend trends, capital requirements, financial commitments, including restrictive covenants under the loan or financing documents that our Company is currently a party to or may enter into from time to time, and financial requirements including business expansion plans, applicable legal restrictions and other factors considered relevant by our Board. Our Company may also, from time to time, pay interim dividends. We may retain all our future earnings, if any, for use in the operations and expansion of our business.

The details of dividend on Equity Shares declared and paid by our Company in the last three Financial Years, in the six months ended September 30, 2023 until the date of this Draft Red Herring Prospectus are given below:

| Particulars | October 01, 2023 until the date of this Draft Red Herring Prospectus | Six months ended September 30, 2023 | Fiscal 2023 | Fiscal 2022 | Fiscal 2021 |
|---|--|--|--------------------|--------------------|-------------|
| Interim Dividend ₹ per Equity Share | - | - | 26.00 | 13.00 | |
| Interim Dividend Amount in ₹ lakh | - | - | 80.50 | 46.80 | - |
| Final Dividend ₹ per Equity Share | - | - | 22.00 | 2.00 | |
| Final Dividend Amount in ₹ lakh | - | - | 68.11 | 7.20 | - |
| Total Dividend Amount (Interim + Dividend) in ₹ lakh | - | - | 148.61 | 54.00 | - |
| Mode of payment of dividend | - | Banking Channel | Banking Channel | Banking Channel | - |

Notes:

1. The above details are unadjusted to sub-division and bonus of shares.
2. For the Fiscal 2022, first interim dividend of ₹ 13.00 per Equity Share was approved by the Board of Directors at their meeting held on February 21, 2022 and paid in Fiscal 2022. In addition to the above, final dividend of ₹ 2.00 per Equity Share had been approved by the Shareholders of the Company at their meeting August 29, 2022.
3. For the Fiscal 2023, first interim dividend of ₹ 26.00 per Equity Share was approved by the Board of Directors at their meeting held on July 05, 2023 and paid in July 06, 2023. Final dividend of ₹ 22.00 per Equity Share had been approved by the Shareholders of the Company at their meeting August 31, 2023.



4. *For the Fiscal 2024, No interim dividend paid.*

The amounts paid as dividend in the past are not necessarily indicative of our dividend distribution policy or dividend amounts payable, if any, in the future. Bidders are cautioned not to rely on past dividends as an indication of the future performance of our Company or for an investment in our Equity Shares offered in the Offer. There is no guarantee that any dividends will be declared or paid in the future. See, “Risk Factors 41 – Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.” on page 45.

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SECTION VI- FINANCIAL INFORMATION

FINANCIAL STATEMENT AS RESTATED

To,

The Board of Directors

GEM Enviro Management Limited

(Formerly Known as GEM Enviro Management Private Limited)

Unit No. 203, Plaza P-3, Hindu Rao, New Delhi - 110006,

Dear Sirs,

We have examined the attached Restated Financial Information of **GEM Enviro Management Limited (Formerly Known as GEM Enviro Management Private Limited)** comprising the Restated Statement of Assets and Liabilities as at September 30, 2023, as at March 31 2023, March 31 2022 and March 23 2021, the Restated Statements of Profit and Loss and the Restated Cash Flow Statement for the period from 01-04-2023 to 30-09-2023 and for the years ended March 31 2023, 2022 and 2021, the Statement of Basis of Preparation and the Summary Statement of Significant Accounting Policies and notes to the Restated Financial Information other explanatory information (collectively referred to as, the “**Restated Financial Information**”), as approved by the Board of Directors of the Company at their meeting held on 29-12-2023 for the purpose of inclusion in the Draft Red Herring Prospectus / Red Herring Prospectus prepared by the Company in connection with its proposed Initial Public Offer of equity shares (“IPO”) on *SME Platform of BSE Limited (“BSE SME”)*.

These 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 from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 (“ICDR Regulations”); and
- 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”).

Managements’ Responsibility for the Restated Financial Information:

1. The Company’s Board of Directors is responsible for the preparation of the Restated Financial Information for the purpose of inclusion in the Draft Red Herring Prospectus / Red Herring Prospectus to be filed with Securities and Exchange Board of India, Registrar of Companies, Delhi and the Stock Exchange in connection with the proposed IPO. The Restated Financial Information has been prepared by the management of the Company on the basis of preparation stated in **Annexure IV** to the Restated Financial Information. The responsibilities of the Board of Directors of the Company include designing, implementing, and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The Board of Directors is also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations and the Guidance Note.



Auditors' Responsibilities

2. 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 December 08, 2023 in connection with the proposed IPO of equity shares of GEM Enviro Management Limited (Formerly Known as GEM Enviro Management Private Limited) (the "Issuer Company") on SME platform of BSE Limited ("BSE SME");
 - b. The Guidance Note which also requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI);
 - c. Concepts of test checks and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information; and
 - 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.

Restated Financial Information as per audited Financial Statements

3. These Restated Financial Information have been compiled by the management from:
 - a. Audited Special Purpose Financial Statements of the Company for the period from 01/04/2023 to 30/09/2023 prepared in accordance with Accounting Standard as prescribed under section 133 of the Act and other accounting principles generally accepted in India, ("Interim Financial Statements") which has been approved by the Board of Directors at their meeting held on 29-12-2023. The comparative information as at and for the year ended March 31, 2023 included in such interim financial statements are derived from the audited financial statements of the Company as at and for the year ended March 31, 2023, prepared in accordance with the Accounting Standards notified under the section 133 of the Act and other accounting principles generally accepted in India, which was approved by the Board of Directors at their meeting held on August 5, 2023
 - b. Audited Financial Statements of the Company for the years ended on March 31, 2023, 2022 and 2021, prepared in accordance with the Accounting Standards as prescribed under Section 133 of the Act read with Companies (Accounting Standards) Rules as amended, and other accounting principles generally accepted in India, which have been approved by the Board of Directors at their meeting held on August 5, 2023, June 29, 2022 and October 01, 2021 respectively
4. For the purpose of our examination, we have relied on:
 - a. Auditor's Report issued by us dated December 29, 2023 on special purpose interim financial statements of the Company as at and for the six months period ended September 30, 2023; and the audit reports issued by the previous auditor M/s Alok Basudeo & Co dated August 5, 2023, June 29, 2022 and October 01, 2021 on the annual financial statements of the company as at and for the year ended March 31, 2023, 2022 and 2021, respectively, as referred in para 3 above.



- b. There were no qualifications in the Audit Reports issued by us and by previous auditor as at and for the period from 01/04/2023 and 30/09/2023 and for the years ended on March 31, 2023, 2022 and 2021 which would require adjustments in this Restated Financial Information of the Company.
5. In accordance with the requirements of Section 26 of Part I of Chapter III of the Act read with, the ICDR Regulations and the Guidance Note and 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 of the Company, including as at September 30, 2023, March 31, 2023, March 31, 2022 and March 31, 2021 examined by us, as set out in Annexure to this report, have been arrived at after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure IV – Significant Accounting Policies and Notes on Restated Financial Information.
- b. The Restated Statement of Cash Flows of the Company, including for the six months period ending on September 30, 2023, and for the years ending on March 31, 2023, March 31, 2022 and March 31, 2021 examined by us, as set out in Annexure to this report, have been arrived at after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure IV – Significant Accounting Policies and Notes on Restated Financial Information.
- c. The Restated Statement of Cash Flows of the Company, including for the six months period ending on September 30, 2023, and for the years ending on March 31, 2023, March 31, 2022 and March 31, 2021 examined by us, as set out in Annexure to this report, have been arrived at after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure IV – Significant Accounting Policies and Notes on Restated Financial Information.
- d. From Financial Years 2020-21 to 2022-23 and for the period from 01/04/2023 to 30/09/2023, i.e., the period covered in the restatement, the Company has declared and paid interim dividend for Financial Year 2021-22 and Financial Year 2022-23.
6. 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 from 01/04/2023 to 30/09/2023 and as at and for the years ended on March 31, 2023, 2022 and 2021 proposed to be included in the Draft Red Herring Prospectus / Red Herring Prospectus.

Annexure to Restated Financial Statements of the Company:-

| | |
|---|--|
| 1 | Note I.1 - Restated Statement of Share Capital |
| 2 | Note I.2 - Restated Statement of Reserves & Surplus |
| 3 | Note I.3 - Restated Statement of Long term Borrowings |
| 4 | Note I.4 - -Restated Statement of Long term Provisions |
| 5 | Note I.5 - Restated Statement of Short term Borrowings |
| 6 | Note I.6 - Restated Statement of Trade Payables |
| 7 | Note I.7 - Restated Statement of Other Current Liabilities |
| 8 | Note I.8 - Restated Statement of Short Term Provisions |
| 9 | Note I.9 - Restated Statement of Property, Plant & Equipment and Intangible Assets |



| | |
|----|--|
| 10 | Note I.10 - Restated Statement of Deferred Tax Assets/(Liabilities) |
| 11 | Note I.11 - Restated Statement of Non- current investments |
| 12 | Note I.12 - Restated Statement of Long term loans and advances |
| 13 | Note I.13 - Restated Statement of Inventories |
| 14 | Note I.14 - Restated Statement of Trade receivables |
| 15 | Note I.15 - Restated Statement of Cash and cash equivalents |
| 16 | Note I.16 - Restated Statement of Short Term Loans and Advances |
| 17 | Note I.17 - Restated Statement of Other current assets |
| 18 | Note II.1 - Restated Statement of Revenue from Operations |
| 19 | Note II.2 - Restated Statement of Other income |
| 20 | Note II.3 - Restated Statement of Purchases |
| 21 | Note II.4 - Restated Statement of Operating Expenses |
| 22 | Note II.5 - Restated Statement of Changes in Inventories of Stock- in- Trade |
| 23 | Note II.6 - Restated Statement of Employee Benefit Expenses |
| 24 | Note II.7 - Restated Statement of Finance cost |
| 25 | Note II.8 - Restated Statement of Other Expenses |
| 26 | Note II.9 - Restated Statement of Earnings per Share |
| 27 | Annexure V and Annexure V.I - Restated Statement of Accounting Ratios |
| 28 | Annexure VI - Restated Statement of Capitalisation |
| 29 | Annexure VII - Restated Statement of Tax Shelters |

7. Based on our examination and according to the information and explanations given to us and based on the para 3 above, we report that the Restated Financial Information:
- has been prepared after incorporating adjustments, if any, for the changes in accounting policies and regrouping/ reclassifications retrospectively in the financial years ended March 31, 2023, 2022 and 2021 to reflect the same accounting treatment as per the accounting policies and grouping / classifications followed as at and for the six months period ended September 30, 2023;
 - there were no qualifications in Auditor's Report on the Audited Financial Statements of the Company for the year ended March 31 2023, 2022 and 2021 and for the six months period ended September 30, 2023 which require any adjustments to the Restated Financial Information; and
 - have been prepared in accordance with the Act, SEBI ICDR Regulations and the Guidance Note.
8. We, **M/s. Rajiv Mehrotra & Associates, 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 issued by the "**Peer Review Board**" of the ICAI.
9. The Restated Financial Information does not reflect the effects of events that occurred subsequent to the respective dates of the reports on the Special Purpose Financial Statements and Audited Financial Statements mentioned in paragraph 5 above.
10. 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.



11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
12. Our report is intended solely for use of the Board of Directors for inclusion in the Draft Red Herring Prospectus / Red Herring Prospectus to be filed with Securities and Exchange Board of India, the stock exchanges and Registrar of Companies, Delhi 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 RAJIV MEHROTRA & ASSOCIATES

**Chartered Accountants
Firm Registration No. 002253C**

**Shivani Yadav
Partner
Membership No. 451408
UDIN: 24451408BKENYN6522**

**Date: 29.12.2023
Place: Kanpur**

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STATEMENT OF STANDALONE ASSETS & LIABILITIES, AS RESTATED

(Rs. In Lakhs)

| Particulars | Note No. | As at 30th September 2023 | As at 31st March 2023 | As at 31st March 2022 | As at 31st March 2021 |
|--|----------|------------------------------|---|---------------------------|--------------------------|
| I. Equity and Liabilities | | | | | |
| <u>Shareholders' Funds</u> | | | | | |
| (a) Share capital | I.1 | 526.32 | 30.96 | 36.00 | 36.00 |
| (b) Reserve and surplus | I.2 | 2,387.42 | 2,380.55 | 1,677.57 | 979.14 |
| <u>Non- current liabilities</u> | | | | | |
| (a) Long term borrowings | I.3 | - | - | - | 2.00 |
| (c) Long term provisions | I.4 | 22.86 | 19.58 | 15.47 | 13.06 |
| <u>Current liabilities</u> | | | | | |
| (a) Short term borrowings | I.5 | - | - | 2.00 | - |
| (b) Trade payables | I.6 | | | | |
| Total outstanding dues of micro enterprises and small enterprises, and | | 40.39 | 20.86 | 34.30 | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | | 634.38 | 855.32 | 662.06 | 446.24 |
| (c) Other current liabilities | I.7 | 191.10 | 157.54 | 185.88 | 365.93 |
| (d) Short term provisions | I.8 | 174.74 | 110.12 | 71.24 | 53.14 |
| Total Equity and Liabilities | | 3,977.21 | 3,574.93 | 2,684.52 | 1,895.51 |
| II. Assets | | | | | |
| <u>Non- current assets</u> | | | | | |
| (a) Property, plant and equipment and intangible assets | I.9 | | | | |
| Property, plant and equipment | | 25.69 | 26.54 | 24.06 | 29.31 |
| Intangible assets | | 5.82 | 4.39 | 0.11 | 0.25 |
| Capital work-in-progress | | - | 1.24 | 6.26 | 4.02 |
| (b) Deferred tax assets(net) | I.10 | 4.48 | 3.79 | 3.53 | 3.60 |
| (c) Non- current investments | I.11 | 61.28 | 61.28 | - | - |
| (d) Long term loans and advances | I.12 | 54.59 | 54.59 | 50.50 | 71.50 |
| <u>Current assets</u> | | | | | |
| (a) Inventories | I.13 | 9.98 | 8.43 | 12.51 | 55.61 |
| (b) Trade receivables | I.14 | 2,491.53 | 2,189.33 | 1,832.44 | 1,303.73 |
| (c) Cash and cash equivalents | I.15 | 1,155.98 | 1,187.69 | 688.40 | 386.30 |
| (d) Short term loans and advances | I.16 | 166.91 | 35.13 | 64.90 | 39.76 |
| (e) Other current assets | I.17 | 0.95 | 2.52 | 1.81 | 1.43 |
| Total Assets | | 3,977.21 | 3,574.93 | 2,684.52 | 1,895.51 |
| As per our report of even date attached | | | | | |
| FOR RAJIV MEHROTRA & ASSOCIATES | | | For and on behalf of the Board of Directors of | | |
| Chartered Accountants | | | GEM Enviro Management Limited | | |
| Firm Regn. No. 002253C | | | | | |
| Shivani Yadav | | | Dinesh Pareekh | Sachin Sharma | |
| Partner | | | Director | Managing Director | |
| Membership No. 451408 | | | DIN: 00629464 | DIN: 05281526 | |
| UDIN: 24451408BKENYN6522 | | | Amar Jeet | Vijay Kumar Sharma | |
| | | | Chief Financial Officer | Company Secretary | |
| | | | PAN: BHZPA7635Q | PAN: AUAPS1166P | |
| Date: 29.12.2023 | | | Date: 29.12.2023 | | |
| Place: Kanpur | | | Place: New Delhi | | |

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STATEMENT OF STANDALONE PROFIT AND LOSS, AS RESTATED

(Rs. In Lakhs)

| Particulars | Note No. | From 01-04-2023 to 30-09-2023 | For Year ended 31-03-2023 | For Year ended 31-03-2022 | For Year ended 31-03-2021 |
|--|----------|-------------------------------|---|---------------------------|---------------------------|
| Revenue from operations | II.1 | 1,848.58 | 4,253.02 | 3,280.00 | 2,551.42 |
| Other income | II.2 | 14.88 | 27.55 | 11.48 | 9.16 |
| Total income (I+II) | | 1,863.46 | 4,280.57 | 3,291.48 | 2,560.58 |
| <u>Expenses:</u> | | | | | |
| Purchases | II.3 | 40.56 | 651.05 | 240.19 | 379.24 |
| Operating expenses | II.4 | 732.86 | 1,767.63 | 1,521.60 | 1,009.22 |
| Changes in inventories of stock- in-trade | II.5 | -1.55 | 4.08 | 43.10 | 1.87 |
| Employee benefit expenses | II.6 | 140.16 | 241.33 | 184.52 | 148.70 |
| Finance cost | II.7 | - | - | - | 0.07 |
| Depreciation and amortization | I.9 | 2.62 | 5.04 | 5.90 | 30.10 |
| Other expenses | II.8 | 74.37 | 261.42 | 298.58 | 212.53 |
| Total expenses | | 989.02 | 2,930.55 | 2,293.89 | 1,781.73 |
| Profit before exceptional items | | 874.44 | 1,350.02 | 997.59 | 778.85 |
| And extra-ordinary items | | | | | |
| Exceptional Items and extra-ordinary item | | - | - | - | - |
| <u>Profit/(Loss) before Tax (V-VI)</u> | | 874.44 | 1,350.02 | 997.59 | 778.85 |
| <u>Tax expenses:</u> | | | | | |
| - Current Tax | | 220.78 | 345.72 | 253.11 | 203.14 |
| - Earlier Year Tax | | 3.52 | 2.74 | -0.83 | - |
| - Deferred Tax | | -0.70 | -0.26 | 0.08 | -7.67 |
| Total tax expenses | | 223.60 | 348.20 | 252.36 | 195.47 |
| Profit/(Loss) for the period (VII-VIII) | | 650.84 | 1,001.82 | 745.23 | 583.38 |
| Earnings per Equity Share: | II.9 | | | | |
| Number of Share | | | | | |
| (1) Basic (Rs.) | | 3.09* | 4.75 | 3.53 | 2.76 |
| (2) Diluted (Rs.) | | 3.09* | 4.75 | 3.53 | 2.76 |
| As per our report of even date attached | | | | | |
| FOR RAJIV MEHROTRA & ASSOCIATES | | | For and on behalf of the Board of Directors of | | |
| Chartered Accountants | | | GEM Enviro Management Limited | | |
| Firm Regn. No. 002253C | | | | | |
| | | | Dinesh Pareekh | Sachin Sharma | |
| | | | Director | Managing Director | |
| | | | DIN: 00629464 | DIN: 05281526 | |
| Shivani Yadav | | | Amar Jeet | Vijay Kumar Sharma | |
| Partner | | | Chief Financial Officer | Company Secretary | |
| Membership No. 451408 | | | PAN: BHZPA7635Q | PAN: AUAPS1166P | |
| UDIN: 24451408BKENYN6522 | | | | | |
| Date: 29.12.2023 | | | Date: 29.12.2023 | | |
| Place: Kanpur | | | Place: Delhi | | |

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STATEMENT OF STANDALONE CASH FLOW, AS RESTATED

(Rs. In Lakhs)

| Particulars | From 01-04-2023 to 30-09-2023 | For Year ended 31-03-2023 | For Year ended 31-03-2022 | For Year ended 31-03-2021 |
|--|-------------------------------|---|---------------------------|---------------------------|
| A. Cash Flow from Operating Activities | | | | |
| Profit Before Tax | 874.44 | 1,350.02 | 997.59 | 778.85 |
| Adjustment For: | | | | |
| Depreciation & Amortization | 2.62 | 5.04 | 5.90 | 30.10 |
| Loss/(Gain) on Sale of PPE and intangible assets | - | - | 0.49 | - |
| Loss/(Gain) on Sale of long-term investments | - | - | - | - |
| Interest and other financial costs | - | - | - | 0.07 |
| Dividend received | -0.32 | - | - | - |
| Interest received | -14.56 | -27.49 | -6.96 | -9.14 |
| Operating profit before working capital changes | 862.18 | 1,327.57 | 997.02 | 799.88 |
| Adjustments For: | | | | |
| (Increase)/Decrease in inventories | -1.55 | 4.07 | 43.10 | 1.88 |
| (Increase)/Decrease in trade receivable | -302.20 | -356.89 | -528.71 | -789.59 |
| (Increase)/Decrease in short- term & long-term loans and advances | -131.78 | 25.67 | -4.14 | -81.06 |
| (Increase)/Decrease in other current assets | 1.57 | -0.71 | -0.38 | -51.39 |
| Increase/(decrease) in trade payable | -201.41 | 179.82 | 250.12 | 35.51 |
| Increase/(decrease) in other current liabilities | 33.56 | -28.34 | -180.06 | 211.87 |
| Increase/(decrease) in provisions | 3.58 | 4.18 | 2.48 | 98.81 |
| Cash Generated from operations | 263.95 | 1,155.38 | 579.43 | 225.91 |
| Direct tax adjustments | 159.97 | 309.65 | 234.25 | 203.14 |
| Net Cash Flow from Operating Activities (A) | 103.98 | 845.73 | 345.18 | 22.77 |
| B. Cash Flow From Investing Activities | | | | |
| (Purchase)/ of PPE and Intangible assets | -3.20 | -11.80 | -0.99 | -4.91 |
| (Increase)/ decrease in capital work in progress | 1.24 | 5.03 | -2.24 | - |
| (Purchase)/ sale of non- current investments | - | -61.27 | - | - |
| Interest received | 14.56 | 27.50 | 6.96 | 9.14 |
| Dividend received | 0.32 | - | - | - |
| Net Cash flow from Investing Activities | 12.92 | -40.55 | 3.73 | 4.23 |
| C. Cash flow from Financing Activities | | | | |
| Proceeds (Repayment) of borrowings | - | -2.00 | - | -24.64 |
| Issue/(buy back) of share capital | - | -296.69 | - | - |
| Dividend paid | -148.61 | -7.20 | -46.80 | - |
| Interest and other financial cost | - | - | - | -0.07 |
| Net cash generated from/(used in) financing activities | -148.61 | -305.89 | -46.80 | -24.71 |
| D. Increase/(decrease) in cash and cash equivalent (A+B+C) | -31.71 | 499.29 | 302.11 | 2.29 |
| Add: Cash & Cash Equivalent at the beginning of the year | 1,187.69 | 688.40 | 386.30 | 384.01 |
| E. Cash & Cash Equivalent at the end of the year | 1,155.98 | 1,187.69 | 688.40 | 386.30 |
| <u>Components of Cash & Cash Equivalents</u> | | | | |
| Cash on hand | 0.41 | 0.93 | 0.89 | 4.89 |
| Balances with banks | 88.99 | 355.81 | 525.24 | 301.66 |
| Total cash & cash equivalents | 89.40 | 356.74 | 526.13 | 306.55 |
| Add: Fixed Deposit with banks having original maturity over three months | 1,066.58 | 830.95 | 162.27 | 79.75 |
| Cash & cash equivalents (Note I.12) | 1,155.98 | 1,187.69 | 688.40 | 386.30 |
| As per our report of even date attached | | | | |
| FOR RAJIV MEHROTRA & ASSOCIATES | | For and on behalf of the Board of Directors of | | |
| Chartered Accountants | | GEM Enviro Management Limited | | |
| Firm Regn. No. 002253C | | Dinesh Pareekh | Sachin Sharma | |
| | | Director | Managing Director | |
| | | DIN: 00629464 | DIN: 05281526 | |
| Shivani Yadav | | Amar Jeet | Vijay Kumar Sharma | |
| Partner | | Chief Financial Officer | Company Secretary | |
| Membership No. 451408 | | PAN: BHZPA7635Q | PAN: AUAPS1166P | |
| UDIN: 24451408BKENYN6522 | | | | |
| Date: 29.12.2023 | | Date: 29.12.2023 | | |
| Place: Kanpur | | Place: New Delhi | | |

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Note- I.1

Restated Statement of Share Capital

(Amount Rs. In lakhs)

| Particulars | As at 30th September 2023 | As at 31st March 2023 | As at 31st March 2022 | As at 31st March 2021 |
|---|---------------------------|-----------------------|-----------------------|-----------------------|
| Authorized | - | - | | |
| Equity Shares of Rs.5 (31st March 2023 and earlier years: Rs.10) each | 750.00 | 40.00 | 40.00 | 40.00 |
| Total | 750.00 | 40.00 | 40.00 | 40.00 |
| Issued, Subscribed & fully paid up | - | - | | |
| Equity Shares of Rs.5 (31st March 2023 and earlier years: Rs.10) each | 526.32 | 30.96 | 36.00 | 36.00 |
| Total | 526.32 | 30.96 | 36.00 | 36.00 |

Increase in Authorized Share Capital

The company has affected an equity share split on 31st August 2023 as a result of which capital structure after sub-division has changed from 4,00,000 Equity shares of Rs. 10 each to 8,00,000 Equity shares of Rs. 5 each. After sub-division on 31st August 2023, the company has increased its authorized share capital from 8,00,000 equity shares of Rs.5 each to 1,50,00,000 Equity shares of Rs. 5 each.

Terms/ Right Attached to Equity Shares

The Company has only one class of equity shares having a par value of Rs.5 (31st March 2023 and earlier years: Rs.10) per share. Each holder of equity shares is entitled to vote per share. The Company declares and pays dividends if any, in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the holders of equity shares will be entitled to receive the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Reconciliation of shares outstanding at the beginning and at the end of Reporting Period

| Particulars | 30th September 2023 | | 31st March 2023 | | 31st March 2022 | | 31st March 2021 | |
|---|---------------------|---------------|-----------------|--------------|-----------------|--------------|-----------------|--------------|
| | No. of Shares | Amount | No. of Shares | Amount | No. of Shares | Amount | No. of Shares | Amount |
| Share capital at the beginning of the period | 3,09,600 | 30.96 | 3,60,000 | 36.00 | 3,60,000 | 36.00 | 3,60,000 | 36.00 |
| Add: Share split/ sub-division from Rs. 10 per share to Rs. 5 per share | 3,09,600 | - | - | - | - | - | - | - |
| Add: Bonus issue of shares | 99,07,200 | 495.36 | - | - | - | - | - | - |
| Less: Buy-Back of shares | - | - | 50,400 | 5.04 | - | - | - | - |
| Outstanding at the end of the period | 1,05,26,400 | 526.32 | 3,09,600 | 30.96 | 3,60,000 | 36.00 | 3,60,000 | 36.00 |



During 1st April 2023 to 30th September 2023: -

On 31st August 2023, the Company has sub- divided its equity share capital from existing 3,09,600 equity shares having face value of Rs. 10 per share to 6,19,200 equity shares of Rs. 5 per share.

On 30th September 2023, the Company has issued 99,07,200 bonus equity shares in the ratio of 16:1 (16 bonus equity shares against 1 equity share held) to the existing shareholders by capitalising the reserves.

During 1st April 2022 to 31st March 2023: -

During the year ended 31st March 2023, the Company bought back 50,400 fully paid-up equity shares of face value of Rs. 10 each representing 14.00% of the issued, subscribed and fully paid-up equity share capital at Rs. 479 per equity share through Private Offer after seeking approval from the members by special resolution in the general meeting dated 29th August 2022.

Details of shareholders holding more than 5% shares in the company

| Particulars | 30th September 2023 | | 31st March 2023 | | 31st March 2022 | | 31st March 2021 | |
|------------------------------|---------------------|-----------|-----------------|-----------|-----------------|-----------|-----------------|-----------|
| | No. of Shares | % Holding | No. of Shares | % Holding | No. of Shares | % Holding | No. of Shares | % Holding |
| Sachin Sharma | 22,91,600 | 21.77% | 77,400 | 25.00% | 90,000 | 25.00% | 90,000 | 25.00% |
| Sangeeta Pareekh | 13,60,000 | 12.92% | 40,000 | 12.92% | 40,000 | 11.11% | 40,000 | 11.11% |
| BLP Equity Research (P) Ltd. | 35,63,200 | 33.85% | 1,04,800 | 33.85% | 1,30,000 | 36.11% | 1,30,000 | 36.11% |
| Sarthak Agarwal | 26,31,600 | 25.00% | 77,400 | 25.00% | 90,000 | 25.00% | - | 0.00% |
| Priti Agarwal | - | 0.00% | - | 0.00% | - | 0.00% | 40,000 | 11.11% |
| Gopal Agarwal | - | 0.00% | - | 0.00% | - | 0.00% | 50,000 | 13.89% |

Shares held by promoters in the Company

| Promoter Name | Shares held by the promoters at the end of the period | | | | | | | |
|--|---|-------------------|-----------------|-------------------|-----------------|-------------------|-----------------|-------------------|
| | 30th September 2023 | | 31st March 2023 | | 31st March 2022 | | 31st March 2021 | |
| | No. of Shares | % of total Shares | No. of Shares | % of total Shares | No. of Shares | % of total Shares | No. of Shares | % of total Shares |
| Sachin Sharma | 22,91,600 | 21.77% | 77,400 | 25.00% | 90,000 | 25.00% | 90,000 | 25.00% |
| Sangeeta Pareekh | 13,60,000 | 12.92% | 40,000 | 12.92% | 40,000 | 11.11% | 40,000 | 11.11% |
| BLP Equity Research (P) Ltd. | 35,63,200 | 33.85% | 1,04,800 | 33.85% | 1,30,000 | 36.11% | 1,30,000 | 36.11% |
| Dinesh Pareekh | 1,70,000 | 1.61% | 5,000 | 1.61% | 5,000 | 1.39% | - | 0.00% |
| Bajrang Lal Pareekh and Dinesh Pareekh | 1,70,000 | 1.61% | 5,000 | 1.61% | 5,000 | 1.39% | - | 0.00% |
| Sarthak Agarwal* | 26,31,600 | 25.00% | 77,400 | 25.00% | 90,000 | 25.00% | - | 0.00% |
| Poonam* | 3,40,000 | 3.23% | - | 0.00% | - | 0.00% | - | 0.00% |
| Total | 1,05,26,400 | 100.00% | 3,09,600 | 100.00% | 3,60,000 | 100.00% | 2,60,000 | 72.22% |

* Included in the promoter during the period from 1st April 2023 to 30th September 2023.

Details of % change in shares held by promoters in the Company

| Promoter Name | % Change from 31st March 2023 to 30th September 2023* | % Change from 31st March 2022 to 31st March 2023 | % Change from 31st March 2021 to 31st March 2022 |
|---------------|---|--|--|
| | | | |



| | | | |
|--|---------|---------|---------|
| | | | |
| Sachin Sharma | -12.92% | -14.00% | 0.00% |
| Sangeeta Pareekh | 0.00% | 0.00% | 0.00% |
| BLP Equity Research (P) Ltd. | 0.00% | -19.38% | 0.00% |
| Dinesh Pareekh | 0.00% | 0.00% | 100.00% |
| Bajrang Lal Pareekh and Dinesh Pareekh | 0.00% | 0.00% | 100.00% |
| Sarthak Agarwal | 0.00% | -14.00% | 100.00% |
| Poonam | 0.00% | 0.00% | 0.00% |

* Changes in absolute shareholding due to bonus issue and sub-division has not been considered during the period from 1st April 2023 to 30th September 2023.

Note: The above statements should be read with the Restated Statement of Assets and Liabilities, Restated Statement of Profit and Loss and Restated Statement of Cash Flows, Significant accounting policies and notes on Restated Financial Informations appearing in Annexure I, II, III and IV respectively.

Note-I.2

Restated Statement of Reserves & Surplus

(Amount "Rs. in Lakhs", unless otherwise stated)

| Particulars | As at 30th September 2023 | As at 31st March 2023 | As at 31st March 2022 | As at 31st March 2021 |
|--|---------------------------------|--------------------------|--------------------------|--------------------------|
| Reserves & Surplus | | | | |
| Securities premium | | | | |
| Opening balance | - | 45.00 | 45.00 | 45.00 |
| Add: on issue of share capital | - | - | - | - |
| Less: Utilised for Buy-back of shares | - | 45.00 | - | - |
| Total Securities Premium (A) | - | - | 45.00 | 45.00 |
| Capital Redemption Reserve | | | | |
| Opening balance | 5.04 | - | - | - |
| Add: Created through Buy-back of Shares | - | 5.04 | - | - |
| Less: Utilised for Bonus issue | 5.04 | - | - | - |
| Total Securities Premium (A) | - | 5.04 | - | - |
| Surplus in the statement of profit & loss | | | | |
| As per Last Balance Sheet | 2,375.51 | 1,632.57 | 934.14 | 350.76 |
| Add: Restated Profit/(Loss) for the year | 650.84 | 1,001.82 | 745.23 | 583.38 |
| Less: Dividend paid | 148.61 | 7.20 | 46.80 | - |
| Less: Tax on Buy-Back of Shares | - | 55.06 | - | - |
| Less: Share buyback Expenses | - | 0.20 | - | - |
| Less: Reserves utilised for Bonus-issue of Shares | 490.32 | - | - | - |
| Less: Reserves utilised for Buy-back of Shares | - | 196.42 | - | - |
| Total Surplus (B) | 2,387.42 | 2,375.51 | 1,632.57 | 934.14 |
| Total Reserves & surplus (A+B) | 2,387.42 | 2,380.55 | 1,677.57 | 979.14 |

Note: The above statements should be read with the Restated Statement of Assets and Liabilities, Restated Statement of Profit and Loss and Restated Statement of Cash Flows, Significant accounting policies and notes on Restated Financial Informations appearing in Annexure I, II, III and IV respectively.



Note -I.3

Restated Statement of Long-term Borrowings

(Amount "Rs. in Lakhs", unless otherwise stated)

| Particular | As at 30th September 2023 | As at 31st March 2023 | As at 31st March 2022 | As at 31st March 2021 |
|--|------------------------------|--------------------------|--------------------------|--------------------------|
| Loan from related parties (unsecured) | - | - | - | 2.00 |
| Total | - | - | - | 2.00 |

Terms and Nature of loans:-

| Particular | 30th September 2023 | 31st March 2023 | 31st March 2022 | 31st March 2021 |
|---|------------------------|-----------------------|-----------------------|--------------------|
| Unsecured loans from related parties | | | | |
| Interest Rates | None | None | None | None |
| Other stipulations | None | None | None | None |

Note: The above statements should be read with the Restated Statement of Assets and Liabilities, Restated Statement of Profit and Loss and Restated Statement of Cash Flows, Significant accounting policies and notes on Restated Financial Informations appearing in Annexure I, II, III and IV respectively.

Note-I.4

Restated Statement of Long term Provisions

(Amount "Rs. in Lakhs", unless otherwise stated)

| Particulars | As at 30th September 2023 | As at 31st March 2023 | As at 31st March 2022 | As at 31st March 2021 |
|---|------------------------------|--------------------------|--------------------------|--------------------------|
| Provision for employee benefits: | | | | |
| Gratuity | 22.86 | 19.58 | 15.47 | 13.06 |
| Total | 22.86 | 19.58 | 15.47 | 13.06 |

Note: The above statements should be read with the Restated Statement of Assets and Liabilities, Restated Statement of Profit and Loss and Restated Statement of Cash Flows, Significant accounting policies and notes on Restated Financial Informations appearing in Annexure I, II, III and IV respectively.

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Annexure IV- Significant Accounting Policies and Notes on Restated Financial Information

1. Corporate Information

GEM Enviro Management Limited (CIN: U93000DL2013PLC247767) was incorporated on 01st February 2013 and has its Registered Office at Unit No. 203, Plaza P-3, Hindu Rao, New Delhi - 110006. The company is engaged in the business of handling of waste and scraps related to all kind and supply and trading of goods.

2. Basis of Preparation of Significant Accounting Policies

A. Basis of Preparation

a. Statement of Compliance

The Restated Financial Information of the Company comprises of the Restated Statement of Assets and Liabilities as at September 30, 2023, March 31, 2023, March 31, 2022 and March 31, 2021, the Restated Statement of Profit & Loss, the Restated Statement of Cash Flows for the six months period ending on September 30, 2023, and for the years ending on March 31, 2023, March 31, 2022 and March 31, 2021 the Statement of Basis of Preparation and Significant Accounting Policies and notes to the Restated Financial Information (hereinafter collectively referred to as 'Restated Financial Information').

The Restated Financial Information has been approved by the Board of Directors in their meeting held on 27th December 2023.

The Restated Financial Information has been prepared for inclusion in the Red Herring Prospectus and the Prospectus to be filed by the Company with the Securities and Exchange Board of India ('SEBI') and Registrar of Companies ('ROC'), Delhi at New Delhi in connection with proposed initial public offering of its equity shares, in accordance with the requirements of: -

- Section 26 of Part I of Chapter III of the Companies Act, 2013, as amended (the "Act")
- Relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations"); and
- 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").

The Restated Financial Information have been compiled from the audited interim financial statements of the Company as at and for the six months period ended September 30, 2023 and audited financial statements of the Company as at and for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 prepared in accordance with the Accounting Standards notified under the section 133 of the Act and other accounting principles generally accepted in India (hereinafter collectively referred to as 'Audited Financial Statements').

The Restated Financial Information have been compiled by the management from the audited financial statements and: -

- there were no audit qualification in these audited financial statements;
- there were no changes in accounting policies during the respective years of these audited financial statements;
- there were no material adjustments for the previous years in arriving at profit/ losses of the respective years except those mentioned in Note 3(A) of Annexure IV of the Restated Financial Information; and



- appropriate rearrangement/ regrouping(s) (including regrouping as required by the amended Schedule III by way of notification dated 24th March 2021) have been made in the Restated Financial Information of assets and liabilities, statement of profit and loss and statement of cash flow, wherever required, by reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows, in order to bring them in line with the accounting policies and classification as per audited interim financial statements as at and for the six months period ended September 30, 2023 and audited financial statements of the Company as at and for the year ended March 31, 2023 prepared in accordance with Schedule III of the Companies Act, 2013, requirement of AS- 5 and other accounting principles and the requirements of the SEBI ICDR Regulations.

b. Functional and presentation currency

These financial statements are presented in Indian Rupees, which is the company's functional currency. All amounts have been rounded to nearest lakh, unless otherwise stated.

c. Basis of Measurement

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis pursuant to section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of services and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current - noncurrent classification of assets and liabilities.

d. Use of estimates

The preparation of financial statements requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities, including the disclosure of contingent liabilities as of the date of the financial statements and the reported income and expenses during the reporting period like provision for employee benefits, provision for doubtful debts, useful lives of property, plant and equipment, calculation of work in progress and tax expenses etc. The management believe that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates between the actual results and the estimates are recognized in the periods in which the results are known/ materialize.

B. Significant Accounting Policies

a. Revenue Recognition

Revenue is recognized only when risks and rewards incidental to ownership are transferred to the customer, it can be reliably measured, it is reasonable to expect ultimate collection and it is probable that the economic benefits will flow to the company.

b. Property, plant and equipment (PPE)



Property, Plant & Equipment stated at cost net of recoverable taxes, trade discounts and rebates and include amounts added on revaluation (if any), less accumulated depreciation and impairment loss, if any. The cost of Property, Plant & Equipment comprises its purchase price, borrowing cost and any cost directly attributable to bringing the asset to its working condition for its intended use, net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the assets.

Subsequent expenditures related to an item of Property, Plant & Equipment are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing Property, Plant & Equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of Property, Plant & Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

c. Depreciation and amortization

Depreciation on Property, Plant & Equipment is provided to the extent of depreciable amount on the Straight-Line Method (SLM). Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

In respect of additions or extensions forming an integral part of existing assets and insurance spares, including incremental cost arising on account of translation of foreign currency liabilities for acquisition of Property, Plant & Equipment, depreciation is provided as aforesaid over the residual life of the respective assets.

Amortization on Intangible assets (i.e., Computer Software, website development etc.)- useful life taken as five years and accordingly SLM Method of depreciation is being charged.

d. Impairment of Assets

At each balance sheet date, the management reviews the carrying amounts of its assets included in each cash generating unit to determine whether there is any indication that those assets were impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment. 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 asset 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 asset.

Reversal of impairment loss is recognized as income in the statement of profit & loss.

e. Investment

Investment in Quoted shares valued at cost.

f. Inventories



All the Stocks of Finished Goods are valued at cost or Net Realizable Value Whichever is lower.

g. Foreign currency transactions

Initial recognition

Foreign currency transactions are recorded in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are reported using the closing rate. Non - monetary items which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction; and non monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange differences

Exchange differences arising on the settlement of monetary items or on restatement of monetary items at rates different from those at which they were initially recorded during the period, are recognized as income or as expenses in the period in which they arise.

h. Tax expenses

Tax expense comprises of current tax and deferred tax. Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates. Deferred income tax reflect the current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years/period. Deferred tax assets are recognized only to the extent that there is a reasonable certainty that sufficient future income will be available except that deferred tax assets, in case there are unabsorbed depreciation or losses, are recognized if there is virtual certainty that sufficient future taxable income will be available to realize the same.

i. Employee Benefits

Short term Employee Benefits

Short- term employee benefits such as salary, bonus, etc. payable within 12 months are accounted on accrual basis.

Defined contribution plans

Eligible employees receive benefits from a provident fund (EPF) and Employer's State Insurance (ESI), which are defined contribution plans. Both the employees and the Company make monthly contributions as per conditions and regulations prescribed under EPF & MP Act, 1952 and ESI Act, 1948 respectively.

Defined benefits plans

The Company provides for gratuity under the defined benefit retirement plans covering eligible employees. The Gratuity provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount base on the respective employee's salary and the tenure of employment with the company.



Liabilities with regard to defined benefit plans are determined by actuarial valuation, performed by an independent actuary, at each Balance Sheet date using the projected unit credit method. The Company recognized the net obligation of the gratuity plan and leave encashment benefits in the Balance Sheet as an asset or liability, respectively in accordance with Accounting Standard (AS) 15, "Employee Benefits". Actuarial gains and losses arising from experience adjustments and changes in actuarial assumption are recognized in the Statement of Profit and Loss in the period in which they arise.

j. Earnings per share

Basic earnings per share is calculated by dividing the net profit(loss) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit/(loss) for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

k. Provisions Contingent Liabilities & Contingent Assets

a) Provisions

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

b) Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

3. Notes of Restated Financial Information

A. Adjustment made in the Restated Financial Information

Appropriate adjustments have been made in the restated financial information, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited financial statements of the Company, prepared in accordance with Schedule III and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2018 (as amended).

a. Adjustments that are having impact on the net profits and shareholders' funds:

Following adjustments were made in the restated financial information that have any impact on net profits or shareholders' funds for the respective years as per audited financial statements of the Company.



(Amount ""Rs. in Lakhs"", unless otherwise stated)

| Particulars | 30th September 2023 | 31 st March 2023 | 31st March 2022 | 31st March 2021 |
|---|---------------------|-----------------------------|-----------------|-----------------|
| Net Profit After Tax as per audited financial statements | 653.52 | 1,007.69 | 746.25 | 583.55 |
| Add/ (less): Provision for Gratuity (Note 1) | -3.58 | -4.18 | -2.48 | -3.48 |
| Add/ (less): Deferred tax on Gratuity Provision (Note 2) | 0.90 | 1.05 | 0.63 | 3.31 |
| Add/ (less): Earlier Year Tax (Note 3) | - | -2.74 | 0.83 | - |
| Net Profit After Tax as per restated financial information | 650.84 | 1,001.82 | 745.23 | 583.38 |

| Particulars | 30th September 2023 | 31 st March 2023 | 31st March 2022 | 31st March 2021 |
|--|---------------------|-----------------------------|-----------------|-----------------|
| Shareholders' fund as per audited financial statements | 2,931.26 | 2,426.35 | 1,725.28 | 1,025.00 |
| Add/ (less): Provision for Gratuity (Note 1) | -23.41 | -19.83 | -15.65 | -13.17 |
| Add/ (less): Deferred tax on Gratuity Provision (Note 2) | 5.89 | 4.99 | 3.94 | 3.31 |
| Shareholders' funds as per restated financial information | 2,913.74 | 2,411.51 | 1,713.57 | 1,015.14 |

Note 1: The Company was recognising the gratuity payable to its employees in the statement of profit & loss in the year in which such sum was actually paid to them. As per requirements of Accounting Standard 15 (Revised 2005) on Employee Benefits, the Company shall recognise the gratuity liability on the basis of actuarial valuation by determining present value of defined benefit obligation and the fair value of plan assets in the balance sheet. Similarly, interest cost, current service cost and related actuarial gains/ (losses) shall be recognised in the statement of profit & loss. Hence, the figures have been restated and disclosed in terms of Accounting Standard 5 on Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies read with SEBI ICDR Regulations.

Note 2: The Company has recognised the gratuity liability in the financial statements. Being a timing difference considering its allowance under Section 40A (7) read with Section 43B of the Income tax Act, deferred tax has been recognised as per requirements of Accounting Standard- 22 on Taxes on Income. Hence, the figures have been restated and disclosed in terms of Accounting Standard 5 on Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies read with SEBI ICDR Regulations.

Note 3: The audited financial statements for the year ended 31st March 2023 and 31st March 2022 had shown the tax adjustments for earlier years directly in the retained earnings. Hence, the figures have been restated and disclosed in terms of Accounting Standard 5 on Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies read with SEBI ICDR Regulations.

b. Adjustments that are not having impact on the net profit and shareholders' funds: -

(Amount ""Rs. in Lakhs"", unless otherwise stated)

| Particulars | 30th September 2023 | 31 st March 2023 | 31st March 2022 | 31st March 2021 |
|--|---------------------|-----------------------------|-----------------|-----------------|
| (i) Short term Loans & Advances as per audited financial statements | 166.91 | 35.13 | 64.90 | 189.36 |
| Add/ (less): Balances reclassified to Short- term provisions | - | - | - | -150.11 |
| Add/ (less): Balances reclassified from Other current assets | | | | 0.51 |



| | | | | |
|--|---------------|-----------------|-----------------|-----------------|
| Short term Loans & Advances as per restated financial information | 166.91 | 35.13 | 64.90 | 39.76 |
| (ii) Other current Assets as per audited financial statements | 0.95 | 57.11 | 52.31 | 73.43 |
| Add/ (less): Balances reclassified to Long Term Loans and Advances | - | -54.59 | -50.50 | -71.50 |
| Add/ (less): Balances reclassified to short term loans & advances | - | - | - | -0.51 |
| Other current Assets as per restated financial information | 0.95 | 2.52 | 1.81 | 1.43 |
| (iii) Purchases as per audited financial statements | 40.56 | 2,418.68 | 1,761.79 | 1,388.47 |
| Add/ (less): Reclassified to Operating expenses | - | -1,767.63 | -1,521.60 | -1,009.23 |
| Purchases as per restated financial information | 40.56 | 651.05 | 240.19 | 379.24 |
| (iv) Other expenses as per audited financial statements | 74.37 | 291.88 | 316.72 | 357.79 |
| Add/ (less): Reclassified to Employee Benefit Expenses | - | -30.46 | -18.14 | -145.19 |
| Add/ (less): Reclassified to Finance cost | - | - | - | -0.07 |
| Other expenses as per restated financial information | 74.37 | 261.42 | 298.58 | 212.53 |

B. Contingent liabilities not provided for:

(Amount ""Rs. in Lakhs"", unless otherwise stated)

| Particulars | 30th September 2023 | 31st March 2023 | 31st March 2022 | 31st March 2021 |
|---|---------------------|-----------------|-----------------|-----------------|
| Contingent liabilities in respect of: | | | | |
| | None | None | None | None |
| Commitments (to the extent not provided for) :- | | | | |
| Unpaid call amount on Warrants of Share India Securities | 8.57 | 8.57 | None | None |
| Total | 8.57 | 8.57 | - | - |

C. Employee Benefits:

Gratuity: -

The company has recognised its gratuity liability as per requirements of AS- 15 (Revised) on 'Employee Benefits' by way of actuarial valuation every year. necessary disclosures are made as under: -

(Amount ""Rs. in Lakhs"", unless otherwise stated)

Amount recognised in the Balance Sheet: -

| Particulars | 30th September 2023 | 31st March 2023 | 31st March 2022 | 31st March 2021 |
|---|---------------------|-----------------|-----------------|-----------------|
| Present Value of obligation at the beginning of the year | 19.83 | 15.65 | 13.17 | 9.69 |
| Interest cost | 0.73 | 1.13 | 0.90 | 0.66 |
| Current service cost | 2.38 | 4.46 | 4.14 | 3.69 |
| Past service cost | - | - | - | - |
| Benefits paid (if any) | - | - | - | - |
| Actuarial (gain)/ loss | 0.47 | (1.41) | (2.56) | (0.87) |
| Present value of obligation at the end of the year | 23.41 | 19.83 | 15.65 | 13.17 |
| Less: Fair value of plan assets | - | - | - | - |
| Liability recognised in the Balance Sheet (A) | 23.41 | 19.83 | 15.65 | 13.17 |
| Current liability | 0.55 | 0.25 | 0.18 | 0.11 |
| Non current liability | 22.86 | 19.58 | 15.47 | 13.06 |
| Total Liability (B) | 23.41 | 19.83 | 15.65 | 13.17 |

Amount recognised in the Statement of Profit & Loss: -

(Amount ""Rs. in Lakhs"", unless otherwise stated)

| Particulars | 30th September 2023 | 31st March 2023 | 31st March 2022 | 31st March 2021 |
|------------------------|---------------------|-----------------|-----------------|-----------------|
| Interest cost | 0.73 | 1.13 | 0.90 | 0.66 |
| Current service cost | 2.38 | 4.46 | 4.14 | 3.69 |
| Actuarial (gain)/ loss | 0.47 | (1.41) | (2.56) | (0.87) |



| | | | | |
|--|------|------|------|------|
| Expense recognised in the Statement of Profit & Loss | 3.58 | 4.18 | 2.48 | 3.48 |
|--|------|------|------|------|

Actuarial assumptions: -

(Amount "Rs. in Lakhs", unless otherwise stated)

| Particulars | 30th September 2023 | 31st March 2023 | 31st March 2022 | 31st March 2021 |
|---------------------------|---------------------|-------------------|-------------------|-------------------|
| Retirement Age | 58 Years | 58 Years | 58 Years | 58 Years |
| Mortality Rate (Basis) | IALM 2012-14 ult. | IALM 2012-14 ult. | IALM 2012-14 ult. | IALM 2012-14 ult. |
| Withdrawal Rate (p.a) | 2.00% | 2.00% | 2.00% | 2.00% |
| Discount rate (p.a.) | 7.40% | 7.40% | 7.20% | 6.80% |
| Salary growth rate (p.a.) | 10.00% | 10.00% | 10.00% | 10.00% |

D. Segment Reporting:

The Company has identified five reportable segments viz., sale of goods and EPR services after taking into account the nature of product and services and the differing risk and returns on such products and services. The accounting policies adopted for segment reporting are in line with the accounting policy of the company with following additional policies for segment reporting: -

- (i) Revenue and expenses have been identified to a segment on the basis of relation to operating activities of the segment. Revenue and expenses that relates to enterprise as a whole and are not allocable to a segment on a reasonable basis have been disclosed as "Un-allocable".
- (ii) Segment Assets and Segment Liabilities represent Assets and Liabilities in respective segments. Assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as "Un-allocable".
- (iii) Segment Information:

(Amount "Rs. in Lakhs", unless otherwise stated)

| Particulars | 30th September 2023 | 31st March 2023 | 31st March 2022 | 31st March 2021 |
|---|---------------------|-----------------|-----------------|-----------------|
| Segment Revenue: - | | | | |
| Sale of Goods | 46.19 | 748.29 | 340.40 | 483.96 |
| EPR Services | 1,802.39 | 3,504.73 | 2,939.59 | 2,067.46 |
| Unallocable | 14.88 | 27.55 | 11.49 | 9.17 |
| Total Revenue | 1,863.46 | 4,280.57 | 3,291.48 | 2,560.59 |
| Segment Results | | | | |
| (Profit/ loss before interest and taxes) | | | | |
| Sale of Goods | -6.87 | 35.89 | -8.39 | 32.06 |
| EPR Services | 954.54 | 1,361.77 | 1,068.84 | 797.74 |
| Less: Interest | - | - | - | 0.07 |
| Less: Other unallocable expenditure (net) | 73.23 | 47.64 | 62.86 | 50.87 |
| Total Profit Before Taxes | 874.44 | 1,350.02 | 997.59 | 778.86 |
| Segment assets | | | | |
| Sale of Goods | 199.62 | 202.13 | 150.33 | 416.68 |
| EPR Services | 3,758.87 | 3,357.19 | 2,523.95 | 1,465.88 |
| Un-allocable | 14.25 | 11.82 | 6.71 | 9.35 |
| Total | 3,972.74 | 3,571.14 | 2,680.99 | 1,891.91 |
| Segment liabilities | | | | |
| Sale of Goods | 85.05 | 107.63 | 106.50 | 302.46 |
| EPR Services | 583.06 | 858.56 | 665.98 | 398.87 |
| Un-allocable | 395.36 | 197.23 | 198.46 | 179.03 |
| Total | 1,063.47 | 1,163.42 | 970.94 | 880.36 |



| | | | | |
|-------------------------|-----------------|-----------------|-----------------|-----------------|
| Capital employed | | | | |
| Sale of Goods | 114.57 | 94.50 | 43.83 | 114.22 |
| EPR Services | 3,175.81 | 2,498.63 | 1,857.97 | 1,067.01 |
| Un-allocable | -381.11 | -185.41 | -191.75 | -169.68 |
| Total | 2,909.27 | 2,407.72 | 1,710.05 | 1,011.55 |

(iv) Secondary Segment Reporting:

The Company does not have secondary segment division in respect of reportable segments.

E. Related Party Disclosures in accordance with Accounting Standard (AS)-18

a. List of related parties & relationships, where control exists

b.

| Nature of Relationship | | Name of Related Parties | | | |
|------------------------|---|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| | Nature of Relationship | 30th September 2023 | 31st March 2023 | 31st March 2022 | 31st March 2021 |
| 1 | Key Management Personnel/ Director | Mr. Dinesh Pareekh (Director) |
| | | - | Mr. Rajendra Kumar Gupta (Director) | Mr. Rajendra Kumar Gupta (Director) | Mr. Rajendra Kumar Gupta (Director) |
| | | Mr. Sachin Sharma (Director) |
| | | Mr. Amar jeet (CFO) | - | - | - |
| | | Mr. Vijay Kumar Sharma (CS) | - | - | - |
| 2 | Relatives of Key Management Personnel/ Director | Mrs. Sangeeta Pareekh | Mrs. Sangeeta Pareekh | Mrs. Sangeeta Pareekh | Mrs. Sangeeta Pareekh |
| 3 | Enterprises where Significant Influence exist by Key Management Personnel/ / Director or their Relatives | BLP Equity Research Pvt. Ltd. |
| | | Securocrop Securities India Pvt. Ltd. |

c. Transactions with related parties

(Amount "Rs. in Lakhs", unless otherwise stated)

| Particulars | 30th September 2023 | 31st March 2023 | 31st March 2022 | 31st March 2021 |
|-------------------------------|---------------------|-----------------|-----------------|-----------------|
| Mr. Dinesh Pareekh | | | | |
| Rent | 8.70 | - | - | - |
| Repayment of Loan | - | 2.00 | - | - |
| Mrs. Sangeeta Pareekh | | | | |
| Rent Paid | 4.60 | 13.80 | 12.00 | 9.45 |
| Mr. Sachin Sharma | | | | |
| Salary | 11.42 | 30.47 | 18.14 | 15.37 |
| Mr. Amar jeet | | | | |
| Salary | 4.23 | - | - | - |
| Mr. Vijay Kumar Sharma | | | | |
| Salary | 3.44 | - | - | - |



| BLP Equity Research Pvt. Ltd. | | | | |
|--|---|------|-------|-------|
| Professional fee | - | - | - | 15.00 |
| Advances given | - | - | 21.00 | - |
| Advances recovered | - | - | 21.00 | - |
| Securocrop Securities India Pvt. Ltd. | | | | |
| Interest Income | - | 4.55 | - | - |
| Repayment of Borrowing | - | - | - | 23.00 |
| Loans & Advances given | - | - | - | 50.50 |

d. Related Parties Balances

(Amount "Rs. in Lakhs", unless otherwise stated)

| Particulars | 30th September 2023 | 31st March 2023 | 31st March 2022 | 31st March 2021 |
|--|------------------------|--------------------|--------------------|--------------------|
| Mr. Dinesh Pareekh | | | | |
| Rent Payable | - | - | - | - |
| Unsecured Loan | - | - | 2.00 | 2.00 |
| Mrs. Sangeeta Pareekh | | | | |
| Rent Payable | - | - | - | - |
| Mr. Sachin Sharma | | | | |
| Salary Payable | - | 0.69 | 0.84 | 0.39 |
| Mr. Amar jeet | | | | |
| Salary Payable | - | - | - | - |
| Mr. Vijay Kumar Sharma | | | | |
| Salary | - | - | - | - |
| BLP Equity Research Pvt. Ltd. | | | | |
| Professional fee Payable | - | - | - | - |
| Loans & Advances | - | - | - | 21.00 |
| Securocrop Securities India Pvt. Ltd. | | | | |
| Borrowings | - | - | - | - |
| Loans & Advances | 54.59 | 54.59 | 50.50 | 50.50 |

F. Earnings & Expenditure in Foreign Currencies, Import of Materials

(Amount "Rs. in Lakhs", unless otherwise stated)

| Particulars | 30th September 2023 | 31st March 2023 | 31st March 2022 | 31st March 2021 |
|---------------------------------|------------------------|--------------------|--------------------|--------------------|
| Earnings in foreign currency | - | - | - | - |
| Expenditure in foreign currency | - | - | - | - |
| CIF value of imported material | - | - | - | - |

G. Break- up of payments due to statutory auditors: -

(Amount "Rs. in Lakhs", unless otherwise stated)

| Particulars | 30th September 2023 | 31st March 2023 | 31st March 2022 | 31st March 2021 |
|-------------------------------|------------------------|--------------------|--------------------|--------------------|
| In respect of Statutory Audit | 0.75 | 0.40 | 0.30 | 0.25 |
| For Taxation Matters | - | 0.10 | - | - |
| For Other Certification fee | - | 0.37 | 0.34 | - |
| Total | 0.75 | 0.87 | 0.64 | 0.25 |

H. Corporate Social Responsibility:-

Where the company covered under section 135 of the Companies Act, the following shall be disclosed with regard to CSR activities:-



(Amount "Rs. in Lakhs", unless otherwise stated)

| Particulars | 30th September 2023 | 31st March 2023 | 31st March 2022 | 31st March 2021 |
|--|--|------------------------|------------------------|-----------------|
| (a) amount required to be spent by the company during the year, | 20.84 | 14.74 | 8.48 | N.A. |
| (b) amount of expenditure incurred, | - | 15.00 | 10.00 | - |
| (c) shortfall at the end of the year, | 20.84 | - | - | - |
| (d) total of previous years shortfall, | - | - | - | - |
| (e) reason for shortfall, | Amount is due for spending till 31st March 2024. | None | None | None |
| (f) nature of CSR activities, | Preventive Health Care | Preventive Health Care | Preventive Health Care | - |
| (g) details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard, | None | None | None | - |
| (h) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately. | Nil | Nil | Nil | - |

I. The company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.

J. The company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

K. There are no transaction with the companies whose name struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 during the period covered under these restated financial information.

L. The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

M. No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company ("Ultimate Beneficiaries").

Moreover, the Company has not received any fund from any party ("Funding Party") with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entity identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

N. The company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

O. The Company has not any such transaction which is not recorded in the books of accounts that 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 any other relevant provisions of the Income Tax Act, 1961).



- P. The Company has not any such transaction which is not recorded in the books of accounts that 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 any other relevant provisions of the Income Tax Act, 1961).
- Q. There has been no changes in the accounting policies during the period covered under the restated financial information.
- R. There has been no qualifications in the independent auditor's report during the period covered under the restated financial information.

Note- I.5

Restated Statement of Short-term borrowings

(Amount "Rs. in Lakhs", unless otherwise stated)

| Particular | As at 30th September 2023 | As at 31st March 2023 | As at 31st March 2022 | As at 31st March 2021 |
|-------------------------------------|------------------------------|--------------------------|--------------------------|--------------------------|
| From related parties (unsecured): - | - | - | 2.00 | - |
| Total | - | - | 2.00 | - |

Note: The above statements should be read with the Restated Statement of Assets and Liabilities, Restated Statement of Profit and Loss and Restated Statement of Cash Flows, Significant accounting policies and notes on Restated Financial Informations appearing in Annexure I, II, III and IV respectively.

Note- I.6

Restated Statement of Trade Payables

(Amount "Rs. in Lakhs", unless otherwise stated)

| Particulars | As at 30th September 2023 | As at 31st March 2023 | As at 31st March 2022 | As at 31st March 2021 |
|--|---------------------------------|-----------------------------|-----------------------------|--------------------------|
| Trade Payable due to: | | | | |
| Micro and small enterprises | 40.39 | 20.86 | 34.30 | - |
| Other than Micro and small enterprises | 634.38 | 855.32 | 662.06 | 446.24 |
| Total | 674.77 | 876.18 | 696.36 | 446.24 |

Trade Payables Ageing Schedule

(Amount "Rs. in Lakhs", unless otherwise stated)

| Particulars | Outstanding from due date of payment As at 30th September 2023 | | | | |
|----------------------------|--|---------------|-------------|----------------------|---------------|
| | Less than 1 Year | 1-2 Years | 2-3 Years | More than 3 Years | Total |
| (i) MSME | 40.39 | - | - | - | 40.39 |
| (ii) Others | 371.97 | 176.24 | 4.39 | 81.78 | 634.38 |
| (iii) Disputed dues: MSME | - | - | - | - | - |
| (iv) Disputed dues: others | - | - | - | - | - |
| Total | 412.36 | 176.24 | 4.39 | 81.78 | 674.77 |

(Amount "Rs. in Lakhs", unless otherwise stated)

| Particulars | Outstanding from due date of payment As at 31st March 2023 | | | | |
|---------------------------|--|-----------|-----------|----------------------|--------|
| | Less than 1 Year | 1-2 Years | 2-3 Years | More than 3 Years | Total |
| (i) MSME | 20.86 | - | - | - | 20.86 |
| (ii) Others | 746.49 | 6.05 | 90.00 | 12.78 | 855.32 |
| (iii) Disputed dues: MSME | - | - | - | - | - |



| | | | | | |
|----------------------------|---------------|-------------|--------------|--------------|---------------|
| (iv) Disputed dues: others | - | - | - | - | - |
| Total | 767.35 | 6.05 | 90.00 | 12.78 | 876.18 |

(Amount "Rs. in Lakhs", unless otherwise stated)

| Particulars | Outstanding from due date of payment As at 31st March 2022 | | | | |
|-----------------------------|--|--------------|--------------|-------------------|---------------|
| | Less than 1 Year | 1-2 Years | 2-3 Years | More than 3 Years | Total |
| (i) MSME | 34.30 | - | - | - | 34.30 |
| (ii) Others | 558.84 | 90.44 | 12.78 | - | 662.06 |
| (iii) Disputed dues: MSME | - | - | - | - | - |
| (iv) Disputed dues : others | - | - | - | - | - |
| Total | 593.14 | 90.44 | 12.78 | - | 696.36 |

(Amount "Rs. in Lakhs", unless otherwise stated)

| Particulars | Outstanding from due date of payment As at 31st March 2021 | | | | |
|-----------------------------|--|--------------|---------------|-------------------|---------------|
| | Less than 1 Year | 1-2 Years | 2-3 Years | More than 3 Years | Total |
| (i) MSME | - | - | - | - | - |
| (ii) Others | 168.40 | 96.18 | 174.88 | 6.78 | 446.24 |
| (iii) Disputed dues : MSME | - | - | - | - | - |
| (iv) Disputed dues : others | - | - | - | - | - |
| Total | 168.40 | 96.18 | 174.88 | 6.78 | 446.24 |

The following details relating to Micro, Small and Medium Enterprises shall be disclosed in the notes:-

| Particulars | | As at 30th September 2023 | As at 31st March 2023 | As at 31st March 2022 | As at 31st March 2021 |
|-------------|--|---------------------------|-----------------------|-----------------------|-----------------------|
| (i) | Unpaid amount to any supplier | 40.46 | 20.86 | 34.30 | - |
| | a) Principal amount | - | - | - | - |
| | b) Interest thereon | - | - | - | - |
| (ii) | Interest paid as per Sec 16 of MSMED Act, 2006 during the year | - | - | - | - |
| (iii) | Interest due and payable for the delayed payments made during the year | - | - | - | - |
| (iv) | Interest accrued and remaining unpaid | - | - | - | - |
| (v) | Further interest due and payable, which are disallowed as a deductible expense under Sec 23 of MSMED Act, 2006 | - | - | - | - |

Note 1. The Company does not have any trade payable to promoters/ group companies/ subsidiaries/ material associate companies/related parties as per Accounting Standard-18.

Note: The above statements should be read with the Restated Statement of Assets and Liabilities, Restated Statement of Profit and Loss and Restated Statement of Cash Flows, Significant accounting policies and notes on Restated Financial Information appearing in Annexure I, II, III and IV respectively.

Note I.7:

Restated Statement of other current liabilities

(Amount "Rs. in Lakhs", unless otherwise stated)

| Particulars | As at 30th September 2023 | As at 31st March 2023 | As at 31st March 2022 | As at 31st March 2021 |
|-------------|---------------------------|-----------------------|-----------------------|-----------------------|
|-------------|---------------------------|-----------------------|-----------------------|-----------------------|



| | | | | |
|-----------------------------------|---------------|---------------|---------------|---------------|
| Other Current Liabilities: | | | | |
| Advance from Customer | 4.85 | 6.40 | 5.26 | 43.48 |
| Payable against statutory dues | 151.51 | 40.60 | 98.26 | 75.53 |
| Payable against expenses | 34.74 | 110.54 | 82.36 | 246.92 |
| Total | 191.10 | 157.54 | 185.88 | 365.93 |

Note: The above statements should be read with the Restated Statement of Assets and Liabilities, Restated Statement of Profit and Loss and Restated Statement of Cash Flows, Significant accounting policies and notes on Restated Financial Informations appearing in Annexure I, II, III and IV respectively.

Note I.8:

Restated Statement of Short-term Provisions

(Amount "Rs. in Lakhs", unless otherwise stated)

| Particulars | As at 30th September 2023 | As at 31st March 2023 | As at 31st March 2022 | As at 31st March 2021 |
|----------------------------------|------------------------------|--------------------------|--------------------------|--------------------------|
| For gratuity | 0.55 | 0.25 | 0.18 | 0.11 |
| For income tax (net of advances) | 174.19 | 109.87 | 71.06 | 53.03 |
| Total (A+B) | 174.74 | 110.12 | 71.24 | 53.14 |

Note: The above statements should be read with the Restated Statement of Assets and Liabilities, Restated Statement of Profit and Loss and Restated Statement of Cash Flows, Significant accounting policies and notes on Restated Financial Information appearing in Annexure I, II, III and IV respectively.

Note I.9:

Restated Statement of Property, Plant & Equipment & Intangible Assets

(Amount "Rs. in Lakhs", unless otherwise stated)

| Particulars | As at 30th September 2023 | As at 31st March 2023 | As at 31st March 2022 | As at 31st March 2021 |
|---|------------------------------|--------------------------|--------------------------|--------------------------|
| Tangible Assets | | | | |
| <u>Cost or deemed cost: -</u> | | | | |
| Opening Balance | 108.33 | 101.96 | 102.77 | 97.86 |
| Additions during the period | 1.11 | 6.38 | 2.49 | 4.91 |
| Asset disposed/ written off during the year | - | - | 3.30 | - |
| Closing Balance | 109.44 | 108.34 | 101.96 | 102.77 |
| <u>Accumulated depreciation: -</u> | | | | |
| Opening Balance | 81.79 | 77.90 | 73.46 | 43.41 |
| Charge for the period | 1.96 | 3.89 | 5.76 | 30.04 |
| Adjusted on assets disposed/ written off | - | - | 1.32 | - |
| Closing Balance | 83.76 | 81.79 | 77.90 | 73.46 |
| | - | - | - | - |
| Carrying amount | 25.69 | 26.54 | 24.06 | 29.31 |

Tangible Assets

(Amount "Rs. in Lakhs", unless otherwise stated)

| Particulars | Computers | Vehicles | Plant & Machinery | Office Equipment | Furnitures and Fitting | Total Tangible Assets |
|-------------|-----------|----------|----------------------|---------------------|---------------------------|-----------------------------|
| | | | | | | |



| | | | | | | |
|--|------|------|-------|------|------|--------|
| Gross carrying amount | | | | | | |
| As at April 01, 2020 | 4.03 | 6.38 | 86.77 | 0.56 | 0.12 | 97.86 |
| Additions | 2.08 | - | 2.67 | 0.17 | - | 4.92 |
| Disposals | - | - | - | - | - | - |
| As at March 31, 2021 | 6.11 | 6.38 | 89.44 | 0.73 | 0.12 | 102.78 |
| Accumulated depreciation | | | | | | |
| As at April 01, 2020 | 3.06 | 1.47 | 38.67 | 0.17 | 0.05 | 43.42 |
| Charge for the year | 0.91 | 0.73 | 28.14 | 0.23 | 0.02 | 30.03 |
| On disposals | - | - | - | - | - | - |
| As at March 31, 2021 | 3.97 | 2.20 | 66.81 | 0.40 | 0.07 | 73.45 |
| Net carrying amount as at March 31, 2021 | 2.14 | 4.18 | 22.63 | 0.33 | 0.05 | 29.33 |
| Gross carrying amount | | | | | | |
| As at April 01, 2021 | 6.11 | 6.38 | 89.44 | 0.73 | 0.12 | 102.78 |
| Additions | 2.49 | - | - | - | - | 2.49 |
| Disposals | 0.42 | 2.88 | - | - | - | 3.30 |
| As at March 31, 2022 | 8.18 | 3.50 | 89.44 | 0.73 | 0.12 | 101.97 |
| Accumulated depreciation | | | | | | |
| As at April 01, 2021 | 3.97 | 2.20 | 66.81 | 0.40 | 0.07 | 73.45 |
| Charge for the year | 1.11 | 0.61 | 3.94 | 0.10 | 0.01 | 5.77 |
| On disposals | 0.13 | 1.18 | - | - | - | 1.31 |
| As at March 31, 2022 | 4.95 | 1.63 | 70.75 | 0.50 | 0.08 | 77.91 |
| Net carrying amount as at March 31, 2022 | 3.23 | 1.87 | 18.69 | 0.23 | 0.04 | 24.06 |
| Gross carrying amount | | | | | | |
| As at April 01, 2022 | 8.18 | 3.50 | 89.44 | 0.73 | 0.12 | 101.97 |
| Additions | 0.95 | - | - | 0.44 | 4.99 | 6.38 |
| Disposals | - | - | - | - | - | - |
| As at March 31, 2023 | 9.13 | 3.50 | 89.44 | 1.17 | 5.11 | 108.35 |
| Accumulated depreciation | | | | | | - |
| As at April 01, 2022 | 4.95 | 1.63 | 70.75 | 0.50 | 0.08 | 77.91 |



| | | | | | | |
|--|-------|------|-------|------|------|--------|
| Charge for the year | 1.52 | 0.33 | 1.62 | 0.08 | 0.33 | 3.88 |
| On disposals | - | - | - | - | - | - |
| As at March 31, 2023 | 6.47 | 1.96 | 72.37 | 0.58 | 0.41 | 81.79 |
| Net carrying amount as at March 31, 2023 | 2.66 | 1.54 | 17.07 | 0.59 | 4.70 | 26.56 |
| Gross carrying amount | | | | | | |
| As at April 01, 2023 | 9.13 | 3.50 | 89.44 | 1.17 | 5.11 | 108.35 |
| Additions | 1.11 | - | - | - | - | 1.11 |
| Disposals | - | - | - | - | - | - |
| As at September 30, 2023 | 10.24 | 3.50 | 89.44 | 1.17 | 5.11 | 109.46 |
| Accumulated depreciation | | | | | | - |
| As at April 01, 2023 | 6.47 | 1.96 | 72.37 | 0.58 | 0.41 | 81.79 |
| Charge for the year | 0.81 | 0.17 | 0.67 | 0.08 | 0.24 | 1.97 |
| On disposals | - | - | - | - | - | - |
| As at September 30, 2023 | 7.28 | 2.13 | 73.04 | 0.66 | 0.65 | 83.76 |
| Net carrying amount as at September 30, 2023 | 2.96 | 1.37 | 16.40 | 0.51 | 4.46 | 25.70 |

(Amount "Rs. in Lakhs", unless otherwise stated)

| Particulars | As at 30th September 2023 | As at 31st March 2023 | As at 31st March 2022 | As at 31st March 2021 |
|---|---------------------------|-----------------------|-----------------------|-----------------------|
| Intangible Assets | | | | |
| Software | | | | |
| <u>Cost or deemed cost: -</u> | | | | |
| Opening Balance | 6.12 | 0.69 | 0.69 | 0.69 |
| Additions during the period | 2.09 | 5.43 | - | - |
| Asset disposed/ written off during the year | - | - | - | - |
| Closing Balance | 8.21 | 6.12 | 0.69 | 0.69 |
| <u>Accumulated depreciation: -</u> | | | | |
| Opening Balance | 1.73 | 0.58 | 0.44 | 0.38 |
| Charge for the period | 0.66 | 1.15 | 0.14 | 0.06 |
| Adjusted on assets disposed/ written off | - | - | - | - |
| Closing Balance | 2.39 | 1.73 | 0.58 | 0.44 |
| | - | - | - | - |
| Carrying amount | 5.82 | 4.39 | 0.11 | 0.25 |



Restated Statement of Capital Work in Progress

(Amount "Rs. in Lakhs", unless otherwise stated)

| Particulars | As at 30th September 2023 | As at 31st March 2023 | As at 31st March 2022 | As at 31st March 2021 |
|---------------------------------------|---------------------------|-----------------------|-----------------------|-----------------------|
| Capital Work in Progress | | | | |
| <u>Cost or deemed cost: -</u> | | | | |
| Opening Balance | 1.24 | 6.27 | 4.03 | 4.03 |
| Additions during the period | - | - | 2.24 | - |
| Capitalised during the year | 1.24 | 5.03 | - | - |
| Disposed/ written off during the year | - | - | - | - |
| Closing Balance | - | 1.24 | 6.27 | 4.03 |
| Carrying amount | - | 1.24 | 6.26 | 4.02 |

CWIP Ageing Schedule

(Amount "Rs. in Lakhs", unless otherwise stated)

| Particulars | Amount in CWIP As at 30th September 2023 for a period of | | | | | |
|--------------------------------|--|-------------------|-----------|-----------|-------------------|-------|
| | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Project in progress | - | - | - | - | - | - |
| Projects temporarily suspended | - | - | - | - | - | - |

| Particulars | Amount in CWIP As at 31st March 2023 for a period of | | | | | |
|--------------------------------|--|-------------------|-----------|-----------|-------------------|-------|
| | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Project in progress | - | 0.40 | 0.84 | - | - | 1.24 |
| Projects temporarily suspended | - | - | - | - | - | - |

| Particulars | Amount in CWIP As at 31st March 2022 for a period of | | | | | |
|--------------------------------|--|-------------------|-----------|-----------|-------------------|-------|
| | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Project in progress | 2.24 | - | - | - | 4.02 | 6.26 |
| Projects temporarily suspended | - | - | - | - | - | - |

| Particulars | Amount in CWIP As at 31st March 2021 for a period of | | | | | |
|--------------------------------|--|-------------------|-----------|-----------|-------------------|-------|
| | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Project in progress | - | - | - | - | 4.02 | 4.02 |
| Projects temporarily suspended | - | - | - | - | - | - |

Note: The above statements should be read with the Restated Statement of Assets and Liabilities, Restated Statement of Profit and Loss and Restated Statement of Cash Flows, Significant accounting policies and notes on Restated Financial Informations appearing in Annexure I, II, III and IV respectively.



Note – I.10

Restated Statement of Deferred Tax (Assets)/ Liabilities

(Amount "Rs. in Lakhs", unless otherwise stated)

| Particulars | As at 30th September 2023 | As at 31st March 2023 | As at 31st March 2022 | As at 31st March 2021 |
|--|------------------------------|--------------------------|--------------------------|--------------------------|
| Deferred Tax Assets | | | | |
| Related to Property, Plant & Equipment | - | - | - | 0.29 |
| Related to provision for gratuity | 5.89 | 4.99 | 3.94 | 3.31 |
| Total (a) | 5.89 | 4.99 | 3.94 | 3.60 |
| Deferred Tax Liabilities | | | | |
| Related to Property, Plant & Equipment | 1.41 | 1.20 | 0.41 | - |
| Related to provision for gratuity | - | - | - | - |
| Total (b) | 1.41 | 1.20 | 0.41 | - |
| Deferred tax charged/ (credited) in statement of Profit & Loss | (0.70) | (0.26) | 0.08 | (7.67) |
| Deferred Tax (Assets)/Liabilities (net) | (4.48) | (3.79) | (3.53) | (3.60) |

Note: The above statements should be read with the Restated Statement of Assets and Liabilities, Restated Statement of Profit and Loss and Restated Statement of Cash Flows, Significant accounting policies and notes on Restated Financial Informations appearing in Annexure I, II, III and IV respectively.

Note – I.11

Restated Statement of Non- current investments

(Amount "Rs. In Lakhs", unless otherwise stated)

| Particulars | As at 30th September 2023 | As at 31st March 2023 | As at 31st March 2022 | As at 31st March 2021 |
|--|---------------------------------|--------------------------------|--------------------------------|-----------------------------|
| Quoted Investment (at cost) | - | - | - | - |
| <u>In Subsidiary: -</u> | | | | |
| <u>In Others: -</u> | | | | |
| M/s Share India Securities Limited | 58.42 | 58.42 | - | - |
| M/s Share India Securities Limited- Warrants (P.P.) | 2.86 | 2.86 | - | - |
| Total | 61.28 | 61.28 | - | - |
| Fully paid equity shares of Rs. 10 each in M/s Share India Securities Limited (Nos.) | 4,896 | 4,896 | - | - |
| Fully paid equity warrants of 700 each in M/s Share India Securities Limited- Warrants (P.P.) (Nos.) | 1,632 | 1,632 | - | - |
| Market value of quoted investments | | | | |
| M/s Share India Securities Limited | 63.84 | 51.84 | | |
| M/s Share India Securities Limited- Warrants (P.P.) | 12.24 | 0* | | |
| Total | 6.84 | 51.84 | | |

Note: The above statements should be read with the Restated Statement of Assets and Liabilities, Restated Statement of Profit and Loss and Restated Statement of Cash Flows, Significant accounting policies and notes on Restated Financial Informations appearing in Annexure I, II, III and IV respectively.



Note – I.12
Restated Statement of Long-Term Loans and Advances

(Amount "Rs. in Lakhs", unless otherwise stated)

| Particulars | As at 30th September 2023 | As at 31st March 2023 | As at 31st March 2022 | As at 31st March 2021 |
|---------------------------------|---------------------------|-----------------------|-----------------------|-----------------------|
| Unsecured and considered good ; | | | | |
| Advances to Related Parties | 54.59 | 54.59 | 50.50 | 71.50 |
| Total | 54.59 | 54.59 | 50.50 | 71.50 |

Note: The above statements should be read with the Restated Statement of Assets and Liabilities, Restated Statement of Profit and Loss and Restated Statement of Cash Flows, Significant accounting policies and notes on Restated Financial Informations appearing in Annexure I,II,III and IV respectively.

Note – I.13
Restated Statement of Inventories

(Amount "Rs. in Lakhs", unless otherwise stated)

| Particulars | As at 30th September 2023 | As at 31st March 2023 | As at 31st March 2022 | As at 31st March 2021 |
|------------------------------|---------------------------|-----------------------|-----------------------|-----------------------|
| Inventories (stock in trade) | 9.98 | 8.43 | 12.51 | 55.61 |
| Total | 9.98 | 8.43 | 12.51 | 55.61 |

Note: The above statements should be read with the Restated Statement of Assets and Liabilities, Restated Statement of Profit and Loss and Restated Statement of Cash Flows, Significant accounting policies and notes on Restated Financial Informations appearing in Annexure I, II, III and IV respectively.

Note-I.14
Restated Statement of Trade Receivables

(Amount "Rs. in Lakhs", unless otherwise stated)

| Particulars | As at 30th September 2023 | As at 31st March 2023 | As at 31st March 2022 | As at 31st March 2021 |
|--|---------------------------|-----------------------|-----------------------|-----------------------|
| Unsecured, considered good | 2,491.53 | 2,189.33 | 1,832.44 | 1,303.73 |
| Unsecured, considered doubtful | - | - | - | - |
| Total | 2,491.53 | 2,189.33 | 1,832.44 | 1,303.73 |
| Less: Allowance for bad and doubtful debts | - | - | - | - |
| Net Total | 2,491.53 | 2,189.33 | 1,832.44 | 1,303.73 |

Trade Receivable Ageing Schedule

| Sr. No. | Particulars | Outstanding from due date of payment As at 30th September 2023 | | | | | Total |
|---------|---|--|-------------------|-----------|-----------|-------------------|----------|
| | | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | |
| (i) | Undisputed Trade Receivables: Considered good | 2,204.62 | 259.27 | 4.21 | 3.59 | 19.82 | 2,491.51 |
| (ii) | Undisputed Trade Receivables: Considered doubtful | - | - | - | - | - | - |
| (iii) | Disputed Trade Receivables: Considered good | - | - | - | - | - | - |
| (iv) | Disputed Trade Receivables: Considered doubtful | - | - | - | - | - | - |



| S No. | Particulars | Outstanding from due date of payment As at 31st March 2023 | | | | | |
|-------|---|--|-------------------|-----------|-----------|-------------------|----------|
| | | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) | Undisputed Trade Receivables: Considered good | 1,600.17 | 564.96 | 4.35 | 1.93 | 17.89 | 2,189.30 |
| (ii) | Undisputed Trade Receivables: Considered doubtful | - | - | - | - | - | - |
| (iii) | Disputed Trade Receivables: Considered good | - | - | - | - | - | - |
| (iv) | Disputed Trade Receivables: Considered doubtful | - | - | - | - | - | - |

| S No. | Particulars | Outstanding from due date of payment As at 31st March 2022 | | | | | |
|-------|---|--|-------------------|-----------|-----------|-------------------|----------|
| | | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) | Undisputed Trade Receivables: Considered good | 1,664.49 | 125.11 | 24.21 | 18.41 | 0.19 | 1,832.41 |
| (ii) | Undisputed Trade Receivables: Considered doubtful | - | - | - | - | - | - |
| (iii) | Disputed Trade Receivables: Considered good | - | - | - | - | - | - |
| (iv) | Disputed Trade Receivables: Considered doubtful | - | - | - | - | - | - |

Note: The above statements should be read with the Restated Statement of Assets and Liabilities, Restated Statement of Profit and Loss and Restated Statement of Cash Flows, Significant accounting policies and notes on Restated Financial Informations appearing in Annexure I, II, III and IV respectively.

| S No. | Particulars | Outstanding from due date of payment As at 31st March 2021 | | | | | |
|-------|---|--|-------------------|-----------|-----------|-------------------|----------|
| | | Less than 6 months | 6 months - 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| (i) | Undisputed Trade Receivables: Considered good | 1,043.63 | 77.34 | 9.59 | 173.16 | - | 1,303.72 |
| (ii) | Undisputed Trade Receivables: Considered doubtful | - | - | - | - | - | - |
| (iii) | Disputed Trade Receivables: Considered good | - | - | - | - | - | - |
| (iv) | Disputed Trade Receivables: Considered doubtful | - | - | - | - | - | - |

Note: The above statements should be read with the Restated Statement of Assets and Liabilities, Restated Statement of Profit and Loss and Restated Statement of Cash Flows, Significant accounting policies and notes on Restated Financial Informations appearing in Annexure I, II, III and IV respectively.

Note-I.15

Restated Statement of Cash and Cash Equivalents

(Amount "Rs. In Lakhs", unless otherwise stated)

| Particulars | As at 30th September 2023 | As at 31st March 2023 | As at 31st March 2022 | As at 31st March 2021 |
|---|---------------------------|-----------------------|-----------------------|-----------------------|
| Cash & Cash Equivalents | | | | |
| Balance with banks | 88.99 | 355.81 | 525.24 | 301.66 |
| Cash on hand | 0.41 | 0.93 | 0.89 | 4.89 |
| Deposit held as margin money for bank guarantee: | | | | |
| With maturity less than 12 months | 563.66 | 741.76 | 90.09 | 79.75 |
| With maturity more than 12 months | 502.92 | 89.19 | 72.18 | - |



| | | | | |
|--------------|-----------------|-----------------|---------------|---------------|
| Total | 1,155.98 | 1,187.69 | 688.40 | 386.30 |
|--------------|-----------------|-----------------|---------------|---------------|

Note: The above statements should be read with the Restated Statement of Assets and Liabilities, Restated Statement of Profit and Loss and Restated Statement of Cash Flows, Significant accounting policies and notes on Restated Financial Informations appearing in Annexure I, II, III and IV respectively.

Note – I.16

Restated Statement of Short Term Loans and Advances

(Amount "Rs. in Lakhs", unless otherwise stated)

| Particulars | As at 30th September 2023 | As at 31st March 2023 | As at 31st March 2022 | As at 31st March 2021 |
|--|---------------------------------|-----------------------------|--------------------------|--------------------------------|
| Unsecured and considered good ; | | | | |
| Advances to Staff | 0.89 | 1.03 | 0.39 | 0.78 |
| Security deposits | 3.66 | 2.66 | 1.80 | 1.10 |
| Advances to Suppliers | 161.94 | 15.36 | 22.71 | 28.34 |
| Balance with revenue authorities | 0.42 | 16.08 | 40.00 | 9.55 |
| Total | 166.91 | 35.13 | 64.90 | 39.76 |

Note: The above statements should be read with the Restated Statement of Assets and Liabilities, Restated Statement of Profit and Loss and Restated Statement of Cash Flows, Significant accounting policies and notes on Restated Financial Informations appearing in Annexure I, II, III and IV respectively.

Note I.17

Restated Statement of Other Current Assets

(Amount "Rs. in Lakhs", unless otherwise stated)

| Particulars | As at 30th September 2023 | As at 31st March 2023 | As at 31st March 2022 | As at 31st March 2021 |
|--------------------------------------|------------------------------|--------------------------|--------------------------|--------------------------|
| Unsecured and Considered Good | | | | |
| Accrued interest on FDR | - | 0.55 | 0.02 | - |
| Prepaid expenses | 0.95 | 1.97 | 1.79 | 1.43 |
| Total | 0.95 | 2.52 | 1.81 | 1.43 |

Note: The above statements should be read with the Restated Statement of Assets and Liabilities, Restated Statement of Profit and Loss and Restated Statement of Cash Flows, Significant accounting policies and notes on Restated Financial Informations appearing in Annexure I, II, III and IV respectively.

Note-II.1

Restated Statement of Revenue from Operations

(Amount "Rs. in Lakhs", unless otherwise stated)

| Particulars | From 01-04-2023 to 30-09-2023 | For Year ended 31-03-2023 | For Year ended 31-03-2022 | For Year ended 31-03-2021 |
|------------------|----------------------------------|------------------------------|------------------------------|------------------------------|
| Sale of Products | 46.19 | 748.29 | 340.40 | 483.96 |
| Sale of Services | 1,802.39 | 3,504.73 | 2,939.60 | 2,067.46 |
| Total | 1,848.58 | 4,253.02 | 3,280.00 | 2,551.42 |



Note: The above statements should be read with the Restated Statement of Assets and Liabilities, Restated Statement of Profit and Loss and Restated Statement of Cash Flows, Significant accounting policies and notes on Restated Financial Informations appearing in Annexure I, II, III and IV respectively.

Note-II.2

Restated Statement of Other Income

(Amount "Rs. in Lakhs", unless otherwise stated)

| Particulars | From 01-04-2023 to 30-09-2023 | For Year ended 31-03-2023 | For Year ended 31-03-2022 | For Year ended 31-03-2021 |
|-------------------------------|-------------------------------|---------------------------|---------------------------|---------------------------|
| Discount Received | - | - | 2.53 | - |
| Excess Provision written back | - | - | 1.99 | - |
| Miscellaneous Income | - | 0.05 | - | 0.02 |
| Interest Received | 14.56 | 27.50 | 6.96 | 9.14 |
| Dividend Income | 0.32 | - | - | - |
| Total | 14.88 | 27.55 | 11.48 | 9.16 |

Note: The above statements should be read with the Restated Statement of Assets and Liabilities, Restated Statement of Profit and Loss and Restated Statement of Cash Flows, Significant accounting policies and notes on Restated Financial Informations appearing in Annexure I, II, III and IV respectively.

Note – II.3

Restated Statement of Purchases

(Amount "Rs. in Lakhs", unless otherwise stated)

| Particulars | From 01-04-2023 to 30-09-2023 | For Year ended 31-03-2023 | For Year ended 31-03-2022 | For Year ended 31-03-2021 |
|--------------------------|-------------------------------|---------------------------|---------------------------|---------------------------|
| Purchase of Goods | | | | |
| Scrap & Waste Purchase | 36.61 | 646.45 | 233.97 | 376.38 |
| Purchase of Garments | 3.95 | 4.60 | 6.22 | 2.86 |
| Total | 40.56 | 651.05 | 240.19 | 379.24 |

Note: The above statements should be read with the Restated Statement of Assets and Liabilities, Restated Statement of Profit and Loss and Restated Statement of Cash Flows, Significant accounting policies and notes on Restated Financial Informations appearing in Annexure I, II, III and IV respectively.

Note – II.4

Restated Statement of Operating Expenses

(Amount "Rs. in Lakhs", unless otherwise stated)

| Particulars | From 01-04-2023 to 30-09-2023 | For Year ended 31-03-2023 | For Year ended 31-03-2022 | For Year ended 31-03-2021 |
|---------------------------------------|-------------------------------|---------------------------|---------------------------|---------------------------|
| Freight Inward | - | - | 0.40 | 14.61 |
| Job work | 0.38 | 0.21 | 0.54 | 0.01 |
| Plastic Cutting Charges | - | 9.39 | 6.04 | 3.18 |
| Scrap Collection Charges/ EPR Charges | 732.48 | 1,745.00 | 1,505.70 | 969.87 |
| Packing Material | - | 0.08 | 0.55 | 1.06 |
| Wages | - | 12.85 | 8.04 | 18.92 |
| Loading & Unloading charges | - | 0.10 | 0.33 | 1.57 |



| | | | | |
|--------------|---------------|-----------------|-----------------|-----------------|
| Total | 732.86 | 1,767.63 | 1,521.60 | 1,009.22 |
|--------------|---------------|-----------------|-----------------|-----------------|

Note: The above statements should be read with the Restated Statement of Assets and Liabilities, Restated Statement of Profit and Loss and Restated Statement of Cash Flows, Significant accounting policies and notes on Restated Financial Informations appearing in Annexure I, II, III and IV respectively.

Note – II.5

Restated Statement of Changes in Inventories

(Amount "Rs. in Lakhs", unless otherwise stated)

| Particulars | From 01-04-2023 to 30-09-2023 | For Year ended 31-03-2023 | For Year ended 31-03-2022 | For Year ended 31-03-2021 |
|-------------------------------------|-------------------------------|---------------------------|---------------------------|---------------------------|
| Opening Stock of Traded Goods | 8.43 | 12.51 | 55.61 | 57.48 |
| Less: Closing Stock of Traded Goods | 9.98 | 8.43 | 12.51 | 55.61 |
| Changes in Inventories | (1.55) | 4.08 | 43.10 | 1.87 |

Note: The above statements should be read with the Restated Statement of Assets and Liabilities, Restated Statement of Profit and Loss and Restated Statement of Cash Flows, Significant accounting policies and notes on Restated Financial Informations appearing in Annexure I, II, III and IV respectively.

Note – II.6

Restated Statement of Employee Benefit Expenses

(Amount "Rs. in Lakhs", unless otherwise stated)

| Particulars | From 01-04-2023 to 30-09-2023 | For Year ended 31-03-2023 | For Year ended 31-03-2022 | For Year ended 31-03-2021 |
|---|-------------------------------|---------------------------|---------------------------|---------------------------|
| Salaries & Allowances | 93.12 | 145.55 | 131.96 | 121.17 |
| Director Remuneration | 11.42 | 30.47 | 18.14 | - |
| Gratuity expense | 3.58 | 4.18 | 2.48 | 3.48 |
| Bonus | 25.38 | 49.97 | 24.09 | 18.98 |
| Contribution to provident and other funds | 3.31 | 6.19 | 5.06 | 3.36 |
| Staff welfare expenses | 3.35 | 4.97 | 2.79 | 1.71 |
| Total | 140.16 | 241.33 | 184.52 | 148.70 |

Note: The above statements should be read with the Restated Statement of Assets and Liabilities, Restated Statement of Profit and Loss and Restated Statement of Cash Flows, Significant accounting policies and notes on Restated Financial Informations appearing in Annexure I, II, III and IV respectively.

Note – II.7

Restated Statement of Finance cost

(Amount "Rs. in Lakhs", unless otherwise stated)

| Particulars | From 01-04-2023 to 30-09-2023 | For Year ended 31-03-2023 | For Year ended 31-03-2022 | For Year ended 31-03-2021 |
|------------------------|-------------------------------|---------------------------|---------------------------|---------------------------|
| Interest on borrowings | - | - | - | 0.07 |
| Total | - | - | - | 0.07 |



Note: The above statements should be read with the Restated Statement of Assets and Liabilities, Restated Statement of Profit and Loss and Restated Statement of Cash Flows, Significant accounting policies and notes on Restated Financial Informations appearing in Annexure I,II,III and IV respectively.

Note – II.8
Restated Statement of Other Expenses

(Amount "Rs. in Lakhs", unless otherwise stated)

| Particulars | From 01-04-2023 to 30-09-2023 | For Year ended 31-03-2023 | For Year ended 31-03-2022 | For Year ended 31-03-2021 |
|--------------------------------------|-------------------------------|---------------------------|---------------------------|---------------------------|
| Sales and marketing expenses | 12.21 | 97.98 | 137.39 | 90.10 |
| Freight, packing and insurance | 3.25 | 9.09 | 19.73 | 2.63 |
| Communication and travelling | 11.44 | 27.53 | 21.51 | 10.81 |
| Legal, professional and consultation | 9.77 | 41.32 | 42.29 | 45.78 |
| Administrative and general expenses | 36.95 | 48.82 | 46.77 | 33.47 |
| Statutory demands and interest | - | 11.92 | 8.94 | 8.37 |
| Bad debts and provisions | - | 8.89 | 10.82 | 21.12 |
| CSR Activity Expenses | - | 15.00 | 10.00 | - |
| Loss on sale of PPE | - | - | 0.49 | - |
| Auditor Remuneration | 0.75 | 0.87 | 0.64 | 0.25 |
| Advertisement Expenses | - | - | - | 0.19 |
| Advertisement Expenses | 2.88 | | | |
| Awareness activities expenses | - | 0.11 | 2.71 | - |
| Bad debts W/off | - | - | 10.82 | 21.12 |
| Bank Charges | 0.12 | 0.33 | 0.28 | 0.04 |
| Business Promotion | 8.19 | 5.11 | 5.70 | 1.23 |
| Commission Charges | - | 74.10 | 106.63 | 87.93 |
| Computer Repair & Maintenance | - | 0.23 | 0.27 | 0.33 |
| Conveyance | 3.34 | 2.40 | 1.66 | 1.55 |
| Discount allowed | - | - | 2.08 | - |
| Donation | - | 1.00 | - | - |
| Electricity Charges | 1.50 | 2.14 | 1.44 | 1.23 |
| Event Expenses | - | - | - | 0.18 |
| Fair & Exhibition | 1.14 | 17.91 | 20.17 | - |
| Fees & Subscription Charges | 1.44 | 3.00 | 8.23 | 0.48 |
| Festival Expenses | - | 12.00 | 8.56 | 1.16 |
| Foreign Currency Charges | - | - | - | - |
| Foreign exchange fluctuation loss | - | - | - | - |
| Freight Charges | 1.94 | 7.63 | 18.39 | 1.61 |
| General Expenses | 0.19 | 0.85 | 2.37 | 0.25 |
| Govt. Fees | 10.97 | 4.16 | 0.41 | 2.80 |
| GST Demand | - | 3.22 | - | - |
| Import Services | - | 0.41 | - | - |
| Income Tax Demand | - | 0.16 | - | - |
| Insurance | 1.31 | 1.30 | 1.20 | 0.65 |
| Interest on GST | - | 2.06 | - | - |
| Interest on Income Tax | - | 6.06 | 8.54 | 7.45 |
| Interest on reversal of GST Tax | - | - | 0.03 | - |
| Interest on TDS/TCS | - | 0.07 | 0.37 | 0.92 |



| | | | | |
|--------------------------------------|--------------|---------------|---------------|---------------|
| Late Fees | - | 0.04 | - | - |
| Legal & Professional | 9.77 | 37.66 | 42.29 | 45.78 |
| Loading and Unloading Exp. | - | - | 0.14 | - |
| Meal Reimbursement | - | - | - | 0.20 |
| Miscellaneous Expenses | 2.47 | - | - | - |
| Office Expenses | 1.05 | 6.77 | 6.00 | 5.35 |
| Packing Charges | - | 0.16 | - | 0.37 |
| Penalty | - | 0.31 | - | - |
| Postage & Courier | 0.79 | 6.83 | 3.45 | 0.86 |
| Printing & Stationery | 0.57 | 1.00 | 0.83 | 0.91 |
| Provision for Doubtful Advances | - | 8.89 | - | - |
| Rent | 14.80 | 16.80 | 16.10 | 14.96 |
| Repair & Maintenance | 4.41 | 0.43 | 2.30 | 4.97 |
| Reversal of GST ITC | - | - | 0.56 | - |
| Service Charges | - | 3.25 | - | - |
| Telephone Exp. | 0.92 | 1.52 | 1.21 | 1.04 |
| Tender Fees | - | 1.11 | 0.25 | 1.70 |
| Travelling Expenses | 5.82 | 15.78 | 14.36 | 6.45 |
| Web Site Maintenance and Development | - | 0.75 | 0.10 | 0.57 |
| Scrap Collection Charges/EPR Charges | - | - | - | - |
| Total | 74.37 | 261.42 | 298.58 | 212.53 |

Note: The above statements should be read with the Restated Statement of Assets and Liabilities, Restated Statement of Profit and Loss and Restated Statement of Cash Flows, Significant accounting policies and notes on Restated Financial Informations appearing in Annexure I, II, III and IV respectively.

Note- II.9
Restated Statement of Earnings per Share

(Amount "Rs. in Lakhs", unless otherwise stated)

| Particulars | From 01-04-2023 to 30-09-2023 | For Year ended 31-03-2023 | For Year ended 31-03-2022 | For Year ended 31-03-2021 |
|---|-------------------------------|---------------------------|---------------------------|---------------------------|
| Calculation of Earnings per Share (EPS) | | | | |
| Profit/ (Loss) after tax as per Restated Statement of Profit & Loss | 650.84 | 1,001.82 | 745.23 | 583.38 |
| Weighted Average Number of Equity Shares | 2,10,52,800 | 2,10,73,593 | 2,11,03,200 | 2,11,03,200 |
| Earnings per share- EPS (in Rs.) | | | | |
| Basic | 3.09 | 4.75 | 3.53 | 2.76 |
| Diluted | 3.09 | 4.75 | 3.53 | 2.76 |

Note:

1. EPS Ratios have been calculated as follows:

Basic Earning per share = Restated Profit after Tax available to equity/ Weighted Average Number of Equity Shares

Diluted Earning per share = Restated Profit after Tax available to equity/ Weighted Average Number of Equity Shares

2. EPS for the period From 01-04-2023 to 30-09-2023 have not been annualised.

3. Weighted Average Number of shares are calculated after adjustment of Bonus issue for 1:1 dated 27th December 2023.



Annexure-V
Restated Statement of Accounting Ratios

| Sr. No. | Ratios | Numerator | Denominator | As at | | | | Change in September 2023 | change in 2023 | change in 2022 | Reason for September 2023 | Reason for changes in 2023 | Reason for changes in 2022 |
|---------|-----------------------------|--|---|---|-----------------|-----------------|-----------------|--------------------------|----------------|----------------|---------------------------|---------------------------------|---------------------------------------|
| | | | | 30th September 2023 ^(Note 1) | 31st March 2023 | 31st March 2022 | 31st March 2021 | | | | | | |
| 1 | Current Ratio | Current Assets | Current Liabilities | 3.68 | 2.99 | 2.72 | 2.06 | 22.84% | 9.97% | 31.78% | ---- | ---- | Due to increase in trade receivables |
| 2 | Debt Equity Ratio | Total Debts (Long term Borrowings + Short term Borrowings) | Total Equity (Equity Share capital + Reserve & Surplus) | - | - | 0.00 | 0.00 | N.A. | -100.00% | -40.76% | ---- | Due to repayments of borrowings | Due to increase in shareholder's fund |
| 3 | Debt-Service Coverage Ratio | Earnings available for debt service (Net profit before exceptional Items & tax expense + depreciation & amortization + Finance cost) | Total Debt Services (Finance cost + principle repayment of borrowings during the period/year) | N.A. | 677.53 | N.A. | 32.73 | N.A. | N.A. | N.A. | ---- | ---- | ---- |
| 4 | Return on Equity | Net profit after tax-Exceptional items | Average Total Equity [(Opening Equity Share capital + Opening Other equity + Closing | 24.44% | 48.57% | 54.62% | 83.23% | -49.68% | -11.07% | 34.37% | Ratio not annualised | ---- | Due to increase in average equity |



| | | | | | | | | | | | | | |
|----|---------------------------------|--|---|--------|--------|--------|--------|---------|---------|---------|----------------------|--|---|
| | | | Equity Share Capital + Closing Other Equity)/2] | | | | | | | | | | |
| 5 | Inventory Turnover Ratio | Revenue from sales of products | Average Inventory [(opening balance + closing balance)/2] | 200.82 | 406.21 | 96.30 | 45.12 | -50.56% | 321.81% | 113.42% | Ratio not annualised | Increase in turnover due to EPR services | Increase in turnover due to EPR services |
| 6 | Trade Receivable Turnover Ratio | Revenue from operations | Average trade receivable [(Opening balance + closing balance)/2] | 1.58 | 2.11 | 2.09 | 2.81 | -25.31% | 1.11% | -25.48% | Ratio not annualised | ----- | Increase in trade receivables due to EPR services |
| 7 | Trade Payable Turnover Ratio | Purchases | Average trade payable [(Opening balance + closing balance)/2] | 1.00 | 3.05 | 3.06 | 3.15 | -67.29% | -0.28% | -2.94% | Ratio not annualised | ----- | Increase in total purchases |
| 8 | Net Capital Turnover Ratio | Revenue from operations | Working capital (Current asset-current liabilities) | 1.33 | 1.87 | 1.99 | 2.77 | -29% | -6.44% | -27.97% | Ratio not annualised | ----- | Due to increase in working capital |
| 9 | Net Profit Ratio | Net profit after tax and Exceptional items | Revenue from operations | 17.60% | 23.56% | 22.72% | 22.86% | -25.27% | 3.68% | -0.63% | Ratio not annualised | ----- | ----- |
| 10 | Return on capital Employed | Profit Before interest, Tax & Exceptional item | Capital Employed (Tangible Net | 30.01% | 55.98% | 58.15% | 76.58% | -46.39% | -3.73% | 24.07% | Ratio not annualised | ----- | ----- |



| | | | | | | | | | | | | | |
|----|----------------------|--|--|-------|-------|-------|-------|-----|------|------|------|------|------|
| | | | Worth+Total Debt+Deferred Tax Liability) | | | | | | | | | | |
| 11 | Return on Investment | Interest Income on fixed deposits + Profit on sale of investments + Income of investment - impairment on value of investment | Current investments + Non-current Investments + Fixed deposits with bank | 0.03% | 0.00% | 0.00% | 0.00% | N.A | N.A. | N.A. | ---- | ---- | ---- |

Note:- Figures for the period from 1st April 2023 to 30th September 2023 are not annualised.

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Annexure-V.I

Restated Statement of Accounting Ratios

(Amount "Rs. in Lakhs", unless otherwise stated)

| Particulars | As at 30th September 2023 | As at 31st March 2023 | As at 31st March 2022 | As at 31st March 2021 |
|---------------------------------------|---------------------------------|--------------------------|--------------------------|--------------------------|
| Current Assets (A) | 3,825.35 | 3,423.10 | 2,600.07 | 1,786.83 |
| Current Liabilities(B) | 1,040.61 | 1,143.84 | 955.48 | 865.31 |
| Total Debt/ Liabilities (C) | - | - | 2.00 | 2.00 |
| Shareholder's Equity (D) | 2,913.74 | 2,411.51 | 1,713.57 | 1,015.14 |
| Net Profit /(loss) After Tax (E)* | 650.84 | 1,001.82 | 745.23 | 583.38 |
| Average Shareholders Fund (F) | 2,662.63 | 2,062.54 | 1,364.36 | 700.95 |
| Sales/ Revenue from Operation(G) | 1,848.58 | 4,253.02 | 3,280.00 | 2,551.42 |
| Opening Stock | 8.43 | 12.51 | 55.61 | 57.48 |
| Closing Stock | 9.98 | 8.43 | 12.51 | 55.61 |
| Average Stock (H) | 9.21 | 10.47 | 34.06 | 56.55 |
| Sales (I) | 3,697.16 | 4,253.02 | 3,280.00 | 2,551.42 |
| Opening Debtors | 2,189.33 | 1,832.44 | 1,303.73 | 514.14 |
| Closing Debtors | 2,491.53 | 2,189.33 | 1,832.44 | 1,303.73 |
| Average Debtors (J) | 2,340.43 | 2,010.89 | 1,568.09 | 908.94 |
| Total Purchases (K) | 773.04 | 2,396.05 | 1,745.89 | 1,349.11 |
| Opening Creditors | 876.18 | 696.36 | 446.24 | 410.74 |
| Closing Creditors | 674.77 | 876.18 | 696.36 | 446.24 |
| Average Creditors (L) | 775.48 | 786.27 | 571.30 | 428.49 |
| Working Capital (M) | 2,784.74 | 2,279.26 | 1,644.58 | 921.52 |
| EBIT (N)* | 874.44 | 1,350.02 | 997.59 | 778.92 |
| Capital Employed (O) | 2,913.74 | 2,411.51 | 1,715.57 | 1,017.14 |
| | | | | |
| Current Ratio (A/B) | 3.68 | 2.99 | 2.72 | 2.06 |
| Debt Equity Ratio (C/D) | - | - | 0.00 | 0.00 |
| Debt Service Coverage Ratio | N.A. | 677.53 | N.A. | 32.73 |
| Return on Equity (%) (E/F) | 24.44% | 48.57% | 54.62% | 83.23% |
| Inventory Turnover Ratio (G/H) | 200.82 | 406.21 | 96.30 | 45.12 |
| Trade Receivable Turnover Ratio (I/J) | 1.58 | 2.11 | 2.09 | 2.81 |
| Trade Payables Turnover Ratio (K/L) | 1.00 | 3.05 | 3.06 | 3.15 |
| Net Capital turnover Ratio (I/M) | 1.33 | 1.87 | 1.99 | 2.77 |
| Net Profit Ratio (E/I) | 17.60% | 23.56% | 22.72% | 22.86% |
| Return on Capital Employed (N/O) | 30.01% | 55.98% | 58.15% | 76.58% |
| Return on Investments | 0.03% | 0.00% | 0.00% | 0.00% |

Note:

* Figures for the period from 1st April 2023 to 30th September 2023 are not annualised.



The Ratios have been computed as below:

| |
|--|
| 1. Current Ratio= Current Assets/ Current Liabilities. |
| 2. Debt Equity Ratio = Total Liabilities (Borrowings)/ Total Equity |
| 3. Debt Service Coverage Ratio = Earnings available for debt service/Total Debt Services |
| 4. Return on Equity = Profit after Tax/ Average Shareholders Fund |
| 5. Inventory Turnover Ratio = COGS/Average Stock |
| 6. Trade Receivable Turnover Ratio = Sales/ Average Debtor |
| 7. Trade Payable Turnover Ratio = Purchase/ Average Creditor |
| 8. Net Capital Turnover Ratio = Sales/ Working Capital |
| 9. Net Profit Ratio = Profit After Tax/Total Sales |
| 10. Return on Capital Employed = EBIT/ Capital Employed |
| 11. The company does not have any revaluation reserves or extraordinary items. |

Annexure- VI Restated Statement of Capitalisation

Capitalisation Statement

The following table sets forth our Company's capitalisation as at September 30, 2023, on the basis of the restated financial information, and as adjusted for the Offer. This table should be read in conjunction with the sections titled "Risk Factors", "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" respectively.

(Amount "Rs. in Lakhs", unless otherwise stated)

| Particulars | Pre offer as at September 30,2023 | As adjusted for the proposed Offer* |
|---|---|---|
| Borrowings: | | |
| Long term borrowings (A) | 0.00 | [•] |
| Short term borrowings (B) | | [•] |
| Total borrowings (C) | 0.00 | [•] |
| Equity: | | |
| Equity share capital | 526.32 | [•] |
| Reserves and surplus | 2387.42 | [•] |
| Total equity (D) | 2913.74 | [•] |
| Ratio: Total borrowings (C)/ Total equity (D) | - | [•] |

The corresponding post IPO capitalization data for each of the amounts given in the above table is not determinable at this stage pending the completion of the Book Building process and hence the same have not been provided in the above statement.

Annexure VII Restated Statement of Tax shelters

(Amount "Rs. in Lakhs", unless otherwise stated)

| Particulars | 30th September 2023 | 31st March 2023 | 31st March 2022 | 31st March 2021 |
|---------------------|---------------------------|-----------------------|-----------------------|-----------------------|
| Tax Rates | | | | |
| Income tax rate (%) | 22.00% | 22.00% | 22.00% | 22.00% |
| Surcharge | 10.00% | 10.00% | 10.00% | 10.00% |



| | | | | |
|--|---------------|-----------------|-----------------|---------------|
| Health & Education cess | 4.00% | 4.00% | 4.00% | 4.00% |
| Income tax rate (%) | 25.17% | 25.17% | 25.17% | 25.17% |
| Minimum alternate tax (MAT) rate (%) | 15.00% | 15.00% | 15.00% | 15.00% |
| Surcharge (if income exceeds Rs. 1 Cr.) | 7.00% | 7.00% | 7.00% | 7.00% |
| Health & Education cess | 4.00% | 4.00% | 4.00% | 4.00% |
| Minimum alternate tax (MAT) rate (%) ^(Note 1) | N.A. | N.A. | N.A. | N.A. |
| Income from business or profession | | | | |
| Restated profit before tax as per books (B) | 874.44 | 1,350.02 | 997.59 | 778.85 |
| Timing differences during the year | | | | |
| <u>Expenses allowable/ disallowable subject to provisions of Income tax Act: -</u> | | | | |
| Depreciation | 2.62 | -3.15 | -3.29 | 17.29 |
| Total timing differences during the year (C) | 2.62 | -3.15 | -3.29 | 17.29 |
| Permanent differences during the year | | | | |
| Expenses disallowed u/s 37 of the Income tax Act | - | 22.60 | 19.41 | 8.37 |
| Total permanent differences (D) | - | 22.60 | 19.41 | 8.37 |
| Taxable income (E) = (B+C+D) | 877.06 | 1,369.47 | 1,013.71 | 804.51 |
| Income tax payable under normal provisions | 220.74 | 313.33 | 231.94 | 184.07 |
| Tax payable on restated profits | 220.74 | 313.33 | 231.94 | 184.07 |
| Tax payable as per return | Nil* | 313.33 | 231.94 | 184.07 |
| Differences | | - | - | - |

*Amount is Nil as return for Sept 2023 is not to be filed.

(1) The Company had opted for taxation under Section 115BAA of the Income tax Act, 1961 ("the Act") with effect from Assessment Year 2020- 2021, whereby the provisions of Minimum Alternate Tax (MAT) referred to in under Section 115JB of the Act are not applicable.

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OTHER FINANCIAL INFORMATION

For Details on other financial information please refer to “Ratios” on page under the chapter titled Financial Statements as Restated beginning on page 190 of this Draft Red Herring Prospectus.

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MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULT OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our restated financial statements included in the Draft Red Herring Prospectus. You should also read the section entitled "Risk Factors" beginning on page 31, which discusses several factors, risks and contingencies that could affect our financial condition and results of operations. The following discussion relates to our Company and is based on our restated financial statements, which have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI Regulations. Portions of the following discussion are also based on internally prepared statistical information and on other sources. Our fiscal year ends on March 31 of each year, so all references to a particular fiscal year ("Fiscal Year") are to the twelve-month period ended March 31 of that year.

The financial statements have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI (ICDR) Regulations and restated as described in the report of our auditors dated December 29, 2023 which is included in this Draft Red Herring Prospectus under the section titled "*Restated Financial Information*" beginning on page 190 of this Draft Red Herring Prospectus. The restated financial statements have been prepared on a basis that differs in certain material respects from generally accepted accounting principles in other jurisdictions, including US GAAP and IFRS. We do not provide a reconciliation of our restated financial statements to US GAAP or IFRS and we have not otherwise quantified or identified the impact of the differences between Indian GAAP and U.S. GAAP or IFRS as applied to our restated financial statements.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors such as those described under "*Risk Factors*" and "*Forward Looking Statements*" beginning on pages 31 and 21 respectively, and elsewhere in this Draft Red Herring Prospectus. Accordingly, the degree to which the financial statements in this Draft Red Herring Prospectus will provide meaningful information depend entirely on such potential investor's level of familiarity with Indian accounting practices. Please also refer to section titled "*Presentation of Financial, Industry and Market data*" beginning on page 19 of this Draft Red Herring Prospectus.

BUSINESS OVERVIEW

GEM Enviro Management Limited ("GEM") is a forward-thinking company dedicated to addressing one of the most pressing environmental challenges of India: plastic waste management and the implementation of Extended Producer Responsibility (EPR) programs. GEM Enviro is specialising in collection and recycling of packaging waste and promotion of recycled green products. We are a Waste Management Agency (WMA) providing sustainability services to our clients and thereby addressing the profound environmental issues posed by waste. We provide a range of services, including EPR (Extended Producer Responsibility) compliance, Scrap Management, ESG (Environment, Social and Governance) Consulting, BRSR (Business Responsibility and Sustainability Reporting) Reporting, Project Advisory and Management of Plastic Credits, Sales and Marketing of recycled products, and Eco-Awareness Campaigns, adopting a closed-loop model that significantly reduces the environmental impact. For further details on business of the Company refer to section titled "Our Business" beginning on page 122 of this Draft Red Herring Prospectus.

SIGNIFICANT DEVELOPMENTS SUBSEQUENT TO THE LAST FINANCIAL YEAR AND STUB PERIOD

As per mutual discussion between the Board of the Company and BRLMs, in the opinion of the Board of the Company there have not arisen any circumstances since the date of the last financial statements as disclosed



in the Draft Red Herring Prospectus and which materially and adversely affect or is likely to affect within the next twelve months except as follows:

- The shareholders of our Company appointed Mr. Sachin Sharma as Managing Directors in the Extra-Ordinary General Meeting held on November 01, 2023.
- The shareholders of our Company appointed M/s Rajiv Mehrotra & Associates, Chartered Accountant, as Statutory Auditor of the Company in the Extra-Ordinary General Meeting held on November 01, 2023.
- The shareholders of our Company regularise the appointment of Mrs. Mamta Gupta and Mr. Anil Kumar Behl as Non- Executive Independent Director of the Company in the Extra-Ordinary General Meeting held on November 01, 2023.
- The shareholders of our Company authorized the board to sell, lease, or otherwise dispose undertaking of Company pursuant to Section 180(1)(a) of the Companies Act, 2013 in the Extra-Ordinary General Meeting held on November 01, 2023.
- The shareholders of our Company authorized the board to borrow money pursuant to Section 180(1)(c) of the Companies Act, 2013 in the Extra-Ordinary General Meeting held on November 01, 2023.
- The shareholders of our Company authorized the board to make loan(s) and give guarantee(s), provide security(ies) or make investments in excess of the prescribed limit as mentioned under Section 186 of the Companies Act, 2013 in the Extra-Ordinary General Meeting held on November 01, 2023.
- The shareholders of our Company increased the authorized share capital to ₹ 15,00,00,000/- divided into 3,00,00,000 Equity Shares of ₹ 5.00/- each in the Extra-Ordinary General Meeting held on November 01, 2023.
- The Board of Directors of our Company has approved and passed resolution on December 06, 2023 to authorize the Board of Directors to approve the Initial Public Offer.
- The Board of Directors of our Company has allotted 1,05,26,400 equity shares as Bonus Issue in the ratio of 1:1 in the board meeting dated December 27, 2023.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business is subjected to various risks and uncertainties, including those discussed in the section titled “**Risk Factor**” beginning on page 31 of this Draft Red Herring Prospectus. Our results of operations and financial conditions are affected by numerous factors including the following:

- Any adverse changes in central or state government policies.
- Company’s results of operations and financial performance.
- Our ability to attract and retain qualified Personnel.
- Our success depends on the continued services and performance of the members of our management team and other key employees.
- We rely on third party transportation and other logistic facilities at every stage of our business activity including for procurement materials
- Market fluctuations and industry dynamics are beyond our control.
- Failure to adapt to the changing needs of industry and in particular government policies and regulations may adversely affect our business and financial condition;
- Unfavorable economic development.
- Our ability to successfully execute our growth strategies.
- General Economic and Market Conditions.
- Changes, if any, in the regulations / regulatory framework / economic policies in India and / or in foreign countries, which affect national & international finance.



SIGNIFICANT ACCOUNTING POLICIES

For Significant accounting policies please refer “Significant Accounting Policies”, under Chapter titled Financial Information beginning on page 190 respectively of the Draft Red Herring Prospectus.

CHANGE IN ACCOUNTING POLICIES

Except as mentioned in chapter “Financial Information” on page 190 of this Draft Letter of Offer, there has been no change in the accounting policies during the Fiscal 2023- and six-months period ended September 30, 2023.

RESERVATIONS, QUALIFICATIONS AND ADVERSE REMARKS

There are no reservations or qualifications or adverse remarks in the auditors’ report on restated financial statements.

SUMMARY OF THE RESULT OF OPERATIONS

Our Results of Operations

The following discussion on the financial operations and performance should be read in conjunction with the financial results of the company.

Amount in ₹ lakhs

| Particulars | For the period ended on | | | | | | | |
|--|-------------------------|----------------|-----------------|----------------|-----------------|----------------|-----------------|----------------|
| | 30-09-2023 | (%)* | 31-03-2023 | (%)* | 31-03-2022 | (%)* | 31-03-2021 | (%)* |
| 1 Total Revenue: | | | | | | | | |
| Revenue from Operations | 1,848.58 | 99.20% | 4,253.02 | 99.36% | 3,280.00 | 99.65% | 2,551.42 | 99.64% |
| Other income | 14.88 | 0.80% | 27.55 | 0.64% | 11.48 | 0.35% | 9.16 | 0.36% |
| Total Revenue | 1,863.46 | 100.00% | 4,280.57 | 100.00% | 3,291.48 | 100.00% | 2,560.58 | 100.00% |
| 2 Expenses: | | | | | | | | |
| (a) Purchases | 40.56 | 2.18% | 651.05 | 15.21% | 240.19 | 7.30% | 379.24 | 14.81% |
| (b) Operating expenses | 732.86 | 39.33% | 1,767.63 | 41.29% | 1,521.60 | 46.23% | 1,009.22 | 39.41% |
| (c) Changes in inventories of stock- in- trade | -1.55 | -0.08% | 4.08 | 0.10% | 43.10 | 1.31% | 1.87 | 0.07% |
| (d) Employee Benefit Expenses | 140.16 | 7.52% | 241.33 | 5.64% | 184.52 | 5.61% | 148.70 | 5.81% |
| (e) Finance cost | - | 0.00% | - | 0.00% | - | 0.00% | 0.07 | 0.00% |
| (f) Depreciation and amortization | 2.62 | 0.14% | 5.04 | 0.12% | 5.90 | 0.18% | 30.10 | 1.18% |
| (g) Other expenses | 74.37 | 3.99% | 261.42 | 6.11% | 298.58 | 9.07% | 212.53 | 8.30% |
| Total Expenses | 989.02 | 53.07% | 2,930.55 | 68.46% | 2,293.89 | 69.69% | 1,781.73 | 69.58% |
| 3 Profit/(Loss) Before Tax | 874.44 | 46.93% | 1,350.02 | 31.54% | 997.59 | 30.31% | 778.85 | 30.42% |
| Current Tax | 220.78 | 11.85% | 345.72 | 8.08% | 253.11 | 7.69% | 203.14 | 7.93% |
| Earlier Year Tax | 3.52 | 0.19% | 2.74 | 0.06% | -0.83 | -0.03% | - | 0.00% |
| Deferred Tax | -0.70 | -0.04% | -0.26 | -0.01% | 0.08 | 0.00% | -7.67 | -0.30% |
| 4 Total Tax Expenses | 223.60 | 12.00% | 348.20 | 8.13% | 252.36 | 7.67% | 195.47 | 7.63% |



| | | | | | | | | | |
|---|---|--------|--------|----------|--------|--------|--------|--------|--------|
| 5 | Profit After Tax | 650.84 | 34.93% | 1,001.82 | 23.40% | 745.23 | 22.64% | 583.38 | 22.78% |
| 6 | Earnings per Equity Share of Rs. 10/- each* | | | | | | | | |
| | -Basic | 3.09* | | 4.75 | | 3.53 | | 2.76 | |
| | -Diluted | 3.09* | | 4.75 | | 3.53 | | 2.76 | |

* % of Total Income; **September figures are not annualised

Overview of Revenue and Expenses

The following discussion on results of operations should be read in conjunction with the Restated Financial Statements for the period ended September 30, 2023 and for Fiscal 2023, 2022 & 2021. Our revenue and expenses are reported in the following manner:

Total Revenues

◆ Revenue of operations:

Our Company's revenue is primarily generated from sales from service and sale of products in waste management industry.

◆ Other Income:

The Other Income mainly comprises of Interest Received, Dividend Income, Discount Received and other miscellaneous income.

Expenses

Our expenses primarily consist of Purchases, Operating Expenses, Change of inventories of stock in trade, Employee Benefits Expenses, Finance Cost, Depreciation and amortisation, Other Expenses.

◆ Purchases

It includes the cost for Scrap & Waste Purchase and Purchase of Garments for resale in a business.

◆ Operating Expenses

It includes the cost of Scrap Collection Charges/ EPR charges, Job Work, Plastik Cutting Charges, Packing Material, Wages, and Loading & Unloading charges.

◆ Changes in Inventories of Finished Goods, Stock-in-Trade and Work in Progress

It is the difference of Closing Stock and Opening Stock of Traded Goods.

◆ Employment Benefit Expenses

It includes Director's Remuneration, Salaries & Allowances, Gratuity Expense, Bonus and Staff Welfare Expense related to Employees.



◆ Finance Costs

Finance cost consist of interest expenses on borrowings.

◆ Depreciation, Amortisation and Impairment

It includes Depreciation on Computers, Vehicles, Plant & Machinery, Office Equipment, Furniture & Fittings.

◆ Other Expenses

Other expense mainly comprises of expenses related to Administrative and General Expenses, Communication and Travelling, Legal, Professional and Consultation, Sales and Marketing Expenses, Freight Packaging and Insurance and Auditor Remuneration.

◆ Tax Expenses

Tax expense comprises of Current Tax, Earlier Year Tax, and Deferred Tax.

STUB PERIOD ENDED SEPTEMBER 30, 2023 (BASED ON RESTATED FINANCIAL STATEMENTS)

REVENUES

◆ Total Income

Total Income on standalone basis for the period ended September 30, 2023, stood at ₹ 1863.46 lakhs.

◆ Revenue of operations

Revenue from operation for the period ended September 30, 2023, stood at ₹ 1,848.58 lakhs which is 99.20% of the Total Income.

◆ Other Income

Other Income for the period ended September 30, 2023, stood at ₹ 14.88 lakhs which is 0.80% of the Total Income.

EXPENDITURE

◆ Total Expenses

Our Total Expenses for the period ended September 30, 2023, stood at ₹ 989.02 lakhs which is 53.07% of the Total Income.

◆ Purchases



Purchases for the period ended September 30, 2023, stood at ₹ 40.56 lakhs which is 2.18% of the Total Income.

◆ **Operating Expenses**

Our Operating expenses for the period ended September 30, 2023 stood at ₹732.86 lakhs which is 39.33% of the Total Income.

◆ **Changes in inventories of stock-in-trade**

Changes in inventories for stock-in-trade for the period ended September 30, 2023, stood at ₹ (1.55) lakhs which is -0.08% of the Total Income.

◆ **Employment Benefit Expenses**

Employment Benefit Expenses for the period ended September 30, 2023, stood at ₹ 140.16 lakhs which is 7.52% of the Total Income.

◆ **Finance Cost**

Finance Cost for the period ended September 30, 2023, is Nil, as the company has no Short term or Long term borrowings.

◆ **Depreciation and Amortization Expenses**

Depreciation and Amortization Expenses for the period ended September 30, 2023, stood at ₹ 2.62 lakhs which is 0.14% of the Total Income.

◆ **Other Expenses**

Other Expenses for the period ended September 30, 2023, stood at ₹ 74.37 lakhs which is 3.99% of the Total Income.

◆ **Restated Profit before Tax**

Restated profit before tax for the period ended September 30, 2023, stood at ₹ 874.44 lakhs which is 46.93% of the Total Income.

◆ **Tax Expenses**

Tax Expenses on for the period ended September 30, 2023, stood at ₹ 223.60 lakhs out of which current year tax is ₹ 220.78 lakhs, earlier year tax is ₹ 3.52 lakhs and Deferred Tax is ₹ (0.70) lakhs, the Total Tax expense being 12% of the Total Income.

◆ **Restated Profit after Tax**



Restated Profit After Tax for the period ended September 30, 2023, stood at ₹ 650.84 lakhs which is 34.93 % of the Total Income.

◆ **FISCAL YEAR ENDED MARCH 31, 2023 COMPARED WITH THE FISCAL YEAR ENDED MARCH 31, 2022 (BASED ON RESTATED FINANCIAL STATEMENTS)**

◆ **Total Revenue**

Total Income for the period ended March 31, 2023, stood at ₹ 4,280.57 lakhs whereas in Financial Year 2021-22 it stood at ₹ 3,291.48 lakhs representing an increase of 30.05%. due to the factors described below:

◆ **Revenue from operations**

Our revenue from operations increased by 29.67% to ₹ 4,253.02 lakhs for the financial year 2022-23 from ₹ 3,280 lakhs for the financial year 2021-22. Revenue from operation increased primarily because of increase in sales as compared to previous financial year. Revenue breakup of the same is as follows: The revenue breakup is as follows:

| Revenue | <i>Amount in ₹ lakhs</i> | |
|------------------|--------------------------|-----------------|
| | FY 2022-23 | FY 2021-22 |
| Sale of Products | 748.29 | 340.40 |
| Sale of Services | 3,504.73 | 2,939.60 |
| TOTAL | 4,253.02 | 3,280.00 |

◆ **Other Income**

The other income increased by 139.82% to ₹ 27.55 lakhs for the financial Year 2022-23 from ₹ 11.48 lakhs for the financial year 2021-22. During the fiscal 2022 and 2023, the increase was mainly due to increase in interest income.

Total Expenses

Total Expenses increased by ₹ 636.66 lakhs and 27.75%, from ₹ 2,293.89 lakhs in the financial year ended March 31, 2022, to ₹ 2,930.55 lakhs in the financial year ended March 31, 2023. Our total expenses increased due to the factors described below:

◆ **Purchases**

Purchases for the Period ended March 31, 2023, stood at ₹ 651.05 lakhs whereas in FY ended March 31, 2022 it stood at ₹ 240.19 lakhs representing an increase of 171.06%. As the company undergoes expansion in its operations and enters a growth stage, there is a notable rise in consumption costs, driven mainly due to higher purchases during the years.

◆ **Operating Expenses**

The operating expenses in terms of value and percentage increased by ₹ 246.03 lakhs and 16.17% respectively from ₹ 1,521.60 lakhs in Fiscal 2022 to ₹ 1,767.63 lakhs in Fiscal 2023. The change was due to higher Scrap Collection Charges/ EPR Charges and Plastic cutting charges.



◆ **Changes in Inventories of Stock-in-Trade**

The changes inventories of stock-in-trade for the Fiscal 2023 were ₹ 4.08 lakhs as compared to ₹ 43.10 lakhs for the Fiscal 2022. The decreases in Changes in inventories of stock-in-trade is due to lower opening stock of trade goods.

◆ **Employee Benefit Expenses**

Employee Benefit Expenses in terms of value and percentage increased by ₹ 56.81 lakhs and 30.79% from ₹ 184.52 lakhs in the Fiscal 2022 to ₹ 241.33 lakhs in the Fiscal 2023. Overall employee cost has increased due to increase in general increment in salary & incentives to employees.

◆ **Finance Costs**

The finance cost for the fiscal 2023 is Nil due to no outstanding borrowings.

◆ **Depreciation & Amortization Expenses**

The Depreciation and Amortization Expenses for the Period ended March 31, 2023, stood at ₹ 5.04 lakhs whereas in Financial Year 2021-22 it stood at ₹ 5.90 lakhs representing decrease of 14.58%. Depreciation and Amortization Expenses has been decreased because of lower depreciation charges in fiscal 2023.

◆ **Other Expenses**

Other Expenses in terms of value and percentage decreased by ₹ 37.16 lakhs and 12.45 % from ₹ 298.58 lakhs in the Fiscal 2022 to ₹ 261.42 lakhs in the Fiscal 2023. Other Expenses has decreased mainly due decrease in Sales and Marketing Expenses and Freight, Packing and Insurance.

◆ **Profit Before Tax**

Profit before tax has increased by ₹ 352.43 lakhs and 35.3% from ₹ 997.59 lakhs in the Fiscal 2022 to ₹ 1,350.02 lakhs in the Fiscal 2023. Profit before Tax has increased due to increase revenue.

◆ **Tax Expense**

Our tax expenses increased by ₹ 95.84 lakhs from ₹ 252.36 lakhs in FY ended March 31, 2022 to ₹ 348.20 lakhs in FY ended March 31, 2023.

◆ **Net Profit After Tax**

Net Profit has increased by ₹ 256.59 lakhs from profit of ₹ 745.23 lakhs in Fiscal 2022 to profit of ₹ 1,001.82 lakhs in the Fiscal 2023.

FISCAL YEAR ENDED MARCH 31, 2022 COMPARED WITH THE FISCAL YEAR ENDED MARCH 31, 2021 (BASED ON RESTATED FINANCIAL STATEMENTS)



Total Revenue

Total Income for the period ended March 31, 2022, stood at ₹ 3,291.48 lakhs whereas in Financial Year 2020-21 it stood at ₹ 2,560.58 lakhs representing an increase of 28.54%. due to the factors described below:

◆ Revenue from operations

Our revenue from operations increased by 28.56% to ₹ 3,280.00 lakhs for the financial year 2021-22 from ₹ 2,551.42 lakhs for the financial year 2020-21. Revenue from operation increased primarily because of increase in sales as compared to previous financial year. Revenue breakup of the same is as follows: The revenue breakup is as follows:

| Revenue | Amount in ₹ lakhs | |
|------------------|-------------------|-----------------|
| | FY 2021-22 | FY 2020-21 |
| Sale of Products | 340.40 | 483.96 |
| Sale of Services | 2,939.60 | 2,067.46 |
| TOTAL | 3,280.00 | 2,551.42 |

◆ Other Income

The other income increased by 25.33% to ₹ 11.48 lakhs for the financial Year 2021-2022 from ₹ 9.16 lakhs for the financial year 2020-21. During the year ended 2022, the increase was mainly due to increase in discount received and excess provision written back.

Total Expenses

Total Expenses increased by ₹ 512.16 lakhs and 28.75%, from ₹1,781.73 lakhs in the financial year ended March 31, 2021, to ₹ 2,293.89 lakhs in the financial year ended March 31, 2022. Our total expenses increased due to the factors described below:

◆ Purchases

Purchases for the Period ended March 31, 2022, stood at ₹ 240.19 lakhs whereas in FY ended March 31, 2021 it stood at ₹ 379.24 lakhs representing an decrease of 36.67%. The decrease is primarily due to lower purchase of scrap and waste.

◆ Operating Expenses

The operating expenses in terms of value and percentage increased by ₹ 512.38 lakhs and 50.77% respectively from ₹ 1,009.22 lakhs in Fiscal 2021 to ₹ 1,521.60 lakhs in Fiscal 2023. The change was due to higher Scrap Collection Charges/ EPR Charges and Plastic cutting charges.

◆ Changes in Inventories of Stock-in-Trade

The changes inventories of finished goods, stock-in-trade and work in progress for the Fiscal 2022 were ₹ 43.10 lakhs as compared to ₹ 1.87 lakhs for the Fiscal 2021. The change is due to higher opening balance of stocks.



◆ **Employee Benefit Expenses**

Employee Benefit Expenses in terms of value and percentage increased by ₹ 35.82 lakhs and 24.09% from ₹ 148.70 Lakhs in the Fiscal 2021 to ₹ 184.52 Lakhs in the Fiscal 2022. Overall employee cost has increased due to increase in general increment in salary & incentives to employees.

◆ **Finance Costs**

The finance cost for the fiscal 2023 is Nil due to no outstanding borrowings.

◆ **Depreciation & Amortization Expenses**

The Depreciation and Amortization Expenses for the Period ended March 31, 2022, stood at ₹ 5.90 lakhs whereas in Financial Year 2020-21 was stood at ₹ 30.10 lakhs representing decrease of 80.40%. Depreciation and Amortization Expenses has been decreased because of lower depreciation charges in fiscal 2022.

◆ **Other Expenses**

Other Expenses in terms of value and percentage increased by ₹ 86.05 lakhs and 40.49 % from ₹ 212.53 lakhs in the Fiscal 2021 to ₹ 298.58 lakhs in the Fiscal 2022. Other Expenses has increased mainly due increase in expenses.

◆ **Profit Before Tax**

Profit before tax has increased by ₹ 218.74 lakhs and 28.08% from ₹ 778.85 lakhs in the Fiscal 2021 to ₹ 997.59 lakhs in the Fiscal 2022. Profit before Tax has increased due to increase revenue.

◆ **Tax Expense**

Our tax expenses increased by ₹ 56.89 lakhs from ₹ 195.47 lakhs in FY ended March 31, 2021 to ₹ 252.36 lakhs in FY ended March 31, 2022.

◆ **Net Profit After Tax**

Net Profit has increased by ₹ 161.85 lakhs from profit of ₹ 583.38 lakhs in Fiscal 2021 to profit of ₹ 745.23 Lakhs in the Fiscal 2022.

RELATED PARTY TRANSACTIONS

Related party transactions with certain of our promoters, directors and their entities and relatives primarily relate to remuneration, salary, commission and Issue of Equity Shares. For further details of related parties kindly refer chapter titled “Financial Information” beginning on page 190 of this Draft Red Herring Prospectus.

INFORMATION REQUIRED AS PER ITEM (II) (C) (IV) OF PART A OF SCHEDULE VI TO THE SEBI REGULATIONS:



1. Unusual or infrequent events or transactions

Except as described in this Draft Red Herring Prospectus, during the periods under review there have been no transactions or events, which in our best judgment, would be considered unusual or infrequent.

2. Significant economic changes that materially affected or are likely to affect income from continuing operations

Other than as described in the section titled Risk Factors beginning on page 31 of this Draft Red Herring Prospectus, to our knowledge there are no known significant economic changes that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

3. Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations

Other than as described in this Draft Red Herring Prospectus, particularly in the sections Risk Factors and Management's Discussion and Analysis of Financial Condition and Results of Operations on pages 31 and 234, respectively, to our knowledge, there are no known trends or uncertainties that are expected to have a material adverse impact on our revenues or income from continuing operations.

4. Income and Sales on account of major product/main activities

Income and sales of our Company on account of major activities derives from the business of Sales from Service Activities and Sale of Products in Waste Management Industry.

5. Future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known.

Our Company's future costs and revenues can be indirectly impacted by an increase in employees benefit costs as the company require more employee in future.

6. Future relationship between Costs and Income

Our Company's future costs and revenues will be determined by competition, demand/supply situation, Indian/ State Government Policies, foreign exchange rates and interest rates quoted by banks & others.

7. Extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices.

Increases in our revenues are by and large linked to increases in the volume of business.

8. Total turnover of each major industry segment in which the issuer company operates.

The Company is operating in Waste Management Industry. Relevant industry data, as available, has been included in the chapter titled "Industry Overview" beginning on page 108 of this Draft Red Herring Prospectus.

9. Status of any publicly announced new products or business segments.



Our Company has not announced any new services and product and segment / scheme, other than disclosure in this Draft Red Herring Prospectus.

10. The extent to which the business is seasonal

Our business is not seasonal in nature.

11. Competitive Conditions

We face competition from existing and potential competitors which is common for any business. Over a period of time, we have developed certain competitive strengths which have been discussed in section titled Our Business on page 122 of this Draft Red Herring Prospectus.

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SECTION VII - LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Except, as stated in this section and mentioned elsewhere in this Draft Red Herring Prospectus there are no litigations including, but not limited to suits, criminal proceedings, civil proceedings, actions taken by regulatory or statutory authorities or legal proceedings, including those for economic offences, tax liabilities, show cause notice or legal notices pending against our Company, Directors, Promoters, Group Companies or against any other company or person/s whose outcomes could have a material adverse effect on the business, operations or financial position of the Company and there are no proceedings initiated for economic, civil or any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (a) of Part I of Schedule V of the Companies Act, 2013) other than unclaimed liabilities of our Company, and no disciplinary action has been taken by SEBI or any stock exchange against the Company, Directors, Promoters or Group Companies.

Except as disclosed below there are no:

- a) litigation or legal actions, pending or taken, by any Ministry or department of the Government or a statutory authority against our Promoters during the last five years;
- b) direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action;
- c) pending proceedings initiated against our Company for economic offences;
- d) default and non-payment of statutory dues by our Company;
- e) inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous companies'
- f) law in the last five years against our Company, including fines imposed or compounding of offences done in those five years;
- g) material frauds committed against our Company in the last five years.
- h) Litigation pending against the company or against any other company in which directors are interested, whose outcome could have a materially adverse effect on the financial position of the company
- i) Pending litigation against the promoter/director in their personal capacities and also involving violation of statutory regulation or criminal offences.
- j) Pending proceeding initiated for economic offences against the director, Promoter, companies and firms promoted by the promoters.
- k) Outstanding litigation, defaults etc. pertaining to matters likely to affect the operations and finances of the company including disputed tax liability or prosecution under any enactment.

Pursuant to SEBI ICDR Regulations, all other pending litigations except criminal proceedings, statutory or regulatory actions and taxation matters involving our Company, Promoters, Directors and Group Companies/entities, would be considered material for the purposes of disclosure if:

- a) the monetary amount of the claim made by or against the Company and directors in any such pending litigation is equal to or in excess of 10% of the consolidated revenue of the Company or 25% of the profits before tax of the Company (whichever is lower) as per the last audited financial statements of the Company for a complete financial year, as included in the Offer Documents; or
- b) where the decision in one case is likely to affect the decision in similar cases, even though the amount involved in an individual litigation does not exceed the amount determined as per clause (a) above, and the amount involved in all of such cases taken together exceeds the amount determined as per clause (a)



above; and (b) any such litigation which does not meet the criteria set out in (a) above and an adverse outcome in which would materially and adversely affect the operations or financial position of the Company.

Accordingly, we have disclosed all outstanding litigations involving our Company, Promoters, Directors and Group Entities which are considered to be material. In case of pending civil litigation proceedings where in the monetary amount involved is not quantifiable, such litigation has been considered material only in the event that the outcome of such litigation has an adverse effect on the operations or performance of our Company. Unless otherwise stated to contrary, the information provided is as of date of this Draft Red Herring Prospectus.

I. LITIGATION INVOLVING OUR COMPANY

A. Against our Company:

- 1. Litigation involving Criminal Matters: Nil**
- 2. Litigation involving Civil Matters: Nil**
- 3. Litigation involving Actions by Statutory/ Regulatory Authorities: Nil**
- 4. Litigations/ Matters involving Tax Liabilities: Nil**
- 5. Disciplinary action taken by SEBI or Stock Exchanges**

As on the date of this Draft Red Herring Prospectus, no disciplinary action by the SEBI or Stock Exchanges initiated against our Company.

6. Other Material Litigations

As on the date of this Draft Red Herring Prospectus, there are no other material litigations initiated against our Company.

B. By our Company:

- 1. Litigation involving Criminal Matters: Nil**
- 2. Litigation involving Civil and other Material Matters:**

Case no. 2379/2021 in the court of Senior Civil Judge cum RC, Distt- Central , Tis Hazari Courts between GEM Enviro Management Pvt. Ltd. Vs. Mohd. Areeb. The case is instituted by the company itself and it has no material impact on the company financial status as defendant is ex-parte in this case.
- 3. Litigation involving Actions by Statutory/ Regulatory Authorities: Nil**
- 4. Litigations/ Matters involving Tax Liabilities: Nil**



II. LITIGATION INVOLVING OUR PROMOTERS/ DIRECTORS

C. Against our Promoters/ Directors:

1. **Litigation involving Criminal Matters:** Nil
2. **Litigation involving Civil Matters:** Nil
3. **Litigation involving Actions by Statutory/ Regulatory Authorities:** Nil
4. **Litigations/ Matters involving Tax Liabilities:** Nil

Indirect Tax: Nil

Direct tax:

Sangeeta Pareekh (Promoter):

- **A.Y. 2012-2013**

As per details available on the website of the Income Tax Department Mrs. Sangeeta Pareekh (hereinafter referred to as the “Assessee”) has been issued with a demand notice u/s. 147 of the Income Tax Act, 1961, bearing document reference no. 2019201210001774750T dated December 28, 2019 raising a demand of ₹55,53,181/- in addition to interest of ₹ 46,71,664/- for A.Y. 2012-2013 .The assessee has disputed the demand and the same is pending for the payment.

- **A.Y. 2020- 2021**

As per details available on the website of the Income Tax Department Mrs. Sangeeta Pareekh (hereinafter referred to as the “Assessee”) has been issued with a demand notice u/s. 143(1)(a) of the Income Tax Act, 1961, bearing document reference no. 2021202037022322511T dated November 03, 2021 raising a demand of ₹ 332,300/- in addition to interest of ₹ 89721/- for A.Y. 2020-21. The assessee has disputed the demand and the same is pending for the payment.

- **F.Y 2023-2024**

As per details available on the TRACES website of the Department, Mrs. Sangeeta Pareekh (hereinafter referred to as the “Assessee”) bearing TAN number DELS02097L has been issued with a demand notice of ₹ 18,210/- for the F.Y 2023-24.It is related to quarter second of F.Y 2023-2024. It is to be paid and TDS return is to be revised accordingly.

5. **Disciplinary action against our Promoters by SEBI or any stock exchange in the last five (05) fiscals**

As on date of this Draft Red Herring Prospectus, no disciplinary action including penalty imposed by SEBI or stock exchanges has been initiated against our promoters and directors in the last five Fiscals including any outstanding action.



6. Other Material Litigations

As on the date of this Draft Red Herring Prospectus, there are no other material litigations initiated against our Promoters and Directors.

A. *By our Promoters/ Directors:*

1. **Litigation involving Criminal Matters:** Nil
2. **Litigation involving Civil and other Material Matters:** Nil
3. **Litigation involving Actions by Statutory/ Regulatory Authorities:** Nil
4. **Litigations/ Matters involving Tax Liabilities:** Nil

III. LITIGATION INVOLVING OUR GROUP ENTITIES

A. *Against our Group Entities:*

1. **Litigation involving Criminal Matters:** Nil
2. **Litigation involving Civil Matters:** Nil
3. **Litigation involving Actions by Statutory/ Regulatory Authorities:** Nil
4. **Litigations/ Matters involving Tax Liabilities:**

Indirect tax: Nil

Direct tax:

Securocrop Securities India Private Limited

- **A.Y. 2021-2022**

As per details available on the website of the Income Tax Department M/s Securocrop Securities India Private Limited (hereinafter referred to as the “Assessee”) has been issued with a demand notice u/s. 154 of the Income Tax Act, 1961, bearing document reference no. 2022202137148030491C dated January 24, 2023 raising a demand of ₹55,830/-. The assessee has made no response to the outstanding demand

- **A.Y 2019-2020**

As per details available on the website of the Income Tax Department M/s Securocrop Securities India Private Limited (hereinafter referred to as the “Assessee”) has been issued with a demand notice u/s. 143(1)(a) of the Income Tax Act, 1961, bearing document reference no. 2020201937002602861C dated May 4 , 2020 raising a demand of ₹3,82,740/- in addition to interest of ₹ 1,68,388/- for A.Y. 2019-2020. The assessee disagree with the demand raised by the department. The assessee has disputed the demand and the same is pending for the payment.



- **A.Y 2014-2015**

As per details available on the website of the Income Tax Department M/s Securocrop Securities India Private Limited (hereinafter referred to as the “Assessee”) has been issued with a demand notice u/s. 147 of the Income Tax Act, 1961, bearing document reference no. 2023201437000790106C dated May 16 , 2023 raising a demand of ₹38,872/- for A.Y. 2018-2019. The assessee has paid the demand and filed the appeal.

- **F.Y 2022-2023**

As per details available on the TRACES website of the Department M/s Securocrop Securities India Private Limited (hereinafter referred to as the “Assessee”) bearing TAN number DELS57655D has been issued with demand notice of ₹ 4,950/- for the F.Y 2022-2023 and ₹ 57,950 for the prior years. The assessee has paid the demand and clearance awaited.

B. By our Group Entities:

1. **Litigation involving Criminal Matters:** Nil
2. **Litigation involving Civil and other Material Matters:** Nil
3. **Litigation involving Actions by Statutory/ Regulatory Authorities:** Nil
4. **Litigations/ Matters involving Tax Liabilities:** Nil

IV. Other litigations involving any other entities which may have a material adverse effect on our Company

There is no outstanding litigation, suits, criminal or civil prosecutions, statutory or legal proceedings including those for economic offences, tax liabilities, prosecution under any enactment in respect of the Companies Act, show cause notices or legal notices pending against any company whose outcome could affect the operation or finances of our Company or have a material adverse effect on the position of our Company.

V. Details of the past penalties imposed on our Company/ Director

Except as disclosed above as on the date of this Draft Red Herring Prospectus, there are no cases in the last five years in which penalties have been imposed on our Company or our Directors.

VI. OUTSTANDING DUES TO MICRO, SMALL AND MEDIUM ENTERPRISES OR ANY OTHER CREDITORS

As per the materiality policy of our Company, a creditor of our Company, shall be considered material (“**Material Creditor**”) for disclosure in this Draft Red Herring Prospectus, if an amount due to such creditor exceeds 10% of the total consolidated trade payables.

Except as stated below, as on September 30, 2023, our Company does not have any outstanding towards Material Creditors, Micro, small and medium enterprises and other creditors.



| Particulars | No. of Creditors | Amount (₹ in lakhs) |
|--|------------------|---------------------|
| Dues to material creditors | 21 | 583.36 |
| Dues to micro small and medium enterprises | 5 | 40.39 |
| Dues to other creditors | 14 | 51.02 |
| Total outstanding dues | | 674.77 |

Complete details of outstanding dues to our creditors as on Seven months period ended September 30, 2023 is available at the website of our Company i.e., www.gemrecycling.com. It is clarified that information provided on the website of our Company is not a part of this Draft Red Herring Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company's website, www.gemrecycling.com, would be doing so at their own risk. For further details, please refer to the section titled "Financial Information" on page 190 of this Draft Red Herring Prospectus.

VII. MATERIAL DEVELOPMENT OCCURRING AFTER LAST BALANCE SHEET DATE I.E., SEPTEMBER 30, 2023

The Company has allotted 1,05,26,400 equity shares of face value of ₹ 5 each by way of bonus issue to its shareholders bonus shares in the ratio of 1:1 on December 27, 2023.

We certify that except as stated herein above:

- a. There are no defaults in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders, banks, FIs by our Company, promoters, group entities, companies promoted by the promoters during the past three years.
- b. There are no cases of litigation pending against the Company or against any other Company in which Directors are interested, whose outcome could have a materially adverse effect on the financial position of the Company.
- c. There are no pending litigation against the Promoters/ Directors in their personal capacities and also involving violation of statutory regulations or criminal offences.
- d. There are no pending proceedings initiated for economic offences against the Directors, Promoters, Companies and firms promoted by the Promoters.
- e. There are no outstanding litigation, defaults etc. pertaining to matters likely to affect the operations and finances of the Company including disputed tax liability or prosecution under any enactment.
- f. There are no litigations against the Promoters / Directors in their personal capacity.
- g. The Company, its Promoters and other Companies with which promoters are associated have neither been suspended by SEBI nor has any disciplinary action been taken by SEBI.
- h. There is no material regulatory or disciplinary action by SEBI, stock exchange or regulatory authority in the past five year in respect of our promoters, group company's entities, entities promoted by the promoters of our company.



- i. There are no status of criminal cases filed or any investigation being undertaken with regard to alleged commission of any offence by any of our Directors. Further, none of our directors has been charge-sheeted with serious crimes like murder, rape, forgery, economic offences etc.
- j. The issue is in compliance with applicable provision of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation 2018.
- k. Neither the Company nor any of its promoters or directors is a willful defaulter.

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GOVERNMENT AND OTHER STATUTORY APPROVALS

We have received the necessary consents, licenses, permissions and approvals from the Government and various government agencies/regulatory authorities/certification bodies required for our present business, as applicable on the date of this Draft Red Herring Prospectus and except as mentioned below.

On the basis of the list of material approvals provided below, our Company can undertake the Issue and its current business activities and other than as stated below, no further approvals from any regulatory authority are required to undertake the Issue or continue such business activities. In case, if any of licenses and approvals have expired; we have either made an application for renewal or are in process of making an application for renewal. Unless otherwise stated, these approvals are valid as of the date of this Draft Red Herring Prospectus.

The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to carry out its activities. For further details, in connection with the applicable regulatory and legal framework, kindly refer “*Key Industry Regulation and Policies*” on page 137.

INCORPORATION DETAILS

1. Certificate of Incorporation dated February 01, 2013, issued by Registrar of Companies, National Capital Territory of Delhi and Haryana, under the Companies Act, 1956 as “Ganesha Enviro Management Private Limited” bearing Corporate Identification Number: U93000DL2013PTC247767.
2. Fresh Certificate of Incorporation dated November 04, 2013, issued by Registrar of Companies National Capital Territory of Delhi and Haryana, under the Companies Act, 2013 pursuant to the change in the name of our company from “Ganesha Enviro Management Private Limited” to “GEM Enviro Management Private Limited” bearing Corporate Identification No.: U93000DL2013PTC247767.
3. Fresh Certificate of Incorporation dated October 18, 2023, issued by Registrar of Companies, Delhi, consequent to conversion of the Company from “GEM Enviro Management Private Limited” to “GEM Enviro Management Limited” bearing Corporate Identification No.: U93000DL2013PLC247767.

APPROVALS FOR THE ISSUE

1. Our Board have, pursuant to Section 62(1)(c) of the Companies Act, 2013, by a resolution passed at its meeting held on December 06, 2023 and December 27, 2023 authorized the Issue, subject to the approval of the shareholders and other authorities as may be necessary.
2. The shareholders of the Company have, pursuant to Section 62(1)(c) of the Companies Act, 2013, by a special resolution passed in the Extra-ordinary General Meeting held on December 08, 2023 and December 28, 2023 authorized the Issue.

IN-PRINCIPLE APPROVAL

Our Company has obtained in-principle approval dated [●] from the SME platform of BSE for using the name of the Exchange in its Prospectus for listing of the Equity Shares issued by our Company pursuant to the Issue.



AGREEMENTS WITH NSDL AND CDSL

1. The Company has entered into an agreement dated November 06, 2023, with the Central Depository Services (India) Limited (CDSL), and the Registrar and Transfer Agent, who, in this case, is Skyline Financial Services Private Limited, for the dematerialization of its shares.
2. The Company has also entered into an agreement dated November 06, 2023, with the National Securities Depository Limited (NSDL) and the Registrar and Transfer Agent, who, in this case, is Skyline Financial Services Private Limited, for the dematerialization of its shares.
3. The Company's International Securities Identification Number (ISIN) is INE0RUJ01013.

APPROVALS/ LICENSES IN RELATION TO THE BUSINESS OF OUR COMPANY

We require various approvals and/ or licenses under various rules and regulations to conduct our business. Some of the material approvals required by us to undertake our business activities are set out below:

A. Under Direct and Indirect Laws

| Sr. No. | Nature of License / Approvals | Authority | Particulars of License / Approvals | Validity period | Special conditions, if any |
|---------|---|---------------------------------------|------------------------------------|-----------------|----------------------------|
| 1 | Registration in Income Tax Department | Income Tax Department, Govt. of India | PAN: AAFCG4049R | Perpetual | - |
| 2 | Allotment of Tax Deduction Account Number (TAN) | Income Tax Department, Govt. of India | TAN: DELG16043G | Perpetual | - |
| 3 | Registration under Goods and Service Tax | Goods and Service Tax Department | GSTIN: 07AAFCG4049R1Z1 | Perpetual | - |

B. Under Industrial and Labour Law

| Sr. No. | Nature of License / Approvals | Authority | Particulars of License / Approvals | Validity period | Special conditions, if any |
|---------|--|---|------------------------------------|-----------------|----------------------------|
| 1 | Registration under Employees Provident Funds and Miscellaneous Act, 1952 | Employees Provident Fund Organization, Regional Office, Ministry of Labour and Employment, Govt. of India | DLCPM1964732000 | Perpetual | - |

| | | | | | |
|---|---|---|------------------------|-----------|---|
| 2 | Registration under Employees' State Insurance Act, 1948 | Assistant Director, Sub Regional Office, E.S.I Corporation. | 11001266180000999 | Perpetual | - |
| 3 | Certificate of Importer-Exporter Code (IEC) | Ministry of Commerce and Industry, office of Director General of Foreign Trade. | IEC Number: AAFCG4049R | Perpetual | - |

C. Other Registration and Certificates

| Sr. No. | Nature of License / Approvals | Authority | Particulars of License / Approvals | Validity period | Special conditions, if any |
|---------|--|---|------------------------------------|-------------------------------|----------------------------|
| 1. | Udyam Registration Certificate | Ministry of Micro, Small and Medium Enterprise, GoI | UDYAM-DL-01-0004976 | Perpetual | - |
| 2. | Registration Certificates of Shops and Establishment under Delhi Shops & Establishment Act, 1954 | Government of NCT of Delhi | 2016015978 | Perpetual | - |
| 3. | Certificate for ISO 45001:2018 | Deutsche Accreditation Board | Certification No. K22100304 | Valid till September 06, 2025 | - |

INTELLECTUAL PROPERTY

As on the date of this Draft Red Herring Prospectus, the Company has the following trademarks registered:

| S. No | Logo/Trademark | Class | Nature of Trademark | Owner | Trademark No. & Date & Status | Authority |
|-------|---|-------|---------------------|--|--|--|
| 1. |  | 39 | Logo | GEM Enviro Management Private Limited. | Trademark No.- 4057038 Date: January 15, 2019 Status: Registered | Trademark Registry, Intellectual Property, India |
| 2. |  | 40 | Logo | GEM Enviro Management Private Limited | Trademark No.- 4057037 Date: January 15, 2019 Status: Registered | Trademark Registry, Intellectual Property, |



| | | | | | | |
|----|---|----|------|---------------------------------------|--|--|
| | | | | | | India |
| 3. |  | 16 | Logo | GEM Enviro Management Private Limited | Trademark No.- 2893945 Date: February 06, 2015 Status: Registered | Trademark Registry, Intellectual Property, India |
| 4. |  | 25 | Logo | GEM Enviro Management Private Limited | Trademark No.- 3050141 Date: September 08, 2015 Status: Registered | Trademark Registry, Intellectual Property, India |
| 5. |  | 25 | Logo | GEM Enviro Management Private Limited | Trademark No.- 3082924 Date: October 21, 2015 Status: Registered | Trademark Registry, Intellectual Property, India |

Note:

- Our Company does not have any pending licenses, permissions, and approvals from the Central and State Governments and other government agencies/regulatory authorities/certification bodies which applied for but are not yet received.
- Some of the approvals are in the name of GEM Enviro Management Private Limited and the Company is in the process of getting all the approvals in the new name of the Company i.e. GEM Enviro Management Limited.

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OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

1. This Issue has been authorised by a resolution passed by our Board of Directors at its meeting held on December 06, 2023 and December 27, 2023.
2. The Shareholders of our Company have authorised this Issue by their Special Resolution passed pursuant to Section 62 (1) (c) of the Companies Act, 2013, at its EoGM held on December 08, 2023 and December 28, 2023 and authorised the Board to take decisions in relation to this Issue.
3. Our Board has approved this Draft Red Herring Prospectus through its resolution dated February 12, 2024.
4. The details of authorization by the Selling Shareholders approving their participation in the Offer for Sale are set out below:

| Name of the Selling Shareholders | Number of Equity Shares offered in the Offer for Sale | Date of consent letters |
|-------------------------------------|---|-------------------------|
| Mr. Sachin Sharma | 11,23,200 | December 29, 2023 |
| Mrs. Sangeeta Pareekh | 9,29,600 | December 29, 2023 |
| BLP Equity Research Private Limited | 13,16,800 | December 29, 2023 |
| Mr. Sarthak Agarwal | 11,23,200 | December 29, 2023 |

Each of the Selling Shareholders, specifically confirm that, as required under Regulation 8 of the SEBI ICDR Regulations, they have held their portion of the Offered Shares for a period of at least one year prior to the filing of the Draft Red Herring Prospectus and are eligible for being offered in the Offer for Sale. For more details, please refer to the section titled “Capital Structure” beginning on page 71.

5. The Company has obtained approval from BSE vide its letter dated [●] to use the name of BSE in this Offer document for listing of equity shares on SME Platform of BSE. BSE is the Designated Stock Exchange.
6. We have also obtained all necessary contractual approvals required for this Issue. For further details, refer to the chapter titled “Government and Other Statutory Approvals” beginning on page number 253 of this Draft Red Herring Prospectus.

Prohibition by SEBI

Our Company, Directors, Promoters, members of the Promoter Group and Group Entities or the Director and Promoter of our Promoter Companies, have not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.

The companies, with which Promoters, Directors or persons in control of our Company were or are associated as promoters, directors or persons in control of any other company have not been prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Prohibition by RBI or Governmental authority



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 wilful 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.

Our directors have not been declared as wilful defaulter by RBI or any other government authority and there have been no violation of securities laws committed by them in the past or no proceedings thereof are pending against them.

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, and our 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.

Directors associated with the Securities Market

We confirm that none of our Directors are associated with the securities market in any manner and no action has been initiated against these entities by SEBI in the past five (5) years preceding the date of this Draft Red Herring Prospectus.

ELIGIBILITY FOR THIS ISSUE

Our Company is eligible for the Offer in accordance with Regulation 229(2) and other provisions of Chapter IX of the SEBI (ICDR) Regulations, 2018 as the post Offer face value capital is more than ₹ 1,000 Lakh, But upto ₹ 2,500 Lakh. Our Company also complies with the eligibility conditions laid by the SME Platform of BSE Limited for listing of our Equity Shares.

We confirm that:

- a) In accordance with Regulation 260 of the SEBI (ICDR) Regulations, this Issue ***will be hundred percent underwritten and that the BRLMs to the Offer will underwrite at least 15% of the Total Issue Size.*** For further details pertaining to said underwriting please refer to “General Information” Underwriting on page 59 of this Draft Red Herring Prospectus.
- b) In accordance with Regulation 268(1) of the SEBI (ICDR) Regulations, we shall ensure that the total number of proposed allottees in the Issue is greater than or equal to fifty, otherwise, the entire application money will be refunded forthwith. If such money is not repaid within four (4) 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 four (4) days, be liable to repay such application money with interest as prescribed under Section 40 of the Companies Act, 2013 and SEBI (ICDR) Regulations.
- c) In accordance with Regulation 246 of the SEBI (ICDR) Regulations, the BRLMs shall ensure that the Issuer shall file a copy of the Red Herring Prospectus/ Prospectus with SEBI along with a due diligence certificate including additional confirmations as required to SEBI at the time of filing the Red Herring Prospectus/ Prospectus with the Registrar of Companies.



- d) In accordance with Regulation 261 of the SEBI (ICDR) Regulations, the BRLMs will ensure compulsory Market Making for a minimum period of three (3) years from the date of listing of equity shares offered in this Issue. For further details of market making arrangement, please refer to the section titled “General Information”, “Details of the Market Making Arrangements for this Issue” on page 59 of this Draft Red Herring Prospectus.
- e) In accordance with Regulation 228 (a) of the SEBI (ICDR) Regulations, Neither the issuer, nor any of its promoters, promoter group or directors are debarred from accessing the capital market by the Board;
- f) In accordance with Regulation 228(b) of the SEBI (ICDR) Regulations, None of the promoters or directors of the issuer is a promoter or director of any other company which is debarred from accessing the capital market by the Board;
- g) In accordance with Regulation 228(c) of the SEBI (ICDR) Regulations, Neither the issuer nor any of its promoters or directors is a wilful defaulter or fraudulent borrower.
- h) In accordance with Regulation 228(d) of the SEBI (ICDR) Regulations, None of the Issuer’s promoters or directors is a fugitive economic offender.
- i) In accordance with Regulation 230(1)(a) of the SEBI (ICDR) Regulations, Application is being made to BSE Limited and BSE Limited is the Designated Stock Exchange.
- j) In accordance with Regulation 230(1)(b) of the SEBI (ICDR) Regulations, the Company has entered into agreement with depositories for dematerialization of specified securities already issued and proposed to be issued.
- k) In accordance with Regulation 230(1)(c) of the SEBI (ICDR) Regulations, all the present Equity share Capital fully Paid Up.
- l) In accordance with Regulation 230(1)(d) of the SEBI (ICDR) Regulations, all the specified securities held by the promoters are already in dematerialized form.

BSE ELIGIBILITY NORMS:

Our Company is also eligible for the Issue in accordance with eligibility norms for Listing on SME Platform of BSE which states as follows:

1. The issuer should be a Company incorporated Under Companies Act, 1956/ 2013 in India.

Our company was incorporated on February 01, 2013 under the Companies Act, 1956.

2. The post issue paid up capital of the company (face value) shall not be more than ₹ 25 crores.

The post issue paid up capital of the Company will be less than ₹ 25 crores.

3. Net Worth at least ₹ 1 crore for 2 preceding full financial years.

Net worth of the Company is ₹ 2,411.51 lakhs and ₹ 1,713.57 lakhs for the financial year ended March 31, 2023 and March 31, 2022 respectively.



4. Net Tangible Assets ₹ 3 crores in preceding full financial year

The Company has Tangible Assets of more than ₹ 3 crores in preceding full financial year.

5. The company should have a (combined) track record of at least 3 years.

Our Company got incorporated on February 01, 2013 therefore our company satisfies the track record criteria of 3 years.

6. The company should have operating profits (earnings before interest depreciation and tax) from operations for 2 out of 3 latest financial years preceding the application date.

Amount in ₹ lakhs

| Particulars | As on September 30, 2023 | As on March 31, 2023 | As on March 31, 2022 | As on March 31, 2021 |
|--|--------------------------------|----------------------------|----------------------------|----------------------------|
| Operating profit (Earnings before interest, depreciation and tax) from operation | 862.18 | 1,327.51 | 992.01 | 799.86 |

7. Leverage ratio of not more than 3:1

Our Company leverage ratio is not more than 3:1.

8. Disciplinary Action

No regulatory action of suspension of trading against the promoter(s) or companies promoted by the promoters by any stock Exchange having nationwide trading terminals.

The Promoter(s) or directors of our Company are/were not promoter(s) or directors (other than independent directors) of compulsory delisted companies by the Exchange and the applicability of consequences of compulsory delisting is attracted or companies that are suspended from trading on account of non-compliance.

Our director are not disqualified/ debarred by any of the Regulatory Authority.

9. Default

There is no pending defaults in respect of payment of interest and/or principal to the debenture/ bond/ fixed deposit holders by the applicant company, promoters/ promoting company(ies), Subsidiary Companies.

10. Name Change

There was no name change in last one year.

11. The company shall mandatorily facilitate trading in demat securities and enter into an agreement with both the depositories.

To enable all shareholders of the Company to have their shareholding in electronic form, the Company had



signed the tripartite agreements with the Depositories and the Registrar and Share Transfer Agent. The Company's shares bear an ISIN INE0RUJ01013.

12. Company shall mandatorily have a website.

Our Company has a live and operational website is www.gemrecycling.com

13. Other Listing conditions:

- 100% of the Promoter's shareholding in the Company should be in Dematerialised form.
- There is no change in the promoters of the company in preceding one year from date of filing the application to BSE for listing under SME segment.
- Our Company has not been referred to the Board for Industrial and Financial Reconstruction (BIFR).
- The composition of the board should be in compliance with the requirements of Companies Act, 2013 at the time of in-principle approval.
- The Net worth computation will be as per the definition given in SEBI (ICDR) Regulations.
- There is no winding up petition against the company that has been admitted by the Court and accepted by a court or a Liquidator has not been appointed.
- None of the merchant bankers involved in the IPO have instances of any of their IPO draft offer document filed with the Exchange being returned in the past 6 months from the date of application.
- Our Company has not been referred to the National Company Law Tribunal (NCLT) under Insolvency and Bankruptcy Code, 2016.

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, as amended from time to time and subsequent circulars and guidelines issued by SEBI and the BSE SME.

COMPLIANCE UNDER REGULATION 300 OF SEBI (ICDR) REGULATIONS

No exemption from eligibility norms has been sought under Regulation 300 of the SEBI (ICDR) Regulations with respect to the Issue.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS 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 THIS OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, SHARE INDIA CAPITAL SERVICES LIMITED AND FINTELLECTUAL CORPORATE ADVISORS PRIVAT LIMITED AS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.



IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGERS, SHARE INDIA CAPITAL SERVICES LIMITED AND FINTELLECTUAL CORPORATE ADVISORS PRIVATE LIMITED, IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS, SHARE INDIA CAPITAL SERVICES LIMITED AND FINTELLECTUAL CORPORATE ADVISORS PRIVATE LIMITED SHALL FURNISH TO SEBI A DUE DILIGENCE CERTIFICATE DATED [●] IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF SECURITIES AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018.

THE FILING OF THE DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND 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 BOOK RUNNING LEAD MANAGERS ANY IRREGULARITIES OR LAPSES IN THE DRAFT RED HERRING PROSPECTUS.

DISCLAIMER STATEMENT FROM OUR COMPANY AND THE BOOK RUNNING LEAD MANAGERS

Our Company, its Directors and the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at instance of our Company and anyone placing reliance on any other source of information, including our website www.gemrecycling.com, www.shareindia.com and www.fintellectualadvisors.com would be doing so at his or her own risk.

Caution

The BRLMs accept no responsibility, save to the limited extent as provided in the Agreement for Issue management, the Underwriting Agreement and the Market Making Agreement. Our Company, our Directors and the BRLMs shall make all information available 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 or at collection centers, *etc.* The BRLMs and its associates and affiliates may engage in transactions with and perform services for, our Company and their respective associates in the ordinary course of business & have engaged and may in future engage in the provision of financial services for which they have received, and may in future receive, compensation.

Investors who apply in this Issue will be required to confirm and will be deemed to have represented to our Company and the Underwriters 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 and will not offer, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company and the BRLMs 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.

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 authorized to invest in shares, Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, VCFs, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of ₹ 2,500 lakh, pension funds with minimum corpus of ₹ 2,500 Lakh and the National Investment Fund, and permitted non-residents including FPIs, Eligible NRIs, multilateral and bilateral development financial institutions, FVCIs and eligible foreign investors, provided that they are eligible under all applicable laws and regulations to hold Equity Shares of the Company. The Draft Red Herring Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this 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 Delhi 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, except that the Draft Red Herring Prospectus had been filed with BSE SME for its observations and BSE SME gave its observations on the same. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this 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 this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

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 where required agrees that such Applicant will not sell or transfer any Equity Shares 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 U.S Securities Act and in compliance with applicable laws, legislations and Draft Red Herring Prospectus in each jurisdiction, including India.

Disclaimer Clause of the SME Platform of BSE

BSE Limited (BSE) has given vide its letter dated [●] permission to this Company to use its name in this offer document as one of the stock exchange on which this company's securities are proposed to be listed on the BSE SME Platform. BSE has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. BSE Limited does not in any manner:-

- i. warrant, certify or endorse the correctness or completeness of any of the contents of this offer document;



or

- ii. warrant that this Company's securities will be listed on completion of Initial Public Offer or will continue to be listed on BSE; or
- iii. take any responsibility for the financial or other soundness of this Company, its promoter, its management or any scheme or project of this Company;
- iv. warrant, certify or endorse the validity, correctness or reasonableness of the price at which the equity shares are offered by the Company and investors are informed to take the decision to invest in the equity shares of the Company only after making their own independent enquiries, investigation and analysis. The price at which the equity shares are offered by the Company is determined by the Company in consultation with the Merchant Banker (s) to the issue and the Exchange has no role to play in the same and it should not for any reason be deemed or construed that the contents of this offer document have been cleared or approved by BSE. Every person who desires to apply for or otherwise acquire any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE, whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.
- v. BSE does not in any manner be liable for any direct, indirect, consequential or other losses or damages including loss of profits incurred by any investor or any third party that may arise from any reliance on this offer document or for the reliability, accuracy, completeness, truthfulness or timeliness thereof.
- vi. The Company has chosen the BSE SME platform on its own initiative and at its own risk, and is responsible for complying with all local laws, rules, regulations, and other statutory or regulatory requirements stipulated by BSE / other regulatory authority. Any use of the BSE SME platform and the related services are subject to Indian Laws and Courts exclusively situated in Delhi.

DISCLAIMER CLAUSE UNDER RULE 144A OF U.S. SECURITIES ACT.

The Equity Shares have not been and will not be registered under the U.S Securities Act of 1933, as amended (U.S. 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), except pursuant to exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities laws. Accordingly, the Equity Shares are being offered and sold only outside the United States in offshore transaction in reliance on Regulation S under the U.S Securities Act and the applicable laws of the jurisdiction where those offers and sale 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 application may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

TRACK RECORD OF THE PAST ISSUES HANDLED BY THE BOOK RUNNING LEAD MANAGERS

For details regarding the price information and the track record of the past Issues handled by the BRLMs



to the Issue as specified in Circular reference no. CIR/CFD/DIL/7/2015 dated October 30, 2015, issued by the SEBI, please refer to Annexure A to the Draft Red Herring Prospectus and the website of the BRLM at www.shareindia.com and www.fintellectualadvisors.com.

**Disclosure of Price Information of Past Issues Handled by Share India Capital Services
Private Limited**

TABLE 1

| Sr. No. | Issue Name | Issue Size (Amount in Crore) | Listing Date | Issue Price (₹) | Opening Price on Listing Date (₹) | +/- % change in closing price, (+/- % change in closing benchmark) - 30th calendar days from listing | +/- % change in closing price, (+/- % change in closing benchmark) - 90th calendar days from listing | +/- % change in closing price, (+/- % change in closing benchmark) - 180th calendar days from listing |
|---|--|------------------------------|-------------------|-----------------|-----------------------------------|--|--|---|
| Initial Public Offering – Main Board | | | | | | | | |
| N.A. | | | | | | | | |
| Initial Public Offering – SME Issue | | | | | | | | |
| 1 | Anmol India Limited | 10.23 | February 12, 2019 | 33.00 | 33.60 | -3.57% 6.31 % | -10.71% 8.94% | -11.30% 3.98 % |
| 2 | Humming Bird Limited | 2.15 | March 28, 2019 | 132.00 | 132.00 | 6.81% 1.35 % | 2.71% | 1.42% |
| 3 | Maiden Forgings Limited | 23.84 | April 06, 2023 | 63.00 | 63.00 | -4.33% -0.17% | 30.43% -0.72% | 75.08% -0.45% |
| 4 | Exhicon Events Media Solutions Limited | 21.12 | April 17, 2023 | 64.00 | 64.00 | 129.92% -0.60% | 241.64% 0.43% | 317.86% 10.64% |
| 5 | A G Universal Limited | 8.72 | April 24, 2023 | 60.00 | 60.00 | -8.33% -0.05% | -22.50% -0.28% | 7.15% 10.14% |
| 6 | Quicktouch Technologies Limited | 9.33 | May 2, 2023 | 61.00 | 92.00 | 110.90% -0.49% | 129.67% 0.44% | 180.43% 4.96% |
| 7 | De Neers Tools Limited | 22.99 | May 11, 2023 | 101.00 | 190.00 | 74.50% -0.49% | 142.57% 0.27% | 29.20% 6.06% |
| 8 | Krishca Strapping Solutions Limited | 17.93 | May 26, 2023 | 54.00 | 118.00 | 184.91% -0.40% | 439.72% -0.75% | 105.80% 7.09% |

Source: Price Information www.bseindia.com and www.nseindia.com, Issue Information from respective Prospectus.

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 30th / 90th/180th 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 30th / 90th/180th 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 30th/ 90th/180th 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.



TABLE 2
Summary Statement of Disclosure

| Financial Year | Total No. of IPOs | Total Funds Raised (₹ in Cr.) | Nos. of IPO trading at discount as on 30 th calendar day from listing date | | | Nos. of IPO trading at premium as on 30 th calendar day from listing date | | | Nos. of IPO trading at discount as on 180 th calendar day from listing date | | | Nos. of IPO trading at premium as on 180 th calendar day from listing date | | |
|----------------|-------------------|-------------------------------|---|----------------|---------------|--|----------------|---------------|--|----------------|---------------|---|----------------|---------------|
| | | | 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% |
| 2023-24 | 6 | 103.93 | - | - | 2 | 4 | - | - | - | - | - | 1 | - | - |
| 2022-23 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 2021-22 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

Notes:

- (1) Since the listing date of Exhicon Events Media Solutions Limited was on April 17, 2023, A G Universal Limited was on April 24, 2023, Quicktouch Technologies Limited was on May 02, 2023, De Neers Tools Limited was on May 11, 2023 and Krishca Strapping solutions Limited was on May 26, 2023, information related to closing price and benchmark index as on the 180th calendar day from the listing date is not applicable.
- (2) The respective Designated Stock Exchange for each Issue has been considered as the Benchmark index for each of the above Issues.
- (3) In the event any day falls on a holiday, the price/index of the immediate 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.
- (4) Source: www.bseindia.com and www.nseindia.com, BSE Sensex and Nifty Fifty as the Benchmark Indices.

Disclosure of Price Information of Past Issues Handled by Fintellectual Corporate Advisors Private Limited

TABLE 1

| Sr. No. | Issue Name | Issue Size (Amount in Crore) | Listing Date | Issue Price (₹) | Opening Price on Listing Date (₹) | +/- % change in closing price, (+/- % change in closing benchmark)- 30th calendar days from listing | +/- % change in closing price, (+/- % change in closing benchmark) - 90th calendar days from listing | +/- % change in closing price, (+/- % change in closing benchmark)- 180th calendar days from listing |
|---|------------|------------------------------|--------------|-----------------|-----------------------------------|---|--|--|
| Initial Public Offering – Main Board | | | | | | | | |
| Nil* | | | | | | | | |
| Initial Public Offering – SME Issue | | | | | | | | |
| Nil* | | | | | | | | |

*Annexure A is not applicable as there has been no listing as on date of filing of Draft Red Herring Prospectus.

TABLE 2
Summary Statement of Disclosure



| Financial Year | Total No. of IPOs | Total Funds Raised (₹ in Cr.) | Nos. of IPO trading at discount as on 30 th calendar day from listing date | | | Nos. of IPO trading at premium as on 30 th calendar day from listing date | | | Nos. of IPO trading at discount as on 180 th calendar day from listing date | | | Nos. of IPO trading at premium as on 180 th calendar day from listing date | | |
|----------------|-------------------|-------------------------------|---|----------------|---------------|--|----------------|---------------|--|----------------|---------------|---|----------------|---------------|
| | | | 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% |
| Nil* | | | | | | | | | | | | | | |

*Annexure A is not applicable as there has been no listing as on date of filing of Draft Red Herring Prospectus.

LISTING

Application will be made to the BSE for obtaining permission to deal in and for an official quotation of our Equity Shares. BSE is the Designated Stock Exchange, with which the Basis of Allotment will be finalized.

The SME Platform of BSE has given its in-principle approval for using its name in our Offer documents vide its letter no. [●] dated [●].

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by the SME Platform of BSE Limited, our Company will forthwith repay, without interest, all moneys received from the Applicant in pursuance of the Draft Red Herring Prospectus. If such money is not repaid within 4 days after our Company becomes liable to repay it (i.e. from the date of refusal or within 15 working days from the Offer Closing Date), then our Company and every Director of our Company who is an officer in default shall, on and from such expiry of 4 days, be liable to repay the money, with interest at the rate of 15 per cent per annum on application money, as prescribed under section 40 of the Companies Act, 2013.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the SME Platform of BSE mentioned above are taken within Six Working Days from the Offer 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:

- makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- 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
- 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, includes imprisonment for a term of not less than six months extending up to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the



fraud, extending up to three times of such amount, if fraud involves an amount of at least Ten lakhs or one-percent of the turnover of the company, whichever is lower.

Provided that where fraud involves an amount less than ten lakh rupees or 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 for an imprisonment for a term which may extend to five years or with fine which may extend to fifty lakh rupees or with both.

CONSENTS

Consents in writing of:(a) the Directors, Statutory Auditor & Peer Reviewed Auditor, the Company Secretary & Compliance Officer, Chief Financial Officer, Banker to the Company and (b) BRLMs, Market Maker, Registrar to the Issue, Public Issue Bank / Banker to the Issue and Refund Banker to the Issue, Legal Advisor to the Issue to act in their respective capacities have been/or will be obtained (before filing Red Herring prospectus to ROC) and will be filed along with a copy of the Red Herring Prospectus with the RoC, as required under Section 26 of the Companies Act, 2013 and such consents shall not be withdrawn at the time of delivery of the Red Herring Prospectus for registration with the RoC.

Our Auditors have given their written consent for the inclusion of their report in the form and context in which it appears in the Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus and such consent and report is not withdrawn up to the time of delivery of this Draft Red Herring Prospectus/ Red Herring Prospectus/ Prospectus with BSE.

EXPERT OPINION

Except the report of the Peer Review Auditor on (a) the restated financial statements; (b) statement of tax benefits, Audit reports by Peer Review Auditors for period ended September 30, 2023 and year ended on 31st March 2023, 31st March 2022 and 2021 and except the report of the legal advisor, our Company has not obtained any other expert opinion. All the intermediaries including Merchant Banker has relied upon the appropriacy and authenticity of the same.

PREVIOUS RIGHTS AND PUBLIC ISSUES SINCE INCORPORATION

We have not made any previous rights and/or public issues since incorporation and are an Unlisted Issuer in terms of the SEBI (ICDR) Regulations and this Issue is an Initial Public Offering in terms of the SEBI (ICDR Regulations).

PREVIOUS ISSUES OF SHARES OTHERWISE THAN FOR CASH

Other than as detailed under chapter titled “Capital Structure” beginning on page 71 of the Draft Red Herring Prospectus, our Company has not issued any Equity Shares for consideration otherwise than for cash.

COMMISSION AND BROKERAGE ON PREVIOUS ISSUES

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.



PREVIOUS CAPITAL ISSUE DURING THE PREVIOUS THREE YEARS BY LISTED SUBSIDIARIES, GROUP COMPANIES AND ASSOCIATES OF OUR COMPANY

None of our Group Companies and Associates are listed and have undertaken any public or rights issue in the three (3) years preceding the date of this Draft Red Herring Prospectus. Further, as on the date of this Draft Red Herring Prospectus our company has no Listed Subsidiary.

PERFORMANCE VIS-À-VIS OBJECTS – PUBLIC/ RIGHTS ISSUE OF THE LISTED SUBSIDIARIES OF OUR COMPANY

Our Company is an “Unlisted Issuer” in terms of the SEBI (ICDR) Regulations and this Offer is an “Initial Public Offering” in terms of the SEBI (ICDR) Regulations. Therefore, data regarding performance vis-à-vis objects is not applicable to us. Further, as on date of this Draft Red Herring Prospectus our Company has no listed corporate promoters and no listed subsidiary company.

OUTSTANDING DEBENTURES, BONDS, REDEEMABLE PREFERENCE SHARES AND OTHER INSTRUMENTS ISSUED BY OUR COMPANY

As on the date of the Draft Red Herring Prospectus, our Company has no outstanding debentures, bonds or redeemable preference shares.

OPTION TO SUBSCRIBE

Equity Shares being offered through this Draft Red Herring Prospectus can be applied for in dematerialized form only.

STOCK MARKET DATA FOR OUR EQUITY SHARES

Our Company is an Unlisted Issuer in terms of the SEBI (ICDR) Regulations, and this Offer is an Initial Public Offering in terms of the SEBI (ICDR) Regulations. Thus, there is no stock market data available for the Equity Shares of our Company.

MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES

The Memorandum of Understanding between the Registrar and us will provide for retention of records with the Registrar for a period of at least one year from the last date of dispatch of the letters of allotment, demat credit and refund orders to enable the investors to approach the Registrar to this Issue for redressal of their grievances.

All grievances relating to this Offer may be addressed to the Registrar with a copy to the Company Secretary and Compliance Officer, giving full details such as the name, address of the applicant, 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 SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch or the collection center of the SCSB where the Bid-cum-Application Form was submitted by the ASBA Applicant.



Further, none of our subsidiary companies or Group Companies are listed on any stock exchange, so disclosure regarding mechanism for redressal of investor grievances for our subsidiary companies are not applicable.

DISPOSAL OF INVESTOR GRIEVANCES BY OUR COMPANY

Our Company or the Registrar to the Offer or the SCSB in case of ASBA Applicant shall redress routine investor grievances. We estimate that the average time required by us or the Registrar to this Offer for the redressal of routine investor grievances will be 12 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Mr. Vijay Kumar Sharma as the Company Secretary and Compliance Officer and may be contacted at the following address:

GEM ENVIRO MANAGEMENT LIMITED

Unit No.203, Plaza- P 3, Central Square, Bara Hindu Rao, Delhi-110006, India

Tel.: 011-49068377

E-mail: vijay.sharma@gemrecycling.com

Website: www.gemrecycling.com

Investor Grievance Email Id: investors@gemrecycling.com

Investors can contact the Company Secretary and Compliance Officer or the Registrar in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary account or refund orders, etc.

The Selling Shareholder has authorized Company to take all actions in respect of the portion of Offer for Sale; and on its behalf in accordance with Section 28 of the Companies Act, 2013.

STATUS OF INVESTOR COMPLAINTS

We confirm that we have not received any investor complaint during the three years preceding the date of this Prospectus and hence there are no pending investor complaints as on the date of this Draft Red Herring Prospectus.

EXEMPTION FROM COMPLYING ANY PROVISION OF SECURITIES LAW

As on the date of this prospectus, our company has not obtained exemption from complying any provision of Securities law.

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SECTION VIII – OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares being issued pursuant to this issue shall be subject to the provision of the Companies Act, SEBI (ICDR) Regulations, 2018, SCRA, SCRR, Memorandum and Articles, the terms of this Draft Red Herring Prospectus, Red Herring Prospectus, Prospectus, Abridged Prospectus, Application Form, the Revision Form, the Confirmation of Allocation Note (CAN) 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, guidelines, rules, notifications and regulations relating to the issue of capital and listing of securities issued from time to time by SEBI, the Government of India, BSE, ROC, RBI 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 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 (Except Anchor investors) applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment. Further, further in terms of SEBI through its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018, and as modified through its circular SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated 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, in relation to clarifications on streamlining the process of public issue of equity shares and convertibles it has proposed to introduce an alternate payment mechanism using Unified Payments Interface (“UPI”) and consequent reduction in timelines for listing in a phased manner. Currently, for application by RIIs through Designated Intermediaries, the existing process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds is discontinued and RIIs submitting their Application Forms through Designated Intermediaries (other than SCSBs) can only use the UPI mechanism with timeline of T+6 days until March 31, 2020. Further SEBI through its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, has decided to continue with the Phase II of the UPI ASBA till further notice.

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.

The Offer

The Offer consists of a Fresh Issue and an Offer for Sale by the Selling Shareholders by our Company. Expenses for the Offer shall be shared amongst our Company and the Selling Shareholders in the manner specified in “Objects of the Offer” on page 91 of this Draft Red Herring Prospectus.

Ranking of Equity Shares

The Equity Shares being Offered/Allotted in the Issue shall be subject to the provisions of the Companies Act, 2013 and the Memorandum & Articles of Association, SEBI ICDR Regulations and shall rank pari-



passu with the existing Equity Shares of our Company including rights in respect of dividend. The Allottees upon receipt of Allotment of Equity Shares under this issue will be entitled to dividends, Voting Power and other corporate benefits, if any, declared by our Company after the date of allotment in accordance with Companies Act, 2013 and the Articles of Association of the Company.

Authority for the Issue

This Issue has been authorized by a resolution of the Board passed at their meeting held on December 06, 2023 and December 27, 2023 subject to the approval of shareholders through a special resolution to be passed pursuant to section 62 (1) (c) of the Companies Act, 2013. The shareholders have authorized the Issue by a special resolution in accordance with Section 62 (1) (c) of the Companies Act, 2013 passed at the Extra-Ordinary General Meeting of the Company held on December 08, 2023 and December 28, 2023.

Mode of Payment of Dividend

The declaration and payment of dividend will be as per the provisions of Companies Act, 2013 and recommended by the Board of Directors at their discretion and approved by the shareholders 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, 2013. Dividends, if any, declared by our Company after the date of Allotment will be payable to the transferee who has been Allotted Equity Shares in the Offer, for the entire year, in accordance with applicable laws. For further details, please refer to the chapter titled Dividend Policy beginning on pages 188 of this Draft Red Herring Prospectus.

Face Value and Issue Price

The face value of each Equity Share is ₹ 5/- and the Offer Price at the lower end of the Price Band is ₹ [●]/- per Equity Share and at the higher end of the Price Band is ₹ [●]/- per Equity Share. The Anchor Investor Offer Price is ₹ [●]/- per Equity Share.

The Price Band and the Bid Lot will be decided by our Company, in consultation with the BRLMs, and published by our Company in [●] edition of [●] (a widely circulated English national daily newspaper) and [●] edition of [●] (a widely circulated Hindi national daily newspaper) and [●] edition of [●] (being the regional language of Delhi, where our Registered Office is located) at least two Working Days prior to the Bid/Offer Opening Date, and shall be made available to the Stock Exchange for the purpose of uploading the same on their 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 at the website of the Stock Exchange. The Offer Price shall be determined by our Company, in consultation with the BRLMs, after the Bid/Offer Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of the 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 the disclosure and accounting norms

Our Company shall comply with all the applicable disclosure and accounting norms as specified by SEBI from time to time.



Rights of the Equity Shareholder

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, our Shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy or e-voting, in accordance with the provisions of the Companies Act;
- Right to receive annual reports and notices to members;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability, subject to applicable laws and regulations; and the Articles of Association of our Company; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act and the Memorandum and Articles of Association of the Company.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, see “Main Provisions of Articles of Association” on page 325 of this Draft Red Herring Prospectus.

Allotment only in Dematerialized form

Pursuant to Section 29 of the Companies Act, the Equity Shares shall be Allotted only in dematerialized form. As per SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialized form. In this context, two agreements have been signed by our Company with the respective Depositories and the Registrar to the Issue before filing this Draft Red Herring Prospectus:

- Tripartite agreement dated November 06, 2023 among CDSL, our Company and the Registrar to the Issue; and
- Tripartite agreement dated November 06, 2023 among NSDL, our Company and the Registrar to the Issue.

As per the provisions of the Depositories Act, 1996 & regulations made there under and Section 29 (1) of the Companies Act, 2013, the equity shares of a body corporate shall be in dematerialized form i.e. not in the form of physical certificates, but be fungible and be represented by the statement issued through electronic mode. The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares and the same may be modified by the BSE Limited 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 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.

Minimum Application value, Market Lot and Trading Lot

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 ₹ 1,00,000/- (Rupees One Lakh) per application.



The trading of the Equity Shares will happen in the minimum contract size of [●] Equity Shares and the same may be modified by the SME Platform of BSE from time to time by giving prior notice to investors at large. For further details, see “Offer Procedure” on page 282 of this Draft Red Herring Prospectus.

Minimum Number of Allottees

Further in accordance with Regulation 268(1) of 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 all the monies blocked by SCSBs shall be unblocked within four (4) working days of closure of Issue.

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.

Jurisdiction

Exclusive Jurisdiction for the purpose of this Issue is with the competent courts/authorities in India.

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 issued or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S), 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 being issued and sold only outside the United States in off-shore transactions in reliance on Regulation S under the U.S. Securities Act 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 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.

Nomination Facility to the Investor

In accordance with Section 72 of the Companies Act, 2013, read with Companies (Share Capital and Debentures) Rules, 2014, the sole Applicant, or the first Applicant along with other joint Applicants, may nominate any one person in whom, in the event of the death of sole Applicant or in case of joint Applicants, 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 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/transfer/alienation of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nominations can be made only on the prescribed form available on request at our Registered Office or Corporate Office or to the registrar and transfer agents of our Company.



Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act shall upon production of such evidence, as may be required by the Board, elect either:

1. to register himself or herself as the holder of the equity shares; or
2. 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 ninety (90) days, the Board may thereafter withhold payment of all dividends, bonuses or other monies 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 will be made only in dematerialized form, there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the Applicants require changing of their nomination, they are requested to inform their respective depository participant.

Restrictions, if any on Transfer and Transmission of Equity Shares

Except for the lock-in of the pre-Issue capital of our Company, Promoters' minimum contribution as provided in "Capital Structure" on page 71 of this Draft Red Herring Prospectus and except as provided in the Articles of Association there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on the transmission of shares/debentures and on their consolidation/splitting, except as provided in the Articles of Association. For details, please refer "Main Provisions of Articles of Association" on page 325 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 BRLMs do not accept any responsibility for the completeness and accuracy of the information stated herein above. Our Company and the BRLMs 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 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.

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, in terms of Regulation 261(5) of the SEBI ICDR Regulations, 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 platform of BSE.

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 Offer



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.

Pre-Offer 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 the registered office of the company is situated in Delhi, therefore Hindi is the regional language. In the pre-issue advertisement, we shall state the Bid/Offer Opening Date and the Bid/ Offer 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 Book Running Lead Managers do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company and the Book Running Lead Managers 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 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.

New Financial Instruments

There are no new financial instruments such as deep discounted bonds, debenture, warrants, secured premium notes, etc. issued by our Company. Application by eligible NRIs, FPIs Registered with SEBI, VCFs, AIFs registered with SEBI and QFIs. It is to be understood that there is no reservation for Eligible NRIs or FPIs or QFIs or VCFs or AIFs registered with SEBI. Such Eligible NRIs, QFIs, FPIs, VCFs or AIFs registered with SEBI will be treated on the same basis with other categories for the purpose of Allocation.

Withdrawal of the Issue

Our Company in consultation with the BRLMs, reserve the right to not to proceed with the Issue after the Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Issue advertisements were published, within two (2) days of the Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Issue. The BRLMs through, the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the ASBA applicant within one (1) Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed.



Notwithstanding the foregoing, this Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment. If our Company withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an issue/issue for sale of the Equity Shares, our Company shall file a fresh Draft Red Herring Prospectus with Stock Exchange.

Period of Subscription List of the Public Issue

| Event | Indicative Date |
|--|------------------|
| Offer Opening Date | [●] ¹ |
| Offer Closing Date | [●] ² |
| Finalization of Basis of Allotment with the Designated Stock Exchange | On or about [●] |
| Initiation of Allotment/ Refunds/ Unblocking of Funds from ASBA Account or UPI ID linked bank account* | On or about [●] |
| Credit of Equity Shares to Demat Accounts of Allottees | On or about [●] |
| Commencement of trading of the Equity Shares on the Stock Exchange | On or about [●] |

Note - ⁽¹⁾ Our Company in consultation with the BRLMs, may consider participation by Anchor Investors. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date in accordance with the SEBI ICDR Regulations.

⁽²⁾ Our Company in consultation with the BRLMs, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations.

The above timetable is indicative and does not constitute any obligation on our Company, the Selling Shareholder or the Book Running Lead Managers. Whilst our Company and the Selling Shareholder 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 3 Working Days of the Bid/Offer Closing Date, the timetable may change due to various factors, such as extension of the Bid/Offer Period by 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. The Selling Shareholder confirm that they shall extend complete co-operation required by our Company and the BRLMs for the completion of the GEM Enviro Management Limited Prospectus necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within three working days from the Offer Closing Date, or within such other period as may be prescribed.

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/ Offer 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 Bidders on Bid/ Issue Closing Date maybe extended in consultation with the BRLMs, RTA and BSE SME 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/ Offer Closing Date, Bidders are advised to submit their applications one (1) day prior to the Bid/ Offer Closing Date and, in any case, not later than 3.00 p.m. (IST) on the Bid/ Offer Closing Date. Any time mentioned in this 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/ Offer Closing Date, as is typically experienced in public Offer, 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 Offer. Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holidays). Neither our Company nor the BRLMs is 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/ Offer 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 BRLMs, reserves the right to revise the Price Band during the Bid/ Offer 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/ Offer Period shall be extended for at least three additional Working Days after such revision, subject to the Bid/ Offer Period not exceeding 10 Working Days. Any revision in Price Band, and the revised Bid/ Offer 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 BRLMs and at the terminals of syndicate members.

Minimum Subscription

This Offer is not restricted to any minimum subscription level. This Offer is 100% underwritten. If the Issuer does not receive the subscription of 100% of the Issue through this offer document including devolvement of Underwriters within sixty days from the date of closure of the Offer, 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 issuer fails to obtain listing or trading permission from the stock exchanges where the specified securities were to be listed, it shall refund through verifiable means the entire monies received within four (4) 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 four (4) 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 fifteen per cent. per annum.

In terms of Regulation 260 of the SEBI ICDR Regulations, 2018, the Issue is 100% underwritten. For details of underwriting arrangement, kindly refer the chapter titled “General Information” on page 59



of this Draft Red Herring Prospectus.

Further, in accordance with Regulation 267 of the SEBI ICDR Regulations, 2018, the minimum application size in terms of number of specified securities shall not be less than Rupees One Lakh per application.

Further, in accordance with Regulation 268 of the SEBI (ICDR) Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will be allotted will not be less than 50 (Fifty).

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.

Migration to Main Board

Our company may migrate to the main board of BSE at a later date subject to the following:

If the Paid up Capital of our Company is likely to increase above ₹ 2500 Lakh by virtue of any further issue of capital by way of rights, preferential issue, bonus issue etc. (which has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoters in favor of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal and for which the company has obtained in-principal approval from the main board), our Company shall apply to BSE for listing of its shares on its Main Board subject to the fulfilment of the eligibility criteria for listing of specified securities laid down by the Main Board.

OR

If the paid-up Capital of our company is more than ₹ 1000 Lakh but below ₹ 2500 Lakh, our Company may still apply for migration to the main board if the same has been approved by a special resolution through postal ballot wherein the votes cast by the shareholders other than the Promoters in favor of the proposal amount to at least two times the number of votes cast by shareholders other than promoter shareholders against the proposal.

Any company voluntarily desiring to migrate to the Main board from the SME Platform, amongst others, has to fulfill following conditions:

| Parameter | Migration policy from BSE SME Platform to BSE Main Board |
|--|---|
| Paid up Capital & Market Capitalisation | <p>Paid-up capital of more than 10 Crores and Market Capitalisation should be minimum Rs. 25 Crores</p> <p>(Market Capitalisation will be the product of the price (average of the weekly high and low of the closing price of the related shares quoted on the stock exchange during 3 (Three) months prior to the date of the application) and the post issue number of equity shares.)</p> |
| Promoter Holding | Promoter(s) shall be holding at least 20% of equity share capital of |



| | |
|--|--|
| | the company at the time of making application. |
| Financial Parameters | <ul style="list-style-type: none"> The applicant company should have positive operating profit (earnings before interest, depreciation and tax) from operations for at least any 2 out of 3 financial years and has positive Profit after tax (PAT) in the immediate preceding Financial Year of making the migration application to Exchange. The applicant company should have a Net worth of at least Rs. 15 crores for 2 preceding full financial years. |
| Track Record | The applicant company is listed on SME Exchange/ Platform having nationwide terminals for at least 3 years. |
| Regulatory action | <ul style="list-style-type: none"> No material regulatory action in the past 3 years like suspension of trading against the applicant company, promoters/promoter group by any stock Exchange having nationwide trading terminals. No Debarment of company, promoters/promoter group, subsidiary company by SEBI. No Disqualification/Debarment of directors of the company by any regulatory authority. The applicant company has not received any winding up petition admitted by a NCLT. |
| Public Shareholder | The applicant company shall have a minimum of 250 public shareholders as per the latest shareholding pattern. |
| Other parameters like No. of shareholders, utilization of funds | <ul style="list-style-type: none"> No proceedings have been admitted under the Insolvency and Bankruptcy Code against the applicant company and Promoting companies. No pending Defaults in respect of payment of interest and/or principal to the debenture/bond/fixed deposit holders by the applicant, promoters/promoter group /promoting company(ies), Subsidiary Companies. The applicant company shall obtain a certificate from a credit rating agency registered with SEBI with respect to utilization of funds as per the stated objective pursuant to IPO and/or further funds raised by the company, if any post listing on SME platform. The applicant company has no pending investor complaints. Cooling off period of 2 months from the date the security has come out of trade-to-trade category or any other surveillance action. |

Market Making

The shares issued and transferred through this Offer are proposed to be listed on the SME Platform of BSE with compulsory market making through the registered Market Maker of the SME Exchange for a minimum period of 3 (three) years or such other time as may be prescribed by the Stock Exchange, from



the date of listing on the SME Platform of BSE. For further details of the market making arrangement please refer to chapter titled General Information beginning on page 59 of this Draft Red Herring Prospectus.

Option to receive 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. Allottees shall have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

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OFFER PROCEDURE

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 and the BRLMs would not be liable for any amendment, modification or change in applicable law, which may occur after the date of this Draft Red Herring Prospectus. Applicants are advised to make their independent investigations and ensure that their applications are submitted in accordance with applicable laws and 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 the Draft Red Herring Prospectus.

All Applicants shall 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, suitably modified from time to time, if any, and the UPI Circulars (“General Information Document”), highlighting the key rules, 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 SEBI Regulations. The General Information Document will also be available on the websites of the Stock Exchange and the BRLMs, before opening of the Issue. Please refer to the relevant provisions of the General Information Document which are applicable to the Issue.

Additionally, all Applicants may refer to the General Information Document for information in relation to (i) Category of investor eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) Allocation of shares; (iii) Payment Instructions for ASBA Applicants; (iv) Issuance of CAN and Allotment in the Offer; (v) General instructions (limited to instructions for completing the Application Form); (vi) Submission of Application Form; (vii) Other Instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (viii) applicable provisions of the Companies Act, 2013 relating to punishment for fictitious applications; (vi) mode of making refunds; and (vii) interest in case of delay in Allotment or refund.

The SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 01, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, has introduced an alternate payment mechanism using Unified Payments Interface (“UPI”) and consequent reduction in timelines for listing in a phased manner. From January 01, 2019, the UPI Mechanism for RIBs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. (“UPI Phase I”). The UPI Phase-I was effective till June 30, 2019.

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 prescribed by SEBI vide circular SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 09, 2023 effective from issue opening on or after



September 01, 2023 on voluntary basis and on or after December 01, 2023 on mandatory basis.

SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 effective to public issues opening on or after from May 01, 2021. However, said circular has been modified pursuant to SEBI Circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 02, 2021 in which certain applicable procedure w.r.t. SMS Alerts, Web portal to CUG etc. shall be applicable to Public Issue opening on or after January 01, 2022 and October 01, 2021 respectively and the provisions of this circular, as amended, are deemed to form part of this Draft Red Herring Prospectus. Additionally, SEBI vide its circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 has reduced the time period for refund of application monies from 15 days to four days. Furthermore, pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/P/2022/45 dated April 5, 2022, all UPI Bidders in initial public offerings (opening on or after May 01, 2022) whose application sizes are up to Rs. 5,00,000/- shall use the UPI Mechanism.

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 Stock Brokers, Depository Participants (DP), Registrar to an Issue and Share Transfer Agent (RTA) that have been notified by BSE to act as intermediaries for submitting Application Forms are provided on www.bseindia.com For details on their designated branches for submitting Application Forms, please see the above mentioned website of BSE.

ASBA Applicants are required to submit ASBA Applications to the selected branches / offices of the RTAs, DPs, Designated Bank Branches of SCSBs. 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 <http://www.sebi.gov.in>. For details on designated branches of SCSB collecting the Application Form, please refer the above-mentioned SEBI link. The list of Stock Brokers, Depository Participants ("DP"), Registrar to an Issue and Share Transfer Agent ("RTA") that have been notified by BSE to act as intermediaries for submitting Application Forms are provided on <http://www.bseindia.com>. For details on their designated branches for submitting Application Forms, please refer the above mentioned BSE website.

Our Company, the Promoter and the BRLMs do not accept any responsibility for the completeness and accuracy of the information stated in this section and General Information Document and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in the Draft Red Herring Prospectus.

BOOK BUILT PROCEDURE

The Issue is being made in terms of Rule 19(2)(b) of the SCRR, through the Book Building Process in accordance Regulation 253 of the SEBI ICDR Regulations wherein not more than 50.00% of the Issue shall be allocated on a proportionate basis to QIBs, provided that our Company may, in consultation with the , allocate up to 60.00% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription, or non-allotment in the Anchor Investor



Portion, the balance Equity Shares shall be to the QIB Portion. Further, 5.00% of the QIB Portion shall be available for allocation on a proportionate basis only to Mutual Funds, and spill-over from 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 Offer Price. Further, not less than 15.00% of the Offer shall be available for allocation on a proportionate basis to Non- Institutional Bidders and not less than 35.00% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the offer Price.

Under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spillover from any other category or combination of categories of Bidders at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange subject to receipt of valid Bids received at or above the Issue Price. Under-subscription, if any, in the QIB Portion, would not be allowed to be met with spillover from any other category or a combination of categories.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchange.

Investors should note that according to Section 29(1) of the Companies Act, 2013, allotment of Equity Shares to all successful Applicants will only be in the dematerialized form. It is mandatory to furnish the details of Applicant's depository account along with Application Form. The Application Forms which do not have the details of the Applicant's depository account, including the DP ID Numbers and the beneficiary account number shall be treated as incomplete and rejected. Application Forms which do not have the details of the Applicant's PAN, (other than Applications made on behalf of the Central and the State Governments, residents of the state of Sikkim and official appointed by the courts) shall be treated as incomplete and are liable to be rejected. Applicants will not have the option of being Allotted Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialized segment of the Stock Exchanges. However, investors may get the specified securities rematerialized subsequent to allotment.

AVAILABILITY OF PROSPECTUS AND APPLICATION FORMS

The Memorandum containing the salient features of the Prospectus together with the Application Forms and copies of the Draft Red Herring Prospectus/ Red Herring Prospectus/ Abridged Prospectus/ Prospectus may be obtained from the Registered Office of our Company, from the Registered Office of the BRLMs to the Issue, Registrar to the Issue as mentioned in the Application form. The application forms may also be downloaded from the website of BSE i.e. www.bseindia.com. Applicants shall only use the specified Application Form for the purpose of making an Application in terms of the Draft Red Herring Prospectus. All the applicants shall have to apply only through the ASBA process. ASBA Applicants shall submit an Application Form either in physical or electronic form to the SCSB's authorizing blocking of funds that are available in the bank accounts specified in the Applicants shall only use the specified Application Form for the purpose of making an Application in terms of the Draft Red Herring Prospectus. The Application Form shall contain space for indicating number of specified securities subscribed for in demat form.

PHASED IMPLEMENTATION OF UNIFIED PAYMENTS INTERFACE

SEBI has issued 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 RIIs through intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to 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 Circulars proposes to introduce and implement the UPI Mechanism in three phases in the following manner:

- a. **Phase I:** This phase was applicable from January 01, 2019 and lasted till June 30, 2019. Under this phase, a Retail Individual applicant, besides the modes of Bidding available prior to the UPI Circulars, also had the option to submit the Bid cum 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 six Working Days.
- b. **Phase II:** This phase commenced on completion of Phase I i.e. with effect from July 01, 2019 and was to be continued for a period of three months or launch of five main board public issues, whichever is later. Further, as per the SEBI circular SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, the UPI Phase II has been extended until March 31, 2020. Further still, 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 be continued till further notice. Under this phase, submission of the Application Form by a Retail Individual Applicant through intermediaries to SCSBs for blocking of funds will be discontinued and will be replaced by the UPI Mechanism. However, the time duration from public issue closure to listing would continue to be six Working Days during this phase.
- c. **Phase III:** The commencement period of Phase III is notified pursuant to SEBI press release bearing number 12/2023 and as per the SEBI Circular No. SEBI/HO/CFD/TPD1/CIR/P/2023/140 dated August 09, 2023, where the revised timeline of T+3 days shall be made applicable in two phases i.e. (i) voluntary for all public issues opening on or after September 01, 2023; and (ii) mandatory on or after December 01, 2023. The Issue will be made under UPI Phase III of the UPI Circulars.

All SCSBs offering the facility of making applications in public issues are required to provide a facility to make applications using the UPI Mechanism. Further, in accordance with the UPI Circulars, our Company has appointed [●] as the 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 Investors into the UPI mechanism.

Pursuant to the UPI Circular, SEBI has set out specific requirements for redressal of investor grievances for applications that have been made through the UPI Mechanism. The requirements of the UPI Circular include, appointment of a nodal officer by the SCSB and submission of their details to SEBI, the requirement for SCSB to send SMS alerts for the blocking and unblocking of UPI mandates, the requirement for the Registrar to submit details of cancelled, withdrawn or deleted applications, and the requirement for the bank accounts of unsuccessful Bidders to be unblocked no later than one day from the date on which the Basis of Allotment is finalised. Failure to unblock the accounts within the timeline would result in the SCSBs being penalised under the relevant securities law. Additionally, if there is any delay in the redressal of investors' complaints in this regard, the relevant SCSB as well as the post – Offer BRLMs will be required to compensate the concerned investor.

SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2022/45) dated April 05, 2022, has prescribed



that all individual investors applying in initial public offerings opening on or after May 01, 2022, where the application amount is up to Rs. 5,00,000, shall use UPI. Individual investors bidding under the Non-Institutional Portion bidding for more than Rs. 200,000 and up to Rs. 5,00,000, using the UPI Mechanism, shall provide their UPIID in the Bid-cum-Application Form for Bidding through 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.

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, 2021 read with SEBI Circular No: SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021.

For further details, refer to the “General Information Document” available on the websites of the Stock Exchange and the BRLMs.

Bid cum Application Form

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centres, and our Registered and Corporate Office. An electronic copy of the Bid cum Application Form will also be available for download on the websites of BSE (www.bseindia.com) at least one day prior to the Bid/Offer Opening Date.

Copies of the Anchor Investor Application Form will be available at the office of the BRLMs.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. Anchor Investors are not permitted to participate in the Offer through the ASBA process. The Bidding in the Retail Portion can additionally Bid through the UPI Mechanism.

A Retail Individual Investor making applications using the UPI Mechanism shall use only his / her own bank account or only his / her own bank account linked UPI ID to make an application in the Issue. The SCSBs, upon receipt of the Application Form will upload the Bid details along with the UPI ID in the bidding platform of the Stock Exchange. Applications made by the Retail Individual Investors using third party bank accounts or using UPI IDs linked to the bank accounts of any third parties are liable for rejection. The Bankers to the Issue shall provide the investors’ UPI linked bank account details to the RTA for the purpose of reconciliation. Postuploading of the Bid details on the bidding platform, the Stock Exchanges will validate the PAN and demat account details of Retail Individual Investors with the Depositories.

ASBA Applicants shall submit an Application Form either in physical or electronic form to the SCSB’s authorizing blocking funds that are available in the bank account specified in the Application Form used by ASBA applicants.

ASBA Bidders (other than RIBs using UPI Mechanism) must provide bank account details and authorization to block funds in their respective ASBA Accounts in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details are liable to be rejected.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated



Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. RIBs Bidding in the Retail Portion using UPI Mechanism, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, Sub- Syndicate members, Registered Brokers, RTAs or CDPs. RIBs authorizing an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs. ASBA Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or the Sponsor Bank, as applicable at the time of submitting the Bid.

In accordance with the SEBI circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process. Applicants shall only use the specified Application Form for the purpose of making an Application in terms of this Draft Red Herring Prospectus.

The prescribed colour of the Application Form for various categories is as follows:

| Category | Colour of Application Form |
|---|----------------------------|
| Resident Indians, including resident QIBs, Non-Institutional Bidders, Retail Individual Bidders and Eligible NRIs applying on a non- repatriation basis | [•] |
| Non-Residents including Eligible NRIs, FVCIs, FPIs, registered multilateral and bilateral development financial institutions applying on a repatriation basis | [•] |
| Anchor Investors | [•] |

**Excluding electronic Bid cum Application Form*

Note:

- Details of depository account are mandatory and applications without depository account shall be treated as incomplete and rejected. Investors will not have the option of getting the allotment of specified securities in physical form. However, they may get the specified securities re-materialized subsequent to allotment.
- The shares of the Company, on allotment, shall be traded on stock exchanges in demat mode only.
- Single bid from any investor shall not exceed the investment limit/maximum number of specified securities that can be held by such investor under the relevant regulations/statutory guidelines.
- The correct procedure for applications by Hindu Undivided Families and applications by Hindu Undivided Families would be treated as on par with applications by individuals.

ELECTRONIC REGISTRATION OF BIDS

- a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchange. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the Offer.
- b) On the Bid/Offer Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchange and as disclosed in the Red Herring Prospectus.



- c) Only Bids that are uploaded on the Stock Exchange Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1:00 pm on the next Working Day following the Bid/Offer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

SUBMISSION AND ACCEPTANCE OF APPLICATION FORMS

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”)

| Sr. 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 stockbroker 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 Offer and share transfer agent (‘RTA’) (whose name is mentioned on the website of the stock exchange as eligible for this activity) |

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:

| | |
|--|--|
| For applications submitted by Investors to SCSB | 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. |
| For applications submitted by investors to intermediaries other than SCSB’s | 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. |
| For applications submitted by investors to 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. 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. |

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 Red Herring Prospectus, without prior or subsequent notice of such changes to the Bidders.

WHO CAN APPLY?

Please note that, in accordance with the 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 (Except Anchor investors) applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019, Retail Individual Investors applying in public Issue may use either Application Supported by Blocked Amount (ASBA) process or UPI payment mechanism by providing UPI ID in the Application Form which is linked from Bank Account of the investor.

Each Bidder should check whether it is eligible to apply under applicable law, rules, regulations, guidelines and policies. Furthermore, certain categories of Bidders, 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. Bidders are requested to refer to the DRHP for more details.

Subject to the above, an illustrative list of Bidders 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 or 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. Mutual Funds registered with SEBI;
- e. 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;
- f. 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);
- g. FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or a foreign individual under the QIB Portion;
- h. Limited Liability Partnerships (LLPs) registered in India and authorized to invest in equity shares;
- i. Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non-Institutional applicants category;



- j. Venture Capital Funds and Alternative Investment Fund (I) registered with SEBI;
- k. State Industrial Development Corporations;
- l. Foreign Venture Capital Investors registered with 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 Rs.2,500 Lakh and who are authorized under their constitution to hold and invest in equity shares;
- q. Pension Funds with minimum corpus of Rs.2,500 Lakh and who are authorized under their constitution to hold and invest in equity shares;
- r. Multilateral and Bilateral Development Financial Institutions;
- s. 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;
- t. Insurance funds set up and managed by army, navy or air force of the Union of India;
- u. Any other person eligible to applying in the Issue, under the laws, rules, regulations, guidelines and policies applicable to them.

As per the existing regulations, OCBs are not eligible to participate in this Offer. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as 138 incorporated non-resident entities in terms of Regulation 5(1) of RBI Notification No.20/2000-RB dated May 3, 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 by case basis. OCBs may invest in this Offer provided it obtains a prior approval from the RBI. On submission of such approval along with the Bid cum Application Form, the OCB shall be eligible to be considered for share allocation.

PARTICIPATION BY ASSOCIATES OF BRLMs

The BRLMs shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the BRLMs may subscribe to Equity Shares in the Issue, either in the QIB Portion and Non-Institutional Portion where the allotment is on a proportionate basis. All categories of Applicants, including associates and affiliates of the BRLMs, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

AVAILABILITY OF PROSPECTUS AND APPLICATION FORMS

The Memorandum Form 2A containing the salient features of the Draft Red Herring Prospectus together with



the Application Forms and copies of the Draft Red Herring Prospectus may be obtained from the Registered Office of our Company, BRLMs to the Issue and The Registrar to the Issue as mentioned in the Application Form. The application forms may also be downloaded from the website of BSE Limited i.e <https://www.bseindia.com>.

OPTION TO SUBSCRIBE IN THE ISSUE

- a) As per Section 29(1) of the Companies Act 2013, Investors will get the allotment of Equity Shares indematerialization form only.
- b) The Equity Shares, on allotment, shall be traded on Stock Exchange in demat segment only.
- c) In a single Application Form any investor shall not exceed the investment limit/minimum number of specified securities that can be held by him/her/it under the relevant regulations/statutory guidelines and applicable law.

APPLICATION BY INDIAN PUBLIC INCLUDING ELIGIBLE NRIs

Application must be made only in the names of individuals, limited companies or Statutory Corporations/institutions and not in the names of minors, foreign nationals, non-residents (except for those applying on non-repatriation), 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, Partnership firms or their nominees. In case of HUF's, application shall be made by the Karta of the HUF. An applicant in the Net Public Category cannot make an application for that number of Equity Shares exceeding the number of Equity Shares offered to the public.

APPLICATION BY MUTUAL FUNDS

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 reject any application without assigning any reason thereof. Applications made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Applications are made. 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 single Company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific funds/Schemes. No mutual fund under all its schemes should invest more than 10% of any Company's paid up share capital carrying voting rights.

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.

The Application made by Asset Management Companies or custodians of Mutual Funds shall specifically



state the names of the concerned schemes for which the Applications are made custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Applications are made.

APPLICATIONS BY ELIGIBLE NRI

Eligible NRIs may obtain copies of Application Form from the members of the Syndicate, the sub-Syndicate, if applicable, the SCSBs, the Registered Brokers, RTAs and CDPs. 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”) 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 Application Form.

Bids by Eligible NRIs and Category III FPIs for a Bid Amount of less than ₹ 2,00,000 would be considered under the Retail Category for the purposes of allocation and Bids for a Bid Amount exceeding ₹ 2,00,000 would be considered under the Non-Institutional Category for allocation in the Offer.

In case of Eligible NRIs bidding under the Retail Category through the UPI mechanism, depending on the nature of the investment whether repatriable or non-repatriable, the Eligible NRI may mention the appropriate UPI ID in respect of the NRE account or the NRO account, in the Application Form.

Under FEMA, general permission is granted to companies vide notification no. FEMA/20/2000 RB dated May 03, 2000 to issue securities to NRIs subject to the terms and conditions stipulated therein. Companies are required to file the declaration in the prescribed form to the concerned Regional Office of RBI within 30 (thirty) days from the date of issue of shares of allotment to NRIs on repatriation basis. Allotment of Equity shares to non-residents Indians shall be subject to the prevailing Reserve Bank of India guidelines. Sale proceeds of such investments in equity shares will be allowed to be repatriated along with an income thereon subject to permission of the RBI and subject to the Indian Tax Laws and Regulations and any other applicable laws. The company does not require approvals from FIPB or RBI for the issue of equity shares to eligible NRIs, FIIs, Foreign Venture Capital Investors registered with SEBI and multi-lateral and Bi-lateral development financial institutions.

Eligible NRIs applying on non-repatriation basis are advised to use the Application Form for residents (white in color). Eligible NRIs applying on a repatriation basis are advised to use the Application Form meant for non-Residents (blue in color). For details of restrictions on investment by NRIs, please refer to the chapter titled “Restrictions on Foreign Ownership of Indian Securities” beginning on page 319 of this Draft Red Herring Prospectus.

APPLICATIONS BY ELIGIBLE FIIs/FPIs

In terms of the SEBI FPI Regulations, an FII who holds a valid certificate of registration from SEBI shall be deemed to be a registered 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 sub-account may, subject to payment of conversion fees under the SEBI FPI Regulations participate in the Issue until the expiry of its registration with SEBI as an FII or sub-account, or if it has obtained a certificate of registration as an FPI, whichever is earlier. Accordingly, such FIIs can, subject to the payment of conversion fees under the SEBI FPI Regulations, participate in this Offer in accordance



with Schedule 2 of the FEMA Regulations. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In terms of the SEBI FPI Regulations, the purchase of Equity Shares and total holding by 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 sectoral 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.

Further, pursuant to the Master Directions on Foreign Investment in India issued by the RBI dated January 4, 2018 (updated as on March 8, 2019) the investments made by a SEBI registered FPI in a listed Indian company will be reclassified as FDI if the total shareholding of such FPI increases to more than 10% of the total paid-up equity share capital on a fully diluted basis or 10% or more of the paid up value of each series of debentures or preference shares or warrants.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which maybe 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 investor 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, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognised 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. Further, pursuant to a Circular dated November 24, 2014 issued by the SEBI, FPIs are permitted to issue offshore derivative instruments only to subscribers that (i) meet the eligibility criteria set forth in Regulation 4 of the SEBI FPI Regulations; and (ii) do not have opaque structures, as defined under the SEBI FPI Regulations. 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. Further, where an investor has investments as FPI and also holds positions as an overseas direct investment subscriber, investment restrictions under the SEBI FPI Regulations shall apply on the aggregate of FPI investments and overseas direct investment positions held in the underlying Indian company.

FPIs who wish to participate in the Offer are advised to use the Application Form for Non-Residents (blue incolor). FPIs are required to apply through the ASBA process to participate in the Offer.

APPLICATIONS BY SEBI REGISTERED ALTERNATIVE INVESTMENT FUND (AIF), VENTURE CAPITAL FUNDS AND FOREIGN VENTURE CAPITAL INVESTORS



The Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 as amended, (the “SEBI VCF Regulations”) and the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended, among other things prescribe the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 (the “SEBI AIF Regulations”) prescribe, amongst others, the investment restrictions on AIFs.

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 BRLMs will not be responsible for loss, if any, incurred by the Applicant on account of conversion of foreign currency.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Applicants will be treated on the same basis with other categories for the purpose of allocation.

APPLICATIONS BY LIMITED LIABILITY PARTNERSHIPS

In case of 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. Failing this, our Company reserves the right to reject any application, without assigning any reason thereof. Limited Liability Partnerships can participate in the issue only through the ASBA Process.

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:

1. 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;



2. 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
3. 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 Offer shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

The above limit of 10.00% shall stand substituted as 15.00% of outstanding equity shares (face value) for insurance companies with investment assets of Rs. 2,500,000 million or more and 12.00% of outstanding equity shares (face value) for insurers with investment assets of Rs. 500,000.00 million or more but less than Rs. 2,500,000.00 million.

Insurance companies participating in this Issue, shall comply with all applicable regulations, guidelines and circulars issued by IRDA from time to time.

APPLICATIONS BY BANKING COMPANIES

Applications by Banking Companies: In case of Applications 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 Application Form, failing which our Company reserves the right to reject any Application without assigning any reason. The investment limit for banking companies in non-financial services Companies as per the Banking Regulation Act, 1949, and the Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company or 10% of the banks' own paid-up share capital and reserves, whichever is less. Further, the aggregate investment in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank's paid-up share capital and reserves. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI provided that the investee Company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act.

Applications by SCSBs: SCSBs participating in the Offer are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 02, 2013. Such SCSBs are required to ensure that for making 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 application in public issues and clear demarcated funds should be available in such account for such applications.

APPLICATION BY PROVIDENT FUNDS/ PENSION FUNDS

In case of applications made by provident funds/pension funds, subject to applicable laws, with minimum corpus of Rs. 2,500 Lakhs, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Application Form. Failing this, our Company reserves the right to reject any application, without assigning any reason thereof.



BIDS BY ANCHOR INVESTORS

Our Company in consultation with the BRLMs, 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 undersubscription 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 Application Forms will be made available for the Anchor Investors at the offices of the BRLMs.
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 one Working Day before the Bid/ Issue Opening Date and be completed on the same day.
5. Our Company in consultation with the BRLMs, 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 ₹ 2500.00 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 ₹ 2500.00 Lakhs:
 - (i) minimum of 5 (five) and maximum of 15 (fifteen) Anchor Investors for allocation upto ₹ 2500.00 Lakhs; and
 - (ii) an additional 10 Anchor Investors for every additional allocation of ₹ 2500.00 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 BRLMs 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. Equity Shares Allotted in the Anchor Investor Portion will be locked in for a period of 90 days on fifty per cent of the shares allotted to the anchor investors from the date of allotment, and a lock-in of 30 days on the remaining fifty per cent of the shares allotted to the anchor investors from the date of allotment.
11. The BRLMs, our Promoters, Promoter Group or any person related to them (except for Mutual Funds sponsored by entities related to the BRLMs) will not participate in the Anchor Investor Portion. The parameters for selection of Anchor Investors will be clearly identified by the BRLMs and made available as part of the records of the BRLMs for inspection byes.
12. Bids made by QIBs under both the Anchor Investor Portion and the QIB Portion will not be considered multiple Bids.
13. Anchor Investors are not permitted to Bid in the Issue through the ASBA process.

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 Offer shall comply with all applicable legislations, regulations, directions, guidelines and circulars issued by RBI 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, FIIs, Mutual Funds, insurance companies and provident funds with minimum corpus of Rs. 2,500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2,500 Lakhs a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certifiedcopy 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, FIIs 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 Rs. 2,500 Lakhs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2,500 Lakhs, 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.

Our 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 our Company, the BRLMs may deem fit.

Our 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 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 BRLMs 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 number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

MAXIMUM AND MINIMUM APPLICATION SIZE

a) For Retail Individual Applicants

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 Applicant does not exceed ₹ 2,00,000. In case of revision of Applications, the Retail Individual Applicants have to ensure that the Application Price does not exceed ₹ 2,00,000.

b) For Other Applicants (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 Offer 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 Applicant cannot withdraw its Application after the Offer Closing Date and is required to pay 100% QIB Margin upon submission of Application.

In case of revision in Applications, the Non-Institutional Applicants, 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.

Applicants 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 Applicants. The Company and the BRLMs 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 number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

INFORMATION FOR THE APPLICANTS:

- a) Our Company will file a copy of Red Herring Prospectus with the Registrar of Companies, Delhi, at least 3 (three) days before the Issue Opening Date.
- b) Any investor (who is eligible to invest in our Equity Shares) who would like to obtain the Draft Red Herring Prospectus/ Red Herring Prospectus and/ or the Application Form can obtain the same from our Registered Office or from the office of the BRLMs.
- c) Applicants who are interested in subscribing for the Equity Shares should approach the BRLMs or their authorized agent(s) to register their applications.
- d) Applications made in the name of minors and/ or their nominees shall not be accepted.

INSTRUCTIONS FOR COMPLETING THE APPLICATION FORM

The Bids should be submitted on the prescribed Form and in BLOCK LETTERS in ENGLISH only in accordance with the instructions contained herein and in the Bid cum application form. Bids not so made are liable to be rejected. ASBA Application Forms should bear the stamp of the SCSB's. ASBA Application Forms, which do not bear the stamp of the SCSB, will be rejected.

Applicants residing at places where the designated branches of the Banker to the Issue are not located may submit/mail their applications at their sole risk along with Demand payable at Delhi.

SEBI, vide Circular No. CIR/CFD/14/2012 dated October 04, 2012, has introduced an additional mechanism for investors to submit 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 Limited i.e. www.bseindia.com.

BIDDER'S DEPOSITORY ACCOUNT AND BANK DETAILS

Please note that, providing bank account details in the space provided in the Bid cum application form is



mandatory and Bids that do not contain such details are liable to be rejected.

Bidders should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant Identification number and Beneficiary Account Number provided by them in the Bid cum Application Form, 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'). Bidders should carefully fill in their Depository Account details in the Bid cum Application Form.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the CANs / Allocation 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 Bidders 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 BIDS

I. During the Bid/ Offer Period, Bidders may approach any of the Designated Intermediaries to register their Bids.

II. In case of Bidders (excluding NIIs) Bidding at Cut-off Price, the Bidders may instruct the SCSBs to block Bid Amount based on the Cap Price less Discount (if applicable).

III. For Details of the timing on acceptance and upload of Bids in the Stock Exchange Platform Bidders are requested to refer to the Draft Red Herring Prospectus.

BASIS OF ALLOTMENT

Allotment will be made in consultation with the BSE. In the event of oversubscription, the allotment will be made on a proportionate basis in marketable lots as set forth here:

1. 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 over subscription ratio (number of applicants in the category X number of Shares applied for).
2. The number of Shares to be allocated to the successful applicants 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).
 - a) For applications where the proportionate allotment works out to less than [●] equity shares the allotment will be made as follows:
 1. Each successful applicant shall be allotted [●] equity shares; and
 2. The successful applicants out of the total applicants for that category shall be determined by the drawl 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 (2) above.



- b) If the proportionate allotment to an applicant works out to a number that is not a multiple of [●] equity shares, the applicant would be allotted Shares by rounding off to the nearest multiple of [●] equity shares subject to a minimum allotment of [●] equity shares.
- c) If the Shares allotted on a proportionate basis to any category is more than the Shares allotted to the applicants in that category, the balance available Shares for allocation shall be first adjusted against any category, where the allotted Shares are not sufficient for proportionate allotment to the successful applicants in that category, the balance Shares, if any, remaining after such adjustment will be added to the category comprising of applicants 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 offer specified under the Capital Structure mentioned in this Draft Red Herring Prospectus.
- d) The above proportionate allotment of shares in an Issue that is oversubscribed shall be subject to the reservation for small individual applicants as described below:
1. As the retail individual investor category is entitled to more than fifty percent on proportionate basis, the retail individual investors shall be allocated that higher percentage.
 2. The balance net offer of shares to the public shall be made available for allotment to
 - a) Individual applicants other than retails individual investors and
 - b) Other investors, including Corporate Bodies/ Institutions irrespective of number of shares applied for.
 3. The unsubscribed portion of the net offer to any one of the categories specified in a) or b) shall/may be made available for allocation to applicants in the other category, if so required.

Retail Individual Investor' means an investor who applies for shares of value of not more than Rs. 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 BSE.

The Executive Director / Managing Director of BSE – the Designated Stock Exchange in addition to BRLMs 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.

INFORMATION FOR BIDDERS

The relevant Designated Intermediary will enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options are not considered as multiple Bids. It is the Bidder's responsibility to obtain the acknowledgment slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he /she shall surrender the earlier Acknowledgement Slip and may request for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid. In relation to electronic registration of Bids, the permission given by the Stock Exchange to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory



and other requirements by our Company, the BRLMs are cleared or approved by the Stock Exchange; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the 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 the Draft Red Herring Prospectus or the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

GENERAL INSTRUCTIONS

Do's:

- Check if you are eligible to apply;
- Read all the instructions carefully and complete the applicable Application Form;
- Ensure that the details about Depository Participant and Beneficiary Account are correct as Allotment of Equity Shares will be in the dematerialized form only;
- All Bidders should submit their Bids through the ASBA process only
- Ensure that your Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre
- In case of joint Bids, ensure that 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 Application Form;
- Bidders (other than RIIs bidding through the non-UPI Mechanism) should submit the Application Form only at the Bidding Centers, i.e. to the respective member of the Syndicate at the Specified Locations, the SCSBs, the Registered Broker at the Broker Centres, the CRTA at the Designated RTA Locations or CDP at the Designated CDP Locations. RIIs bidding through the non-UPI Mechanism should either submit the physical Application Form with the SCSBs or Designated Branches of SCSBs under Channel I (described in the UPI Circulars) or submit the Application Form online using the facility of 3-in 1 type accounts under Channel II (described in the UPI Circulars);
- Ensure that you have mentioned the correct ASBA Account number (for all Bidders other than RIBs using the UPI Mechanism) in the Application Form;
- RIBs using the UPI Mechanism should ensure that the correct UPI ID (with maximum length of 45 characters including the handle) is mentioned in the Application Form;
- RIBs using UPI Mechanism through the SCSBs and mobile applications shall ensure that the name of the Bank appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. RIBs shall ensure that the name of the app and the UPI handle which is used for making the application appears in Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/COR/P/2019/85 dated July 26, 2019;
- RIBs bidding using the UPI Mechanism should ensure that they use only their own bank account linked UPI ID to make an application in the Offer;
- RIBs submitting an Application Form using the UPI Mechanism, should ensure that: (a) the bank where the bank account linked to their UPI ID is maintained; and (b) the Mobile App and UPI handle being used for making the Bid is listed on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>;
- RIBs submitting a Bid-cum Application Form to any Designated Intermediary (other than SCSBs) should ensure that only UPI ID is included in the Field Number 7: Payment Details in the Application Form;



- RIBs using the UPI Mechanism shall ensure that the bank, with which it has its bank account, where the funds equivalent to the application amount are available for blocking is UPI 2.0 certified by NPCI;
- If the first applicant is not the account holder, ensure that the Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Application Form;
- Ensure that the signature of the First Bidder in case of joint Bids, is included in the Application Forms
- QIBs and Non-Institutional Bidders should submit their Bids through the ASBA process only. Pursuant to SEBI circular dated November 01, 2018 and July 26, 2019, RII shall submit their bid by using UPI mechanism for payment;
- Ensure that the name(s) given in the 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 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;
- Ensure that you request for and receive a stamped acknowledgement of the Application Form for all your Bid options;
- Ensure that you have funds equal to the Bid Amount in the Bank Account maintained with the SCSB before submitting the 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);
- Submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
- Bidders, other than RIBs using the UPI Mechanism, shall ensure that they have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to the relevant Designated Intermediaries;
- 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 I.T. 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;
- Ensure that the Demographic Details are updated, true and correct in all respects;
- 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;
- Ensure that the category and the investor status is indicated;
- Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;
- Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
- Bidders should note that in case the DP ID, Client ID and the PAN mentioned in their 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 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 Application Form;

- Ensure that the Application Forms are delivered by the Bidders within the time prescribed as per the Application Form and the Draft Red Herring Prospectus;
- Ensure that you have mentioned the correct ASBA Account number or UPI ID in the Application Form;
- 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 Offer;
- 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;
- Ensure that you have correctly signed the authorization/undertaking box in the 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 Application Form at the time of submission of the Bid;
- Ensure that you receive an acknowledgement from the concerned Designated Intermediary, for the submission of your Application Form; and
- RIBs shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorize the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, an RIB may be deemed to have verified the attachment containing the application details of the RIB in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to block the Bid Amount mentioned in the Application Form;
- RIBs shall ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank before 5:00 p.m. before the Bid / Offer Closing Date;
- RIBs who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which RIBs should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank to authorize blocking of funds equivalent to the revised Bid Amount in the RIB's ASBA Account;
- RIBs using the UPI Mechanism, who have revised their Bids subsequent to making the initial Bid, should also approve the revised Mandate Request generated by the Sponsor Bank to authorize blocking of fund equivalent to the revised Bid Amount and subsequent debit of funds in case of Allotment in a timely manner; and
- Bids by Eligible NRIs and HUFs for a Bid Amount of less than Rs. 200,000 would be considered under the Retail Portion, and Bids for a Bid Amount exceeding Rs. 200,000 would be considered under the Non- Institutional Portion, for the purposes of allocation in the Offer.

The Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, is liable to be rejected.

Don'ts:

- Do not apply for lower than the minimum Application size;
- Do not apply at a Price Different from the Price Mentioned herein or in the Application Form;
- Do not pay the Application Price in cash, cheque, by money order or by postal order or by stock invest;



- RIBs should not submit a Bid using the UPI Mechanism, unless the name of the bank where the bank account linked to your UPI ID is maintained, is listed on the website of the SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>;
- RIB should not submit a Bid using the UPI Mechanism, using a Mobile App or UPI handle, not listed on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>;
- Do not send Application Forms by post, instead submit the Designated Intermediary only;
- Do not submit the Application Forms to any non-SCSB bank or our Company;
- Do not apply on an Application Form that does not have the stamp of the relevant Designated Intermediary;
- Do not submit the application without ensuring that funds equivalent to the entire application Amount are blocked in the relevant ASBA Account;
- Do not apply for an Application Amount exceeding Rs. 2,00,000 (for applications by Retail Individual Applicants);
- Do not fill up the Application Form such that the Equity Shares applied for exceeds the Offer Size and/or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- Do not submit the General Index Register number instead of the PAN as the application is liable to be rejected on this ground;
- Do not submit incorrect details of the DP ID, beneficiary account number and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer.
- Do not submit applications on plain paper or incomplete or illegible Application Forms in a color prescribed for another category of Applicant;
- All Investors submit their applications through the ASBA process only except as mentioned in SEBI Circular No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019 & SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021;
- Do not make Applications if you are not competent to contract under the Indian Contract Act, 1872, as amended.
- Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by RIB Bidders using the UPI Mechanism;

The Applications should be submitted on the prescribed Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

OTHER INSTRUCTION FOR BIDDERS

Joint Applications in the case of Individuals

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.



Applications may be made in single or joint names (not more than three). In the case of joint Applications, all payments will be made out in favour of the Applicant whose name appears first in the Application Form or Revision Form. All communications will be addressed to the First Applicant and will be dispatched to his or her address as per the Demographic Details received from the Depository.

Multiple Applications

An Applicant should submit only one Application (and not more than one) for the total number of Equity Shares required. Two or more Applications will be deemed to be multiple Applications if the sole or First Applicant is one and the same.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

- a) All applications are electronically strung on first name, address (1st line) and applicant's status. Further, these applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father/ husband's name to determine if they are multiple applications.
- b) Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/ beneficiary ID. In case of applications with common DP ID/ beneficiary ID, are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.
- c) Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked to eliminate possibility of data capture error to determine if they are multiple applications.

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.

In cases where there are more than 20 valid applications having a common address, such shares will be kept in abeyance, post allotment and released on confirmation of know your client' norms by the depositories. The Company reserves the right to reject, in our absolute discretion, all or any multiple Applications in any or all categories.

After submitting an ASBA Application either in physical or electronic mode, an ASBA Applicant cannot apply (either in physical or electronic mode) to either the same or another Designated Branch of the SCSB. Submission of a second Application in such manner will be deemed a multiple Application and would be rejected. More than one ASBA Applicant may apply for Equity Shares using the same ASBA Account, provided that the SCSBs will not accept a total of more than five Application Forms with respect to any single ASBA Account.

Duplicate copies of Application Forms downloaded and printed from the website of the Stock Exchange bearing the same application number shall be treated as multiple applications and are liable to be rejected. The Company, in consultation with the BRLMs reserves the right to reject, in its absolute discretion, all or any multiple applications in any or all categories. In this regard, the procedure which would be followed by



the Registrar to the Issue to detect multiple applications is given below:

- (i) All Applications will be checked for common PAN. For Applicants other than Mutual Funds and FII subaccounts, Applications bearing the same PAN will be treated as multiple Applications and will be rejected.
- (ii) For Applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Applications on behalf of the Applicants for whom submission of PAN is not mandatory such as the Central or State Government, an official liquidator or receiver appointed by a court and residents of Sikkim, the Application Forms will be checked for common DP ID and Client ID.

PERMANENT ACCOUNT NUMBER OR PAN

Pursuant to the circular MRD/DoP/Circ 05/2007 dated April 27, 2007, SEBI has mandated Permanent Account Number (PAN) to be the sole identification number for all participants transacting in the securities market, irrespective of the amount of the transaction w.e.f. July 02, 2007. Each of the Applicants should mention his/her PAN allotted under the IT Act. Bid submitted without this information will be considered incomplete and are liable to be rejected. It is to be specifically noted that Applicants should not submit the GIR number instead of the PAN, as the Application is liable to be rejected on this ground.

RIGHT TO REJECT APPLICATIONS

In case of QIB Applicants, the Company in consultation with the BRLMs may reject Applications provided that the reasons for rejecting the same shall be provided to such Applicant in writing. In case of Non-Institutional Applicants, Retail Individual Applicants who applied, the Company has a right to reject Applications based on technical grounds.

GROUND OF TECHNICAL REJECTION

In addition to the grounds for rejection of Bids on technical grounds as provided in the General Information Document, Bidders are requested to note that Bids maybe rejected on the following additional technical grounds:

1. Bids submitted without instruction to the SCSBs to block the entire Bid Amount;
2. Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form;
3. Bids submitted on a plain paper;
4. Bids submitted by RIBs using the UPI Mechanism through an SCSBs and/or using a mobile application or UPI handle, not listed on the website of SEBI;
5. Bids under the UPI Mechanism submitted by RIBs using third party bank accounts or using a third party linked bank account UPI ID (subject to availability of information regarding third party account from Sponsor Bank);
6. ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;



7. Bids submitted without the signature of the First Bidder or sole Bidder;
8. The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;
9. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are “suspended for credit” in terms of SEBI circular CIR/MRD/DP/ 22 /2010 dated July 29, 2010;
10. GIR number furnished instead of PAN;
11. Bids by RIBs with Bid Amount of a value of more than ₹ 2,00,000;
12. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
13. Bids accompanied by stock invest, money order, postal order or cash; and
14. Bids uploaded by QIBs after 4.00 pm on the QIB Bid/ Issue Closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid/ Issue Closing Date, and Bids by RIBs uploaded after 5.00 p.m. on the Bid/ Issue Closing Date, unless extended by the Stock Exchange.
15. Applications by OCBs;

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."

SIGNING OF UNDERWRITING AGREEMENT

Vide an Underwriting agreement dated February 07, 2024 this issue is 100% Underwritten.

FILING OF THE RED HERRING PROSPECTUS WITH THE ROC

The Company will file a copy of the Red Herring Prospectus with the Registrar of Companies, Delhi and in terms of Section 26 of Companies Act, 2013.

EQUITY SHARES IN DEMATERIALISED FORM WITH NSDL/CDSL

To enable all shareholders of the Company to have their shareholding in electronic form, the Company is in



process of entering following tripartite agreements with the Depositories and the Registrar and Share Transfer Agent:

- (i). We have entered into a tripartite agreement between NSDL, the Company and the Registrar to the offer on November 06, 2023.
- (ii). We have entered into a tripartite agreement between CDSL, the Company and the Registrar to the offer on November 06, 2023,

The Company's International Securities Identification Number (ISIN) is INE0RUJ01013.

An Applicant applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Application.

- The Applicant must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Application Form or Revision Form.
- Allotment to a successful Applicant will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Applicant.
- Names in the Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
- If incomplete or incorrect details are given under the heading 'Applicants Depository Account Details' in the Application Form or Revision Form, it is liable to be rejected.
- The Applicant is responsible for the correctness of his or her Demographic Details given in the Application Form vis à vis those with his or her Depository Participant.
- Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchange where our Equity Shares are proposed to be listed has electronic connectivity with CDSL and NSDL.
- The allotment and trading of the Equity Shares of the Company would be in dematerialized form only for all investors.

TERMS OF PAYMENT

The entire Issue price of Rs. [●] /- 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 or Sponsor Bank to unblock the excess amount paid on Application to the Bidders.

SCSBs or Sponsor Bank 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 or Sponsor Bank.

The applicants should note that the arrangement with Banker to the Issue or the Registrar or Sponsor Bank 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 Applicants.

PAYMENT MECHANISM FOR APPLICANTS

The Bidders shall specify the bank account number in their Application Form and the SCSBs shall block an



amount equivalent to the Application Amount in the bank account specified in the Application Form sent by the Sponsor Bank. The SCSB or Sponsor Bank 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 or for unsuccessful Bids, 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 Applicant, 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 Offer 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 offer 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. SEBI through its circular (SEBI/HO/CFD/DIL2/CIR/P/2022/45) dated April 5, 2022, has prescribed that all individual investors applying in initial public offerings opening on or after May 1, 2022, where the application amount is up to Rs. 5,00,000, may use UPI.

PAYMENT BY STOCK INVEST

In terms of the Reserve Bank of India Circular No. DBOD No. FSC BC 42/ 24.47.00/ 2003-04 dated November 05, 2003; the option to use the stock invest instrument in lieu of cheques or banks for payment of Application money has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

PAYMENT INTO ESCROW ACCOUNT(S) FOR ANCHOR INVESTORS

Our Company, in consultation with the BRLMs, 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 favor of:

- (a) In case of resident Anchor Investors: “[●]”; and
- (b) In case of Non-Resident Anchor Investors: “[●]”.

Anchor Investors should note that the escrow mechanism is not prescribed by the SEBI and has been established as an arrangement between our Company and the Syndicate, if any the Escrow Collection Bank and the Registrar to the Offer to facilitate collections of Bid amounts from Anchor Investors.

PRE-ISSUE ADVERTISEMENT



Subject to Section 30 of the Companies Act, 2013 and Regulation 264 of SEBI (ICDR) Regulations, 2018, the company shall, after filing the Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one widely circulated English language national daily newspaper; one widely circulated Hindi language national daily newspaper and one regional newspaper with wide circulation. In the pre-issue advertisement, we shall state the Bid/Issue Opening Date and the Bid/Issue Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013 and Regulation 264 of SEBI (ICDR) Regulations, 2018, shall be in the format prescribed in Part A of Schedule VI of the SEBI Regulations.

ISSUANCE OF ALLOTMENT ADVICE

On the Designated date, the SCSBs shall transfer the funds represented by allocation of equity shares into public issue account with the banker to the issue. Upon approval of the basis of the allotment by the Designated Stock Exchange, the Registrar to the Issue shall upload the same on its website. On the basis of approved basis of allotment, the issuer shall pass necessary corporate action to facilitate the allotment and credit of equity shares. Applicants are advised to instruct their respective depository participants to accept the equity shares that may be allotted to them pursuant to the issue. Pursuant to confirmation of such corporate actions the Registrar to the Issue will dispatch allotment advice to the applicants who have been allotted equity shares in the issue. The dispatch of allotment advice shall be deemed a valid, binding and irrevocable contract.

The Company will issue and dispatch letters of allotment/ securities certificates and/ or letters of regret or credit the allotted securities to the respective beneficiary accounts, if any within a period of 4 working days of the Issue Closing Date. The Issuer also ensures the credit of shares to the successful Applicants Depository Account is completed within 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 transfers 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 4 working days of the 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.

NAMES OF ENTITIES RESPONSIBLE FOR FINALISING THE BASIS OF ALLOTMENT IN A FAIR AND PROPER MANNER

The authorised employees of the Stock Exchange, along with the BRLMs and the Registrar, shall ensure that the Basis of Allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

METHOD OF ALLOTMENT AS MAY BE PRESCRIBED BY SEBI FROM TIME TO TIME

Our Company will not make any allotment in excess of the Equity Shares offered through the offer document except in case of oversubscription for the purpose of rounding off to make allotment, in consultation with the



Designated Stock Exchange. The allotment of Equity Shares to applicants other than to the Retail Individual Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size.

DISPOSAL OF APPLICATION AND APPLICATION MONIES AND INTEREST IN CASE OF DELAY

The company shall ensure the dispatch of allotment advice, instruction to SCSBs and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the allotment to the stock exchange within one (1) working day of the date of allotment of equity shares.

The company shall use best efforts that all steps for completion of the necessary formalities for listing and commencement of trading at SME platform of BSE, where the equity shares are proposed to be listed are taken with three (3) working days of the closure of the issue.

MODE OF REFUNDS

a) In case of ASBA Applicants: Within 2 (two) Working Days of the Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Application, for any excess amount blocked on Application, for any ASBA application withdrawn, rejected or unsuccessful or in the event of withdrawal or failure of the Offer.

b) In the case of Applications from Eligible NRIs and FPIs, refunds, if any, may generally be payable in Indian Rupees only and net of bank charges and/ or commission. If so desired, such payments in Indian Rupees may be converted into U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and may be dispatched by registered post. The Company may not be responsible for loss, if any, incurred by the applicant on account of conversion of foreign currency.

c) In case of Other Investors: Within six Working Days of the Issue Closing Date, the Registrar to the Issue may dispatch the refund orders for all amounts payable to unsuccessful Investors. In case of Investors, the Registrar to the Offer may obtain from the depositories, the Applicants' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Investors in their Investor Application Forms for refunds. Accordingly, Investors are advised to immediately update their details as appearing on the records of their depositories. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Investors' sole risk and neither the Issuer, the Registrar to the Issue, the Escrow Collection Banks, may be liable to compensate the Investors for any losses caused to them due to any such delay, or liable to pay any interest for such delay.

MODE OF MAKING REFUNDS FOR APPLICANTS OTHER THAN ASBA APPLICANTS

The payment of refund, if any, may be done through various modes as mentioned below:

(i) NECS - Payment of refund may be done through NECS for Applicants having an account at any of the centers specified by the RBI. This mode of payment of refunds may be subject to availability of complete bank account details including the nine-digit MICR code of the applicant as obtained from the Depository



(ii) NEFT - Payment of refund may be undertaken through NEFT wherever the branch of the Applicants' bank is NEFT enabled and has been assigned the Indian Financial System Code ("IFSC"), which can be linked to the MICR of that particular branch. The IFSC Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Applicants have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and the payment of refund may be made to the Applicants' through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;

(iii) Direct Credit – Applicants having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account;

(iv) RTGS – Applicants having a bank account at any of the centres notified by SEBI where clearing houses are managed by the RBI, may have the option to receive refunds, if any, through RTGS. The IFSC code shall be obtained from the demographic details. Investors should note that on the basis of PAN of the applicant, DP ID and beneficiary account number provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the demographic details including address, Investors' account details, IFSC code, MICR code and occupation (hereinafter referred to as "Demographic Details"). The bank account details for would be used giving refunds. Hence, Applicants are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in dispatch/ credit of refunds to Applicants at their sole risk and neither the BRLMs or the Registrar to the Issue or the Escrow Collection Bank nor the Company shall have any responsibility and undertake any liability for the same;

(v) Please note that refunds, on account of our Company not receiving the minimum subscription, shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank. For details of levy of charges, if any, for any of the above methods, Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers etc. Investors may refer to Red Herring Prospectus.

INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer shall make the Allotment within the period prescribed by SEBI. The Issuer shall pay interest at the rate of 15% per annum if Allotment is not made and refund instructions have not been given to the clearing system in the disclosed manner/instructions for unblocking of funds in the ASBA Account are not dispatched within such times as maybe specified by SEBI.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/ Issue Closing Date, the Bidder shall be compensated in accordance with applicable law. Further, Investors shall be entitled to compensation in the manner specified in the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021 in case of delays in resolving investor grievances in relation to blocking/unblocking of funds

Undertakings by our company

Our Company undertakes the following:



1. that if our Company do not proceed with the Issue after the Issue Closing Date, the reason thereof shall be given as a public notice in the newspapers to be issued by our Company within two days of the Issue Closing Date. The public notice shall be issued in the same newspapers in which the Pre- Issue advertisement was published. The stock exchange on which the Equity Shares are proposed to be listed shall also be informed promptly.
2. that if our Company withdraw the Issue after the Issue Closing Date, our Company shall be required to file a fresh offer document with the RoC / SEBI, in the event our Company subsequently decides to proceed with the Issue.
3. That the complaints received in respect of this Issue shall be attended to by us expeditiously and satisfactorily.
4. That all steps shall be taken to ensure that listing and commencement of trading of the Equity Shares at the Stock Exchange where the Equity Shares are proposed to be listed are taken within six Working Days of Issue Closing Date or such time as prescribed.
5. 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.
6. Where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within six Working Days from the Offer Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.
7. That no further Issue of Equity Shares shall be made till the Equity Shares issued through this Draft Red Herring Prospectus are listed or until the Application monies are refunded on account of non-listing, under-subscription etc.
8. That adequate arrangement shall be made to collect all Applications Supported by Blocked Amount while finalizing the Basis of Allotment.
9. That if Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be 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 ICDR Regulations and applicable law for the delayed period.
10. That the letter of allotment/ unblocking of funds to the non-resident Indians shall be dispatched within specified time.

UNDERTAKING BY SELLING SHAREHOLDER

Only statements and undertakings which are specifically “confirmed” or “undertaken” by the Selling Shareholder in this Draft Red Herring Prospectus shall be deemed to be “statements and undertakings made by the Selling Shareholder”. All other statements and/ or undertakings in this Draft Red Herring Prospectus shall be statements and undertakings made by our Company even if the same relates to the Selling Shareholder. The Selling Shareholder severally and not jointly, specifically confirms and undertakes the following in respect of itself and the Equity Shares being offered by it pursuant to the Offer for Sale:

1. The portion of the offered Shares shall be transferred in the offer free and clear of any pre-emptive rights, liens, mortgages, charges, pledges, trusts or any other encumbrance or transfer restrictions, both present and future, in a manner prescribed under Applicable Law in relation to the Issue, and without any objection by it and in accordance with the instructions of the Registrar to the Issue.
2. The portion of the offered Shares have been held by such Selling Shareholder for a minimum period of one year prior to the date of filing this Draft Red Herring Prospectus, such period determined in accordance



with Regulation 26 (6) of the SEBI ICDR Regulations.

3. It is the Legal and Beneficial owner and has full title of its respective portion of the offered Shares.
4. That it shall provide all reasonable co-operation as requested by our Company and the BRLMs in relation to the completion of the Allotment and dispatch of the Allotment Advice and CAN, if required, and refund orders (as applicable) to the requisite extent of its respective portion of the offered Shares.
5. It will not have recourse to the proceeds of the Offer for Sale, until approval for final listing and trading of the Equity Shares is received from the Stock Exchanges.
6. It will deposit its respective portion of the offered Shares in an escrow account opened with the Share Escrow Agent prior to filing of the Prospectus with the RoC.
7. It shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise, to any person for making an Application in the Issue, and shall not make any payment, whether direct or indirect, whether in the nature of discounts, commission, allowance or otherwise, to any person who makes an application in the Issue.
8. That it will provide such reasonable support and extend such reasonable cooperation as may be required by our Company and the LM in redressal of such investor grievances that pertain to the Equity Shares held by it and being offered pursuant to the Issue, except as permitted under applicable law.
9. The Selling Shareholder has authorized the Company Secretary and Compliance Officer of our Company and the Registrar to the Issue to redress any complaints received from Applicants in respect of the Offer for Sale.

UTILIZATION OF FRESH ISSUE PROCEEDS

Our Board 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 Section 40 of the Companies Act, 2013;
2. Details of all monies utilized out of the issue referred to in point 1 above shall be disclosed and continued to be disclosed till the time any part of the issue proceeds remains unutilized under an appropriate separate head in the balance-sheet of the issuer indicating the purpose for which such monies had been utilized;
3. Details of all unutilized monies out of the Issue referred to in 1, if any shall be disclosed under the appropriate head in the balance sheet indicating the form in which such unutilized monies have been invested and
4. Our Company shall comply with the requirements of SEBI (Listing Obligations & Disclosure Requirements) 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. Our Company undertakes that the complaints or comments received in respect of the Offer shall be attended by our Company expeditiously and satisfactorily.

WITHDRAWAL OF THE ISSUE



Our Company, in consultation with the Selling Shareholders and BRLMs, reserves the right not to proceed with the Issue, in whole or any part thereof at any time after the Issue Opening Date but before the Allotment, with assigning reason thereof. The notice of withdrawal will be issued in the same newspapers where the pre-Issue advertisements have appeared within Two days of Issue Closing Date or such other time as may be prescribed by SEBI, providing reasons for such decision and. The BRLMs, through the Registrar to the Issue, will instruct the SCSBs to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed. Notwithstanding the foregoing, the Issue is also subject to obtaining the following:

1. The final listing and trading approvals of the Stock Exchange, which our Company shall apply for after Allotment, and
2. The final RoC approval of the Prospectus after it is filed with the concerned RoC.

If our Company withdraws the Issue after the Issue Closing Date and thereafter determines that it will proceed with an initial public offering of Equity Shares, our Company shall file a fresh Draft Red Herring prospectus with stock exchange.

COMMUNICATIONS

All future communications in connection with the Applications made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Applicant, Application Form number, Applicants Depository Account Details, number of Equity Shares applied for, date of Application form, name and address of the Designated intermediary to the Issue where the Application 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.

ISSUE PROCEDURE FOR ASBA (APPLICATION SUPPORTED BY BLOCKED ACCOUNT) APPLICANTS

In accordance with the SEBI Circular No. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 all the Applicants have to compulsorily apply through the ASBA Process. Our Company and the BRLMs 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 Applicants are advised to make their independent investigations and to ensure that the ASBA Application Form is correctly filled up, as described in this section.

This section is for the information of investors proposing to subscribe to the Issue through the ASBA process. Our Company and the BRLMs 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 Applicants are advised to make their independent investigations and to ensure that the ASBA 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 http://www.sebi.gov.in/cms/sebi_data/attachdocs/1480483399603.html. For details on designated branches of SCSB collecting the Application Form, please refer the above mentioned



SEBI link.

ASBA PROCESS

A Resident Retail Individual Investor shall submit his Application through an Application Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Applicant or bank account utilized by the ASBA Applicant (ASBA Account) is maintained. The SCSB shall block an amount equal to the Application Amount in the bank account specified in the ASBA Application Form, physical or electronic, on the basis of an authorization to this effect given by the account holder at the time of submitting the Application. The Application Amount shall remain blocked in the aforesaid ASBA Account until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against the allocated shares to the ASBA Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Application, as the case may be.

The ASBA data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchange. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant bank accounts and for transferring the amount allocable to the successful ASBA Applicants to the ASBA Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the BRLMs.

ASBA Applicants are required to submit their Applications, either in physical or electronic mode. In case of application in physical mode, the ASBA Applicant shall submit the ASBA Application Form at the Designated Branch of the SCSB. In case of application in electronic form, the ASBA Applicant shall submit the Application Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for applying and blocking funds in the ASBA account held with SCSB, and accordingly registering such Applications.

Who can apply?

Please note that, in accordance with the 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 (Except Anchor investors) applying in a public issue shall use only Application Supported by Blocked Amount (ASBA) facility for making payment. Further, pursuant to SEBI Circular No. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 08, 2019, Retail Individual Investors applying in public Issue may use either Application Supported by Blocked Amount (ASBA) process or UPI payment mechanism by providing UPI ID in the Application Form which is linked from Bank Account of the investor.

Mode of Payment

Upon submission of an Application Form with the SCSB, whether in physical or electronic mode, each ASBA Applicant shall be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount, in the bank account maintained with the SCSB. Application Amount paid in cash, by money order or by postal order or by stock invest, or ASBA Application Form accompanied by cash, money order, postal order or any mode of payment other than blocked amounts in the SCSB bank accounts, shall not be accepted. After verifying that sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Application Amount mentioned in the ASBA Application Form till the Designated Date. On the Designated Date, the SCSBs shall



transfer the amounts allocable to the ASBA Applicants from the respective ASBA Account, in terms of the SEBI Regulations, into the Public Issue Account. The balance amount, if any against the said Application in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue. The entire Application Amount, as per the Application Form submitted by the respective ASBA Applicants, would be required to be blocked in the respective ASBA Accounts until finalization of the Basis of Allotment in the Issue and consequent transfer of the Application Amount against allocated shares to the Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Application, as the case may be.

Unblocking of ASBA Account

On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Applicant to the Public Issue Account as per the provisions of section 40(3) of the Companies Act, 2013 and shall unblock excess amount, if any in the ASBA Account. However, the Application Amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch of the SCSB regarding finalization of the Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or rejection of the ASBA Application, as the case may be.

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RESTRICTION 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 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.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue. The Equity Shares offered in the Issue have not been and will not be registered under the 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 Securities Act and applicable U.S. state securities laws.

Accordingly, the Equity Shares are being offered and sold (i) within the United States to persons reasonably believed to be “qualified institutional investors” (as defined in Rule 144A under the Securities Act) pursuant to Rule 144A under the Securities Act or other applicable exemption under the Securities Act and (ii) outside the United States in offshore transactions in reliance on Regulations under the Securities Act and the applicable laws of the jurisdictions where such offers and sales occur.

The above information is given for the benefit of the Applicants. Our Company and the BRLMs 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.

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OFFER STRUCTURE

This Offer 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 capital is more than ₹ 10 crores and upto ₹ 25 crores, shall issue equity 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 BSE). For further details regarding the salient features and terms of such an offer, please refer chapter titled “Terms of the Offer” and “Offer Procedure” beginning on page no. 271 and 282 respectively of this Draft Red Herring Prospectus.

Present Offer Structure

Initial public offering up to 59,90,400 equity shares of ₹ 5/- each (“equity shares”) of GEM Enviro Management Limited (“GEM” or the “company”) for cash at a price of ₹ [●] /- per equity share (the “Issue Price”), aggregating to ₹ [●] lakhs (“The Offer”), comprising a fresh issue of up to 14,97,600 equity shares aggregating to ₹ [●] lakhs by our company (“Fresh Issue”) and an offer for sale of up to 44,92,800 equity shares by Mr. Sachin Sharma, Mrs. Sangeeta Pareekh, M/s. BLP Equity Research Private Limited and Mr. Sarthak Agarwal (“Selling Shareholders”) aggregating to ₹ [●] lakhs (“Offer for Sale”). Out of the total issue, 3,42,400 equity shares aggregating to ₹ [●] lakhs will be reserved for subscription by market maker (“market maker reservation portion”). The offer less the market maker reservation portion i.e. Offer of 56,48,000 equity shares of face value of ₹ 5.00/- each at an issue price of ₹ [●] /- per equity share aggregating to ₹ [●] lakhs are hereinafter referred to as the “Net Offer”. The offer and the net offer will constitute 26.56% and 25.05%, respectively of the post issue paid up equity share capital of our company.

This Issue is being made by way of Book Building Process (1):

| Particulars of the Issue | Market Maker Reservation Portion | QIBs | Non – Institutional Investors | Retail Individual Investors |
|---|---|--|--|---|
| Number of Equity Shares available for allocation | 3,42,400 Equity shares | [●] Equity shares | [●] Equity shares | [●] Equity shares |
| Percentage of Issue Size Available for allocation | 5.72% of the issue size | Not more than 50.00% of the Net offer size shall be available for allocation to QIBs. However, up to 5.00% of net QIB Portion (excluding the Anchor Investor Portion) will be available for allocation proportionately to Mutual Fund only. Up | Not less than 15.00% of the Offer shall be available for allocation. | Not less than 35.00% shall be available for allocation. |

| | | | | |
|---------------------|---|--|---------------|---|
| | | to 60.00% of the QIB Portion may be available for allocation to Anchor Investors and one third of the Anchor Investors Portion shall be available for allocation to domestic mutual funds only. | | |
| Basis of Allotment | Firm Allotment | Proportionate as follows (excluding the Anchor Investor Portion: (a) up to [●] Equity Shares, shall be available for allocation on a proportionate basis to Mutual Funds only; and; (b) [●] Equity shares shall be allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above [●] Equity Shares may be allocated on a discretionary basis to Anchor Investors For further details please refer to the section titled “Offer Procedure” beginning on page 282. | Proportionate | Allotment to each Retail Individual Bidder shall not be less than the minimum Bid lot, subject to Availability of Equity Shares in the Retail Portion and the remaining available Equity Shares if any, shall be allotted on a proportionate basis. For details see, “Offer Procedure” on Page 282. |
| Mode of Application | All the applicants shall make the application (Online or Physical) through the ASBA Process only (including UPI mechanism for Retail Investors using Syndicate ASBA). | | | |



| | | | | |
|--------------------------|--|---|--|---|
| Minimum Bid Size | [●] Equity Shares in multiple of [●] Equity shares | Such number of Equity Shares and in multiples of [●] Equity Shares that the Bid Amount exceeds ₹ 2,00,000. | Such number of Equity Shares and in multiples of [●] Equity Shares that the Bid Amount exceeds ₹ 2,00,000. | [●] Equity Shares in multiple of [●] Equity shares so that the Bid Amount does not exceed ₹ 2,00,000. |
| Maximum Application Size | [●] 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. |
| Mode of Allotment | Dematerialized Form | | | |
| Trading Lot | [●] 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 and in multiples thereof |
| Terms of Payment | Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder 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. | | | |
| Terms of Payment | Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder 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. | | | |

Note:

1. In case of joint application, the Application Form should contain only the name of the First Applicant whose name should also appear as the first holder of the beneficiary account held in joint names. The



signature of only such First Applicant would be required in the Application Form and such First Applicant would be required in the Application Form and such First Applicant would be deemed to have signed on behalf of the joint holders.

2. *Applicants will be required to confirm and will be deemed to have represented to our Company, the BRLMs, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares in this Issue.*
3. *SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB.*

Lot Size

SEBI vide circular CIR/MRD/DSA/06/2012 dated February 21, 2012 (the Circular) standardized the lot size for Initial Public Offer proposing to list on SME exchange/platform and for the secondary market trading on such exchange/platform, as under:

| Issue Price (in ₹) | Lot Size (No. of shares) |
|----------------------------|---------------------------------|
| Upto 14 | 10000 |
| More than 14 upto 18 | 8000 |
| More than 18 upto 25 | 6000 |
| More than 25 upto 35 | 4000 |
| More than 35 upto 50 | 3000 |
| More than 50 upto 70 | 2000 |
| More than 70 upto 90 | 1600 |
| More than 90 upto 120 | 1200 |
| More than 120 upto 150 | 1000 |
| More than 150 upto 180 | 800 |
| More than 180 upto 250 | 600 |
| More than 250 upto 350 | 400 |
| More than 350 upto 500 | 300 |
| More than 500 upto 600 | 240 |
| More than 600 upto 750 | 200 |
| More than 750 upto 1000 | 160 |
| Above 1000 | 100 |

Further to the Circular, at the initial public offer stage the Registrar to Issue in consultation with BRLMs, our Company and BSE shall ensure to finalize the basis of allotment in minimum lots and in multiples of minimum lot size, as per the above given table. The secondary market trading lot size shall be the same, as shall be the initial public offer lot size at the application/allotment stage, facilitating secondary market trading.

WITHDRAWAL OF THE ISSUE

In accordance with SEBI (ICDR) Regulations, the Company, in consultation with the Selling Shareholders and Book Running Lead Managers, reserves the right to 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, where the Registered office of the Company is situated.

The Book Running Lead Managers, through the Registrar to the Issue, will instruct the SCSBs, to unblock the ASBA Accounts within 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 approval of the Stock Exchange, which our Company will apply for only after Allotment; and (ii) the registration of Draft Red Herring Prospectus/ Red Herring Prospectus with RoC.

JURISDICTION

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities at Delhi.

ISSUE PROGRAMME

| | |
|---------------------------|-----|
| ISSUE OPENING DATE | [●] |
| ISSUE CLOSING DATE | [●] |

Applications and any revisions to the same will be accepted only between 10.00 a.m. to 5.00 p.m. (Indian Standard Time) during the Issue Period at the Application Centres mentioned in the Application Form, or in the case of ASBA Applicants, at the Designated Bank Branches except that on the Issue closing date when applications will be accepted only between 10.00 a.m. to 2.00 p.m.

In case of discrepancy in the data entered in the electronic book vis a vis the data contained in the physical bidform, for a particular bidder, the detail as per physical application form of that bidder may be taken as the final data for the purpose of allotment.

Standardization of cut-off time for uploading of applications on the issue closing date:

- (a) A standard cut-off time of 3.00 PM for acceptance of applications.
- (b) A standard cut-off time of 4.00 PM for uploading of applications received from non-retail applicants i.e. QIBs, HNIs and employees (if any).

A standard cut-off time of 5.00 PM for uploading of applications received from only retail applicants, which may be extended up to such time as deemed fit by Stock Exchanges after taking into account the total number of applications received upto the closure of timings and reported by BRLMs to the Exchange within half an hour of such closure.

Applications will be accepted only on Working Days, i.e., Monday to Friday (excluding any public holiday).



SECTION IX – MAIN PROVISION OF ARTICLE OF ASSOCIATION

THE COMPANIES ACT, 2013

(COMPANY LIMITED BY SHARES)

*ARTICLES OF ASSOCIATION

OF

GEM ENVIRO MANAGEMENT LIMITED

(Incorporated under the Companies Act, 1956)

PRELIMINARY

I. 1. Subject as hereinafter provided the Regulations contained in Table 'F' in the First Schedule to the Companies Act, 2013 shall apply to the Company except in so far as otherwise expressly incorporated herein below.

INTERPRETATION

2. (1) In these Regulations unless the context otherwise require:

a) "Company" means **GEM ENVIRO MANAGEMENT LIMITED.**

(b) "Office" means the Registered Office of the Company.

(c) "Act" means the Companies Act, 1956, and Companies Act, 2013 and any statutory modification thereof.

(d) "Seal" means the Common Seal of the Company.

(e) "Director" means a director appointed to the Board of a company;.

(2) Unless the context otherwise requires words or expressions contained in these Articles shall be the same meaning as in the Act, or any statutory modification thereof in force at the date at which these Articles become binding on the Company.

Share capital and variation of rights

II.1. (i) 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.

(ii) The option or right to call of shares shall not be given to any person or persons without the sanction of the Company in General Meeting.

2. (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,—

(a) one certificate for all his shares without payment of any charges; or

(b) several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.

(ii) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.

(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.

3. (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.

(ii) The provisions of Articles (2) and (3) shall mutatis mutandis apply to debentures of the company.

4. Except as required by law, no person shall be recognised 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 recognise (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.

5. (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.

(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.

(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.

6. (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.

(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.



7. 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 par- passu therewith.

8. 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.

Lien

9. (i) The company shall have a first and paramount lien— (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 (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:

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.

(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.

10. 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—

(a) unless a sum in respect of which the lien exists is presently payable; or

(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.

11. (i) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.

(ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.

(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.

12. (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.

(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.

Call on shares



13. (i) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their 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: 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.

(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.

(iii) A call may be revoked or postponed at the discretion of the Board.

14. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by installments.

15. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

16. (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 percent per annum or at such lower rate, if any, as the Board may determine.

(ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.

17. (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.

(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.

18. The Board—

(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

(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 percent per annum, as may be agreed upon between the Board and the member paying the sum in advance.

Transfer of securities

19. (i) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.



(ii) 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.

20. The Board may, subject to the right of appeal conferred by section 58 declines 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.

21. The Board may decline to recognise any instrument of transfer unless—

- (a) The instrument of transfer shall be in writing and a common form of transfer shall be used and all provisions of Section 56 of the Companies Act, 2013 and statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof.;
- (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
- (c) the instrument of transfer is in respect of only one class of shares.

22. 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:

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.

Transmission of securities

23. (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.

(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.

24. (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—

- (a) to be registered himself as holder of the share; or
- (b) to make such transfer of the share as the deceased or insolvent member could have made.

(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.



25. (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.

(ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

(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.

26. 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:

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.

27. If a member fails to pay any call, or installment 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 installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.

28. The notice aforesaid shall—

(a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and

(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.

29. 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.

30. (i) A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit

(ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

31. (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.



(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.

32. (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;

(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;

(iii) The transferee shall thereupon be registered as the holder of the share; and

(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.

33. 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.

Alteration of capital

34. 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.

35. Subject to the provisions of section 61, the company may, by ordinary resolution, —

- a) Consolidate and divide all or any of its share capital into shares of larger amount than its existing shares.
- b) convert all or any of its fully paid-up shares into stock and reconvert that stock into fully paid-up shares of any denomination.
- c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum.
- d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

36. Where shares are converted into stock, —

- (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:

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.



- (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.
- (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 “stockholder” respectively.

37. The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorized and consent required by law, —

- (a) its share capital.
- (b) any capital redemption reserve account; or
- (c) any share premium account.

Capitalisation of profits

38. (i) The company in general meeting may, upon the recommendation of the Board, resolve—

(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

(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.

(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—

(A) paying up any amounts for the time being unpaid on any shares held by such members respectively.

(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.

(C) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B);

(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.

(E) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.

39. (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall—



(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

(b) generally, do all acts and things required to give effect thereto.

(ii) The Board shall have power—

(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

(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;

(iii) Any agreement made under such authority shall be effective and binding on such members.

Buy-back of shares

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.

General meeting

41. All general meetings other than annual general meeting shall be called extraordinary general meeting.

42. (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.

(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.

Proceedings of general meetings

43. (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.

(ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.

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.

Adjournment of meetings

47.(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.

(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.

(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.

(iv) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting

Voting rights

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) in 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.

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 meetings 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.

Proxy

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.

Board of directors

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.

59. As on the date of adoption of these articles, the following are the Directors of the Company.

1. Dinesh Pareekh
2. Sachin Sharma

60. (i) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.

(ii) 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—

(a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or

(b) in connection with the business of the company.

61. The Board may pay all expenses incurred in getting up and registering the company.



62. 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.

63. 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.

64. 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.

65. (i) 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.

(ii) 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.

Proceeding of the board

66. (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.

(ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.

67. (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

68. 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.

69. (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.

70. (i) 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.



(ii) 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.

71. (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.

72. (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.

73. 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.

74. 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.

75. The Directors may, from time to time, secure the payment of such money in such manner and upon such terms and conditions in all respects as they deem fit and in particular by the issue of bonds or debentures or by pledge, mortgage, charge or any other security on all or any properties of the Company (both present and future) including its uncalled capital for the time being.

Chief Executive Officer, Manager, Managing Director, Company Secretary or Chief Financial Officer

76. Subject to the provisions of the Act, —

(i) A chief executive officer, manager, managing director, 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 think 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, Managing Director, company secretary or chief financial officer.

77. 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.

Power of directors



78. Subject to the Section 179 of the Act, the Board of Director shall have the right to delegate any of their powers to such managers, agents or other persons as they may deem fit and may at their own discretion revoke such powers.

79. The Directors shall have powers for the engagement and dismissal of managers, engineers, clerks and assistants and shall have power of general direction, management and superintendence of the business of the Company with full powers to do all such acts, matters and things deemed necessary, proper or expedient for carrying on the business of the Company, and to make and sign all such contracts and to draw and accept on behalf of the Company all such bills of exchange, hundies, cheques, drafts and other Government papers and instruments that shall be necessary, proper or expedient, for the authority and direction of the Company except only such of them as by the Act or by these presents are expressly directed to be exercised by share-holders in the general meetings

Secrecy

80. Every manager, auditor, trustee, member of a committee, officer, servant, agent, accountant or other person employed in the business of the Company shall, if so required by the Board of Directors, before entering upon the duties, sign a declaration pledging himself to observe strict secrecy respecting all bonafide transactions of the Company with its customers and the state of accounts with individuals and in matters relating thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required to do so by the Directors or by any general meeting or by the law of the country and except so far as may be necessary in order to comply with any of the provisions in these presents and the provisions of the Companies Act, 1956 or Companies Act, 2013, as applicable.

Borrowing power

81. Subject to the applicable provisions of Act, the Directors shall have the power, from time to time and at their discretion, to borrow, raise or secure the payment of any sum of money for the purpose of the Company in such manner and upon such terms and conditions in all respects as they think fit and in particular by the issue of debentures of bonds of the Company or by mortgage or charge upon all or any of the properties of the Company both present and future including its uncalled capital for the time being.

Operation of bank accounts

82. The Directors shall have power to open bank accounts, to sign cheques on behalf of the Company and to operate all banking accounts of the Company and to receive payments, make endorsements, draw and accept negotiable instruments, hundies and bills or may authorise and other person or persons to exercise such powers.

Audit

83. The first auditors of the Company shall be appointed by the Board of Directors within one month after its incorporation who shall hold office till the conclusion of first annual general meeting.

84. The directors may fill up any casual vacancy in the office of the auditors.

85. The remuneration of the auditors shall be fixed by the Company in the annual general meeting except that remuneration of the first or any auditors appointed by the directors may be fixed by the Board of Directors.



The seal

86. (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.

Dividend and reserves

87. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

88. 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.

89. (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, think 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.

90. Where the capital is paid in advance of the calls upon the footing that the same shall carry interest, such capital shall not, whilst carrying interest, confer a right to dividend or to participate in profits.

91. (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.

92. 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.



93. Where the Company has declared a dividend but which has not been paid or claimed within 30 days from the date of declaration, to any shareholder entitled to the payment of dividend, the Company shall within seven days from the date of expiry of the said period of thirty days, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of thirty days, to a special account to be opened by the Company in that behalf in any scheduled bank, to be called “_____ Unpaid Dividend Account”. Any money transferred to the unpaid dividend account of a company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the company to the Fund known as Investor Education and Protection Fund established under section 125 of the Companies Act, 2013. No unclaimed or unpaid dividend shall be forfeited by the Board.

94. (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.

95. 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.

96. 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.

97. No dividend shall bear interest against the company.

Accounts

98. (i) The Board shall from time to time determine whether and to what extent and at what times and places and 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.

(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.

Winding up

99. Subject to the provisions of Chapter XX of the Act and rules made thereunder—

(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.

(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.

(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.



Indemnity

100.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.

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SECTION X - OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts and documents which have been entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of the Draft Red Herring Prospectus) which are or may be deemed material will be attached to the copy of the Draft Red Herring Prospectus which will be delivered to the RoC for filing. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office between 10 a.m. IST and 5 p.m. IST on all Working Days from date of the Draft Red Herring Prospectus until the Bid/Offer Closing Date.

Any of the contracts or documents mentioned in this 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 other parties, without reference to the Shareholders, subject to compliance of the provisions contained in the Companies Act and other Applicable Law.

MATERIAL CONTRACTS

1. Offer Agreement dated January 04, 2024 entered into among our Company, the Selling Shareholders and the BRLMs.
2. Agreement dated February 07, 2024, entered into among our Company, Selling Shareholders and the Registrar to the Offer.
3. Public Issue Account agreement dated [●] entered into among our Company, the Selling Shareholders, the Book Running Lead Managers, the Public Issue Bank/Banker to Issue, and the Registrar to the Issue.
4. Share Escrow Agreement dated [●] entered into between the Selling Shareholders, our Company and the Share Escrow Agent.
5. Underwriting Agreement dated February 07, 2024 between our Company, the Selling Shareholders and the Underwriters.
6. Market Making Agreement dated February 07, 2024 between our Company, the Book Running Lead Managers and the Market Maker.
7. Tripartite agreement dated November 06, 2023 among NSDL, our Company and the Registrar to the Issue.
8. Tripartite agreement dated November 06, 2023, among CDSL, our Company and the Registrar to the Issue.

MATERIAL DOCUMENTS

1. Our Memorandum and Articles of Association, as amended from time to time.
2. Our certificate of incorporation dated February 01, 2013, fresh certificate of incorporation dated November 04, 2013, pursuant to name change and certificate dated October 18, 2023 consequent to conversion of our Company to a public limited company.
3. Resolution of the Board of Directors dated December 06, 2023 and December 27, 2023 authorising the Issue and other related matter.
4. Resolution of the shareholders dated December 08, 2023, and December 28, 2023 section 62(1)(c) of the Companies Act, 2013 authorising the Issue and other related matter.
5. Resolution of the Board of Directors of the Company dated January 05, 2024 taking on record the approval for the Offer for Sale by the Selling Shareholders.
6. Resolution of the Board of Directors of the Company dated February 12, 2024 approving the Draft Red Herring Prospectus for filing with the Stock Exchanges.



7. Consent letters dated December 29, 2023 from Mr. Sachin Sharma, Mrs. Sangeeta Pareekh, BLP Equity Research Private Limited and Mr. Sarthak Agarwal, as Selling Shareholders in relation to the Offer for Sale.
8. Consents of Directors, Company Secretary and Compliance Officer, Chief Financial Officer, Statutory Auditors, the Book Running Lead Managers, Registrar to the Issue, Peer review Auditor, Legal Advisor and Market Maker to act in their respective capacities.
9. Peer Review Auditors Report dated December 29, 2023 on Restated Financial Statements of our Company for the period ended September 30, 2023 and the years ended March 31, 2023, 2022 and 2021.
10. Statement of tax benefits from M/s Rajiv Mehrotra & Associates, Chartered Accountants dated December 29, 2023.
11. The Report dated February 06, 2024 by Legal Advisor to the Company confirming status of Outstanding Litigation and Material Development.
12. Copy of approval from BSE vide letter dated [●] to use the name of BSE in the Prospectus for listing of Equity Shares on SME Platform of BSE.
13. Due Diligence Certificate submitted to SEBI dated [●] from Book Running Lead Managers to the Issue.
14. Key Performance Indicator Certificate provided by M/s Rajiv Mehrotra & Associates, Chartered Accountants dated December 29, 2023.
15. Resolution of the Audit Committee dated January 05, 2024 approving our key performance indicators.

Any of the contracts or documents mentioned in this 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 other parties, with the approval of shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

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SECTION XI - DECLARATION

We, hereby declare that, all the relevant provisions of Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities Exchange Board of India Act, 1992, as the case may be, have been complied with no statement made in the Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made there under or regulations/guidelines issued, as the case may be. We further certify that all the statements made in this Draft Red Herring Prospectus are true and correct.

| Signed by the Directors of our Company | | | | |
|---|------------------------|-----------------|--|------------------|
| Sr. No. | Name | Category | Designation | Signature |
| 1. | Mr. Dinesh Pareekh | Non-Executive | Chairman, Director | Sd/- |
| 2. | Mr. Sachin Sharma | Executive | Managing Director | Sd/- |
| 3. | Mr. Anil Kumar Behl | Non- Executive | Independent Director | Sd/- |
| 4. | Mrs. Mamta Gupta | Non- Executive | Independent Director | Sd/- |
| Signed by the Chief Financial Officer and Company Secretary of our Company | | | | |
| 8. | Mr. Vijay Kumar Sharma | Full-time | Company Secretary and Compliance Officer | Sd/- |
| 9. | Mr. Amar jeet | Full-time | Chief Financial Officer | Sd/- |

Place: Delhi

Date: February 12, 2024

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